PARLIAMENTARY DEBATES

(HANSARD)

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HOUSE OF COMMONS

OFFICIAL REPORT

THIRD SESSION OF THE FIFTY-FOURTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2007–2008

COMPRISING PERIOD
25 March 2008—25 April 2008

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(FORMED BY THE RT. HON. GORDON BROWN, MP, JUNE 2007)

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OFFICIAL REPORT

IN THE THIRD SESSION OF THE FIFTY-FOURTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 11 MAY 2005]

FIFTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES VOLUME 474

EIGHTH VOLUME OF SESSION 2007-2008

House of Commons

Tuesday 25 March 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH OFFICE

The Secretary of State was asked—

Iraq

1. **Mr. Tobias Ellwood** (Bournemouth, East) (Con): What assessment he has made of the effect of the situation in Iraq on the UK's foreign policy goals. [196044]

The Minister for the Middle East (Dr. Kim Howells): The United Kingdom, with its international partners, remains committed to supporting Iraq's development into a secure and stable country, able to play its rightful role in the region and within the international community. This is consistent with our proactive approach to foreign policy, centred on the strategic goals that my right hon. Friend the Foreign Secretary outlined to the House on 8 January 2008.

Mr. Ellwood: On 23 May 2003, Jerry Bremer, head of the coalition provincial authority, ordered the dissolution of the Iraqi army. A week before that, he had disbanded the Ba'ath party, alienating tens of thousands of Iraqis, including some 40,000 teachers and as many nurses and doctors. Will the Minister now concede that those were two of the biggest schoolboy errors in recent peacekeeping history and explain why Britain supported those decisions?

Dr. Howells: I do not think that "schoolboy errors" is the right description. I know that the hon. Gentleman understands that tremendous resentment was felt towards the Ba'ath party and the Iraqi army for what they had done over the previous 10 years, including the appalling events in Kurdistan and the massacre of Shi'a s in the south. If he is asking whether I think, with the benefit of hindsight, that it was a mistake to do that, I shall defer to the hon. Member for Mid-Norfolk (Mr. Simpson) who is, among other things, a military historian, and can give his hon. Friend a more considered view. I think that it is easy to look at things with hindsight and to assume that the facts as we now know them were apparent at the time.

Mr. Denis MacShane (Rotherham) (Lab): Are we not seeing a post-Iraq foreign policy emerging, exemplified by President Sarkozy's visit here, his desire to see a reintegration with NATO and to send more troops to Afghanistan, and also by Senator John McCain's statement on the front page of *Le Monde* at the weekend that the US must listen to its allies and rebuild relations with Europe? Is not the real lesson to learn that Europe and the US must work together and the US must listen to Europe? Britain has to be a leader in Europe, and the way forward is neither the anti-European populism of the right nor the stupid anti-US rhetoric of the left.

Dr. Howells: There is very little I disagree with in that.

Mr. Crispin Blunt (Reigate) (Con): The Minister will know as well as anyone the amount of disappointment felt by Britain's allies in the middle east at our failure to exercise more influence over the course of events in Iraq, in particular on the mistakes in American policy.

Could the Minister give his assessment of the damage that has been done to the achievement of British foreign policy goals by the damage to our influence with our friends in the region?

Dr. Howells: I admire the hon. Gentleman's interest in this issue and I always have done. However, if he is implying that what Britain has done in the middle east is somehow more damaging than, for example, the duplicity that we have witnessed from some of the capitals in the middle east on issues such as Lebanon or support for the rejectionists in Gaza and the west bank, I disagree. The real damage is being done by those who want to see the middle east not as a settled, prosperous area, but under the influence of certain extremist groups and terrorists.

Sarah McCarthy-Fry (Portsmouth, North) (Lab/Co-op): Last month I was in the Kurdistan region of Iraq, and I met women's groups and trade union groups. Does my hon. Friend agree that it is by forging links with such groups seeking social justice that we will achieve our foreign policy goals in Iraq?

Dr. Howells: Yes, it is important to stress that there are parts of Iraq that have done extremely well over the past year or so. Like my hon. Friend, I visited Irbil recently and saw the encouraging developments there. What is required now is a sense of unity between Irbil, Baghdad and Basra that will enable that country to start to tap its enormous potential, because it could be very prosperous and a key country for the whole middle eastern region.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Does the Minister understand that many of us believe that our involvement in Iraq has done immense damage to Britain's national and international interests, and that that is one of several disreputable reasons why the present Government will not allow an immediate inquiry into Iraq?

Dr. Howells: No, I certainly do not agree. I do agree that our involvement in Iraq has generated tremendous controversy, and we have to accept that. It would be silly to deny it. However, on the other hand, I ask the right hon. and learned Gentleman to consider that Iraq is not now in a position to attack its neighbours, to gas and poison its own people or to commit the sort of atrocities that occurred before Saddam Hussein was removed.

Gaza

2. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What recent discussions he has had at EU level and at the United Nations on the political situation in Gaza; and if he will make a statement. [196045]

7. **Andrew Gwynne** (Denton and Reddish) (Lab): What assessment he has made of the situation in Gaza and its impact on the middle east peace process. [196050]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): We have been working with partners to address the situation in Gaza. I have recently been in contact with the key players, including the UN Secretary-General and EU colleagues as well as leading figures in the region. The EU presidency issued a statement following the European Council last week. We call on all parties to exercise restraint and minimise civilian casualties, and we use our aid resources to mitigate the worst aspects of the situation. However, a lasting solution can come only from a strong political process, to which we are contributing. Rejectionists must not divert us from that path.

David Taylor: Foreign politicians by the planeload arrive in Jerusalem to heap praise upon the Israeli Government, but none goes to the Gaza strip to see how Israel's sanctions and its siege of the 1.5 million Palestinians have caused economic collapse, starvation, pitiful conditions and hundreds of deaths. Will the Foreign Secretary condemn Israel's actions at the EU and UN, as a political and moral obligation, and so end the collective international blindness to those outrages and deafness to Gaza's cries of despair, and the silence as Israel suppresses and destroys with impunity?

David Miliband: I know that my hon. Friend has followed the issue for some time. In respect of actions, we can point to the genuine work that this Government are doing, I think with the support of the whole House, to try to mitigate the worst aspects of the humanitarian situation. Some £30 million was given last year, as part of an €800 million contribution from across the European Union.

In respect of statements, I refer my hon. Friend to what I said on 2 March, which I think was the most recent occasion on which I commented on Israel's actions in this area. I said:

> "Israel's right to security and self-defence is clear and must be reiterated and supported. But measures taken in response to rockets must be in accordance with international law, minimising the suffering for innocent civilians, and maximising the scope for political negotiations to be restarted."

I hope that that is a point of unity in the House. However, two weeks ago I met the mayor of Sderot, a town that has been the subject of 7,000 rocket attacks, I think, in the past decade, and I hope that it is also a point of unity that suffering and insecurity on a terrible scale are being suffered in Israel as well. From our point of view, the Palestinian suffering and Israeli insecurity are two sides of the same coin, and they need to be addressed together.

Andrew Gwynne: I, too, met the mayor of Sderot. With rocket attacks increasing to more than 250 a month on both Sderot and Ashkelon, and with the Israeli counter-measures in Gaza, may I urge my right hon. Friend to redouble the efforts of the UK Government to get both the Palestinians and the Israelis talking again, particularly President Abbas and Prime Minister Olmert, to seek the peaceful resolution and two-state solution that I believe we both want to see?

David Miliband: My hon. Friend makes a very important point, and I would say two things in response. First, the discussions between President Abbas and Prime Minister Olmert, which have continued throughout the past few weeks, when violence has been at a very high level, speak to the commitment of both those leaders to see

through the Annapolis peace process that has started—a process fragile in many ways, but none the less better than having no process at all, which has been the problem for the past seven years.

Secondly, it is important to continue to emphasise that the goal of a two-state solution has cross-party support in the United Kingdom, and we certainly want to contribute to it in practical ways. The next stage will be the next meeting of the ad hoc liaison committee, a key group of countries that supports the development of a Palestinian state and a Palestinian economy. It will be meeting in London, under the chairmanship of myself and my right hon. Friend the Secretary of State for International Development, on 2 May. It will be an important occasion to take forward practical and political measures.

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): Since Israeli disengagement in Gaza back in 2005, there have been something like 4,000 rocket attacks emanating from there into Israeli territory. Those rocket attacks are not just perpetrated by Hamas; the al-Aqsa brigade is involved. What specific pressure are the Government bringing to bear on the Palestinian Authority to stop those attacks on Israel?

David Miliband: The hon. Gentleman raises an important matter. Of course, the split that now exists within the Palestinian population, between Gaza and the west bank, is one of the most significant problems. The absence of the Palestinian Authority in Gaza is a significant issue that blocks progress. We are supporting the reopening of the crossings from Gaza into Israel, which would involve the Palestinian Authority, giving it a new bridgehead back into Gaza. I continue to believe that the leadership of President Abbas, who has been elected by all the Palestinian people, offers the best hope of progress. The hon. Gentleman's wider point deserves wider discussion, because he is right to say that the rocket attacks have not come only from Hamas, although they have come predominantly from Hamas.

Sir Peter Tapsell (Louth and Horncastle) (Con): Does the Foreign Office, with its long and expert knowledge of the area, regard it as a success that its Secretary of State seems sensationally to have overturned 1,300 years of Islamic antagonisms by driving Sunni Hamas into the arms of Shi'a Hezbollah? Both groups are being armed by Shi'ite Iran, so that the possibility of a two-power settlement without the involvement of all three now looks very remote.

David Miliband: I think that the past 40 years of history are more important than the 1,300 years that the hon. Gentleman referred to. I fear that he is right to say that the prospect of a two-state solution is further away than it has been for many years, but that redoubles the importance of the very fragile peace process that has been started. Iran's support for terrorism in the region is a significant matter and one that we have raised directly with the Iranian authorities. It obviously causes genuine instability across the region, and we should all be seeking to counteract it.

Richard Burden (Birmingham, Northfield) (Lab): Does my right hon. Friend agree that it is hard to see how there can be a durable peace between Israel and the Palestinians while the latter remain divided between Gaza and the west bank, Hamas and Fatah? Will he therefore welcome the discussions over the past five days between Fatah and Hamas to promote national reconciliation? Does he agree that our job is to win both groups over to an effective peace process and not, as Vice-President Cheney appears to have been doing over the weekend, to try to drive Hamas further away from that process?

David Miliband: Our job is to support everyone who is committed to a peaceful resolution on the basis of two states able to live side by side. The unity of the Palestinian people under the leadership of Mahmoud Abbas is something that we should all support.

Mr. David Lidington (Aylesbury) (Con): I endorse what the Secretary of State has said, and the Opposition accept that security and the need to tackle the humanitarian catastrophe taking place in the Gaza strip are inextricably linked. What contact are he and his colleagues having with the Egyptian Government? Does he agree that the Egyptian authorities are crucial to ensuring that explosives and materials for making rockets do not get through the tunnels into the Gaza strip, from where they can threaten Israeli cities? Are they not also crucial to efforts to reopen the border crossings, so that legitimate trade can resume in the not-too-distant future, as we both hope?

David Miliband: It is for precisely that reason that I went to Cairo two months ago, and it is also why I spoke to the Egyptian Foreign Minister the Friday before last. Egypt has an absolutely pivotal role to play, both in practical terms in respect of the smuggling to which the hon. Gentleman rightly referred—and which is a long-term and not a short-term problem—and in respect of the crossings. Twenty-two nations supported the Arab peace initiative, which remains a very important contribution to the peace process. It shows that moderate Arab opinion is rallying around reconciliation with Israel, and reflects the Arab world's determination to take its responsibilities very seriously. That is to be wholly welcomed, and I know that Egypt's Foreign Minister is determined to continue to play what is an important role for Egypt and other leading nations.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Hamas goes on indiscriminately murdering innocent Israelis, including children and babies, while the Israeli forces continue indiscriminately murdering Palestinians in Gaza, including children and babies. The Israelis continue to break international law by building an illegal wall, expanding illegal settlements and imposing collective punishment on the people of Gaza. When are the Quartet going to do something other than utter platitudes that get no one anywhere?

David Miliband: My right hon. Friend makes an important comment about the role of the Quartet. The economic work that the Quartet is taking forward is important, although it is frustrated by the current insecurity, and I know that discussions are going on about the Quartet's next meeting in an attempt to forge a more active unity. As he knows, our position is that the settlements are illegal under international law. I am glad to hear him repeat that the indiscriminate terrorism of Hamas is a murderous attack on the peace process, as well as on the individuals who are affected.

India

3. **Dr. Ashok Kumar** (Middlesbrough, South and East Cleveland) (Lab): If he will make a statement on UK relations with India. [196046]

The Minister for the Middle East (Dr. Kim Howells): The United Kingdom enjoys a strong partnership with India based on the shared values of democracy, fundamental freedoms, pluralism, rule of law and respect for human rights. The Prime Minister's recent visit to New Delhi strengthened that partnership by ensuring that progress was made on a range of bilateral and wider international issues. Both sides will use the outcome of the visit to deepen the relationship further.

Dr. Kumar: I thank my hon. Friend for that reply, but does he recall the joint declaration signed in September 2004 by our Government and the Indian Government? In the declaration, it was agreed that both sides would pursue permanent membership of the United Nations Security Council for India. What progress has been made, and what effort has the Minister made to ensure that the Indians succeed in gaining that seat?

Dr. Howells: The United Kingdom publicly and consistently champions reform of the UN, including the introduction of an enlarged UN Security Council, with a permanent seat for India. The Prime Minister reaffirmed the United Kingdom's support for India's candidacy during his speech in Delhi in January. Our mission in New York is trying to break the long-standing deadlock over reform, and we will continue with our efforts to persuade Governments that India should have a permanent seat on the Security Council—alongside Brazil, Japan and Germany, in our view—and that there should be representation from Africa.

Paul Rowen (Rochdale) (LD): The Minister will be aware that India has gone to war with Pakistan over Kashmir three times since independence, and that both India and Pakistan are nuclear states. What discussions has he or other Ministers had about a way forward for Kashmir?

Dr. Howells: The hon. Gentleman is right: back in 2002, those two nuclear states were facing each other in what was probably the most dangerous confrontation anywhere on Earth. I am sure that he will agree with me that we should be greatly encouraged by the fact that India and Pakistan are dealing with the matter themselves. It will be interesting to see how quickly the new Pakistani Government take up the mantle and ensure that the peace that is thankfully now being experienced in Kashmir becomes permanent.

Burma

4. **Ann McKechin** (Glasgow, North) (Lab): What assessment he has made of the outcome of the UN special envoy's recent visit to Burma. [196047]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Meg Munn): We were disappointed by the regime's refusal to engage with the UN special envoy on Burma, Ibrahim Gambari, during his visit. It shows no willingness to meet the demands of the international community, in particular the need for a genuine and inclusive process of national reconciliation. The regime is determined to press ahead with its flawed road map process, which risks entrenching division and instability in the country.

Ann McKechin: I thank my hon. Friend for her comments, and I share her disappointment with the outcome of the recent visit by the UN envoy. Does she share my concern about the proposed referendum that the Burmese regime anticipates will take place in May? It is likely that it will wish to retain a large block vote for the military in the new Parliament, and to ban opposition leaders. What dialogue has she had with Burma's neighbours, including China and India, on what they will do to put pressure on the Burmese regime to ensure that the process is much more democratic than is currently proposed?

Meg Munn: My hon. Friend is absolutely right: the proposals give no cause for optimism at all. There is no inclusive process in the proposals; indeed, the constitution on which the referendum would take place has not been seen. She rightly identifies the important role of China and India. My right hon. and noble Friend Lord Malloch-Brown has done a great deal to work with them. The Prime Minister raised the matters on his visits to China and India, and we will continue to press them to use their influence.

John Bercow (Buckingham) (Con): On 19 November 2007, in response to the institutionalised bestiality of the Burmese regime, the Council of the European Union announced new sanctions in respect of the Government of Burma covering gems, metal and timber; 127 days later, why have those sanctions not been fully implemented? When does the Under-Secretary of State estimate that they will be, and do the Government intend to press for a strengthening of the EU common position, including a ban on all investment, when the matter comes up for consideration next month?

Meg Munn: As the hon. Gentleman will be aware, the EU ban on those matters was formalised in January, so sanctions should be in force, and we are monitoring their effect. However, we are not complacent, and we will consider pressing for further sanctions if the regime does not continue to take steps along the lines set out by the United Nations.

Mr. Gregory Campbell (East Londonderry) (DUP): Peaceful attempts have been made to demand democratic values in Burma and other locations across the globe. What specific attention have the Government given to efforts to support those peaceful attempts, particularly by the opposition in Burma?

Meg Munn: The Government are in touch with a range of countries in the region, particularly neighbouring countries: not just China and India but the ASEAN—Association of South East Asian Nations—countries. ASEAN has made a decision to step back, but individual countries such as Thailand, Indonesia and Malaysia have proposed talking to the Burmese about encouraging peaceful ways forward, and we support those efforts.

Mike Gapes (Ilford, South) (Lab/Co-op): A few weeks ago, I met Piero Fassino, the EU's envoy to Burma, who has been unable to go there since he was appointed, which indicates the military regime's attitude. What steps can my hon. Friend and her fellow Ministers in the EU take to press for tougher, co-ordinated international action, both within the EU and through their contacts with other international organisations?

Meg Munn: My hon. Friend is right that we should seek to get the Burmese regime to co-operate with a number of processes to demonstrate that it is willing to move towards a more democratic situation. We remain engaged in the United Nations through the Secretary-General's "group of friends". We are involved, too, through the EU, and as I have said, we continue to lobby and discuss the situation with countries in the region. We want Sergio Pinheiro, the UN human rights envoy, to be able to return and make a proper assessment of the human rights situation in Burma, and that is something to which we have given priority.

Mr. Keith Simpson (Mid-Norfolk) (Con): Ministers have said on many occasions that the Government would support further action at the UN and through the EU on Burma if the Burmese Government failed to make progress on political reform and reconciliation. It appears to many hon. Members that the Burmese Government do not respond to virtually anything; the only thing to which they seem to respond in a small way is strong international opinion. Given that Mr. Gambari has said that his visit did not yield "any tangible outcome", will the Government push for Burma to be put on the UN Security Council's formal agenda, and for meaningful action such as a UN arms embargo to be finally adopted?

Meg Munn: The hon. Gentleman raises some important matters. We are concerned about the lack of progress and, indeed, in some respects, matters have gone backwards. We would certainly consider pushing for the issue to be discussed further at the UN, and we would support a UN call for an arms embargo.

Iran (Women's Rights)

6. **Sandra Gidley** (Romsey) (LD): What reports he has received on the treatment of women's rights campaigners in Iran; and if he will make a statement. [196049]

The Minister for the Middle East (Dr. Kim Howells): The Government are very concerned about the increasing repression of women's rights activists in Iran. Reports have reached us that dozens of women have been arrested and sentenced for campaigning peacefully for reform of discriminatory laws in the country. Protection of human rights defenders and freedom of expression is crucial to the promotion of human rights. We reiterate the EU's recent call for Iran to

"put an end to all acts of harassment against all Iranian human rights defenders".

Sandra Gidley: I thank the Minister for his reply. In addition to being arbitrarily arrested and detained, women are being ill-treated in prison and denied access to legal redress. It may be very well to support EU action, but what positive action has the Minister taken alongside other EU countries to bring those practices to an end?

Dr. Howells: I can certainly tell the hon. Lady that the United Kingdom has been in the forefront of efforts to persuade EU member states to take much stronger action against Iran, principally for its general abuse of human rights. It is the country that executes the second highest number of prisoners in the world, after China, and those executions very often take place publicly under barbaric conditions. It is also the country that has brought back all sorts of barbaric punishments, such as stoning to death. I have demarched the Iranian ambassador to the United Kingdom about that, and I know that a number of other European states have done the same. I can assure the hon. Lady that we will keep up that pressure.

Mr. David Drew (Stroud) (Lab/Co-op): I hear what my hon. Friend says, but I wonder what other action we can take to deal with the problem of the abuse of women and also, as he rightly says, Iran's terrible record with regard to capital punishment. Is it not time that the UN took that up more seriously? We hear about the threat of nuclear proliferation, but Iran's treatment of its people should also be at the forefront of our mind. What does my hon. Friend intend to do about that?

Dr. Howells: The Government are publishing their human rights report today, in which, unfortunately, Iran features heavily. My hon. Friend is right. We believe that there ought to be much more concerted action on the part of the United Nations to persuade the Iranian Government that if Iran is to be, as it purports to want to be, a modern democratic state, it could begin quickly and easily to be so by stopping the abuse of human rights and the barbaric punishments that it uses.

Miss Julie Kirkbride (Bromsgrove) (Con): I am glad to hear that the Minister and the Government take seriously the appalling treatment of women in Iran. Can he share with the House the Foreign Office's assessment of what happened last week in parliamentary elections, and whether the so-called conservative consolidation in those elections may even make matters worse?

Dr. Howells: I think there is a question coming up on that, but I can say that I, for one, was disappointed by the apparent outcome of that election, but we have heard since that there is now quite a strong group in Parliament that refers to itself as pragmatic conservatives. I do not know whether the hon. Lady knows what that means, and whether she would recognise that term. It should be a great cause for concern among all politicians inside Iran that a country that is potentially as great and as wealthy as Iran ought to be is better known for human rights abuses against women and against many other parts of the population than it is for its great history and great potential.

Mr. Mark Francois (Rayleigh) (Con): As relations between Iran and the outside world have worsened over its nuclear programme, Iran has also taken less and less notice of rebukes over its extremely poor human rights record. Given that and Iran's effective suspension of

the EU-Iranian human rights dialogue since 2004, what additional action do the Government propose to take to expose Iranian behaviour and to call on it to abolish cruel and degrading punishments such as stoning, flogging and amputations once and for all?

Dr. Howells: I can assure the hon. Gentleman, who is the Opposition spokesman on this important subject, that whenever and wherever we hear reports of such abuses taking place, we try very hard to ensure that our voice is heard. As hon. Members have said, it will take a lot more concerted action on that, and I would like to see far more effective action by the UN Security Council and the UN General Assembly to address these matters, which infect the reputation of Iran. We want that country to have a good reputation, not to be known for its abuses of human rights.

Iran-Iraq Relations

8. **Mr. Philip Dunne** (Ludlow) (Con): What recent assessment he has made of the implications of Iran-Iraq relations for UK foreign policy; and if he will make a statement. [196051]

The Minister for the Middle East (Dr. Kim Howells): It is essential for Iraq's stability and prosperity that it develops constructive relationships with its neighbours, including Iran. We welcome Iranian efforts to build relations, but some elements in Iran continue to support illegitimate armed groups, undermining democracy and security. That is wholly unacceptable, as my right hon. Friend the Foreign Secretary and I have told the Iranian Foreign Minister on a number of occasions. British and coalition troops will continue to support the Iraqi Government in confronting such groups and their sponsors.

Mr. Dunne: Despite President Ahmadinejad's official visit to Baghdad earlier this month, General Petraeus yesterday publicly accused the Iranians of being responsible for supplying the mortars and rocket shells that landed within the green zone. He also said that Iranian revolutionary guard elements were responsible for training the insurgents who fired those rockets. What action will the Government take against the Iranian authorities to prevent the Iranians from stoking the insurgency in Iraq?

Dr. Howells: As the hon. Gentleman knows, we have been worried for a long time about the supply of Iranian weapons, especially those of Hezbollah design—roadside bombs with special detonation devices that bear the hallmark of Hezbollah and seem to have come through elements of the Iranian security forces.

We have called on Tehran to turn its rhetoric about wanting a good relationship with its neighbour Iraq into a reality. We urge it now to try to do just that, to make sure that the relationship is based not on fear and terror, but on the understanding that if Iran is to have a safe and secure future, Iraq must be safe and secure as well.

Tibet

9. **Mr. James Gray** (North Wiltshire) (Con): If he will make a statement on recent events in Tibet. [196052]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): The whole House will be very concerned about the situation in Tibet. An uneasy calm has returned to Lhasa, although unrest has spread to surrounding regions. When my right hon. Friend the Prime Minister spoke to Premier Wen on 19 March, my right hon. Friend urged him to respect the human rights of detainees, avoid the use of excessive force, respect freedom of expression and religion in Tibet, and start a political dialogue with the Dalai Lama. I repeated those points to the Chinese Foreign Minister when I spoke to him on Friday. We also call on the protesters to desist from further violence.

Mr. Gray: The whole House will be with the Foreign Secretary in hoping that protesters desist from further violence. However, the fact is that most Free Tibet protesters and the Buddhists that go with them are peaceful protesters. The awfulness has been that they have been repressed in the most violent way by the Chinese and other interests.

Will the Foreign Secretary give us his assurance that as the Olympic torch wends its way across Europe and through the UK, the British authorities will allow peaceful protest by the Free Tibet people and that he will use his best initiatives with other countries across the world to ensure that those people are allowed to continue their perfectly legitimate and free protests?

David Miliband: The hon. Gentleman has raised an important point. He is absolutely right that our traditions of free speech and free demonstration must be upheld in respect of all matters—including the passage of the Olympic torch, which should pass with full security but also with full respect for our democratic freedoms.

The hon. Gentleman hinted at a further important point. In the last 50 years, the Dalai Lama has made it his business not to argue for independence for Tibet, but to voice calls for moderation and dialogue. The danger is that people give up on that course and turn to more violent courses of action; the hon. Gentleman may have been hinting at that point in the early part of his question. I certainly echo the conclusion of that point, which is that the need for political dialogue has never been greater.

Julie Morgan (Cardiff, North) (Lab): I am sure that my right hon. Friend is aware that many Tibetans in exile in northern India are expressing impatience with the Dalai Lama's commitment to peaceful protest and to autonomy rather than independence. Does my right hon. Friend not think that that makes it even more important that the Government should put all the support that they can behind the Dalai Lama and behind the work towards a peaceful resolution?

David Miliband: My hon. Friend raises an important point, and it is precisely why the Prime Minister is going to meet the Dalai Lama, who is a respected religious figure. My hon. Friend is right to point to the fact that without dialogue as the basis for expressing

frustration, people turn in other directions. I share the sense of urgency that she brings to the issue.

Mr. Ian Taylor (Esher and Walton) (Con): Given that the Chinese Government depend on trade with the EU, what European initiative is likely to take place to try to ensure that the Chinese understand that dealing with the Dalai Lama is crucial not only to their domestic problems in Tibet but to their global position and their increasing respectability in the world before the Olympics?

David Miliband: The hon. Gentleman raises an important point. In respect of both the Olympics and trade, there is an important decision for the world to take: whether it gains, and China gains, from engagement or from isolation. We have made our position clear in respect of the Olympics: engagement is better—and ditto in respect of trade. However, I can assure him that in that context of a commitment to engage in China on an open basis—with maximum openness, actually—the 27 European Foreign Ministers who meet this weekend will discuss how we can ensure that the maximum political voice is given to the need for the sort of dialogue that he believes in.

Mr. Lindsay Hoyle (Chorley) (Lab): Will my right hon. Friend enter into discussions with the Chinese to ensure that non-violent protest may take place, that people who are going to take part in the Olympics will not have to sign any gagging orders, and that we allow freedom of speech in a non-violent way?

David Miliband: To the extent that that question is related to the story about British athletes, there is certainly no question of gagging orders. My hon. Friend also raises a wider point, which is that in our own history and reading of the Chinese situation, giving people expression for human rights and guaranteeing human rights, whether in the courts of law or in respect of freedom of speech, is the way to ensure the stability of a society rather than to promote its instability. That is the basis of our human rights dialogue with the Chinese authorities, which went to Tibet earlier this year, and it is the basis of the human rights cases that I raised with China's Foreign Minister and Prime Minister when I was there last month.

Mr. John Redwood (Wokingham) (Con): When issuing instructions on the policing for the progress of the Olympic torch in Britain, will the Government take the view that the police should allow placards to appear in any picture of the torch passing—the protesters' view—or will they take the Chinese view that the event should be policed in such a way that no protest placards and posters will be on display?

David Miliband: If the right hon. Gentleman believes that we control the pictures that people take, he is perhaps giving greater credence than is deserved to stories about the Government's prowess in controlling the media. Obviously, the operational matters will be taken forward by the policing authorities. I am sure that the spirit of the whole House is summed up in the idea that we want to ensure not only security for the torch and a proper celebration of the Olympic spirit, but that our own history and our own commitments to democratic rights and freedom of protest are properly respected.

Mr. Andrew Robathan (Blaby) (Con): In today's London *Times*, it is reported that the Foreign Secretary was assured by the Chinese Foreign Minister that any Chinese protesting against the Beijing Olympics would be given a cup of tea by the police; we then read that Yang Chunlin was given five years in jail for it. Tibetan protesters have been getting shot. What credence does the Foreign Secretary give to assurances from the Chinese Foreign Minister or Government about their good intentions?

David Miliband: The Chinese Foreign Minister did not assure me about a cup of tea or promise me a cup of tea—he answered a question from, I think, a correspondent from *The Times* at a press conference that the Minister and I held in Beijing, and I think that his answer was in respect of a slightly different point. The credence that we have to give is that actions are what count; the rights of individuals in China and the actions of the Chinese Government are absolutely key to the responsibilities of great nations like the Chinese. It is important that we continue to set out our own view without fear or favour.

Darfur

10. **Angus Robertson** (Moray) (SNP): If he will make a statement on the political situation in Darfur. [196053]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Meg Munn): Due to fragmentation among rebel movements and intensified fighting between the Government of Sudan and rebel groups, there has been no recent progress in the political process. The UK set out, at a meeting convened in Geneva on 18 March by the United Nations and African Union envoys, proposals for a cessation of hostilities and actions to revitalise the political process, including the urgent appointment of a single chief mediator and deeper engagement with civil society.

Angus Robertson: I am grateful for the Minister's reply. Is she aware that China sold Sudan $55 million-worth of small arms between 2003 and 2006 and has provided more than 90 per cent. of Sudan's small arms since 2004, when a UN arms embargo took effect? Does she agree that China must do a lot more, in Sudan and Tibet, to end violence and support human rights?

Meg Munn: This Government want China to use its considerable influence in Khartoum to play a constructive role in Darfur. The Chinese special envoy for Africa visited London last month and discussed with my right hon. Friends key objectives in Sudan, particularly the acceleration of UNAMID—United Nations-African Union Mission in Darfur—deployment. I am sure that, like me, the hon. Gentleman wants to see the Chinese use their influence in a positive way.

Mr. Michael Howard (Folkestone and Hythe) (Con): When I was in Darfur in December, we were told by one of the commanders of the African Union force that three things were needed to enable that force to do its job properly: first, the lifting of the night-time ban on helicopter flying; secondly, the availability of logistical resources; and thirdly, the removal of the obstacles placed by the Sudanese Government in the way of entry into the country for personnel and equipment that the force needs to do its job. Can the Minister tell us what progress has been made on each of those three specific measures?

Meg Munn: As I said in my earlier answer, the real problem is the fighting taking place on the ground, which means that none of those matters is moving forward. There has been progress on the provision of helicopters, which we discussed during the last Foreign Office questions, in that Ethiopia has offered four more. In reality, however, until the fighting stops on the ground, further deployments cannot take place and the humanitarian situation will continue, causing us all a great deal of concern.

Topical Questions

T2. [196034] **Mr. Mohammad Sarwar** (Glasgow, Central) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): EU Foreign Ministers will meet informally in Slovenia on 28 and 29 March to discuss, among other topics, the middle east and Russia. We will also meet the Foreign Ministers of the western Balkans countries to discuss their European perspective, and the Foreign Ministers of the accession countries. The member states have important common interests at stake in all those issues, and the UK's impact is enhanced by working with our European partners.

Mr. Sarwar: Will my right hon. Friend join me in congratulating Syed Yousaf Raza Gillani on his election as Prime Minister of Pakistan, and Dr. Fahmida Mirza on becoming Speaker, making her the first woman Speaker in the Muslim world? Does my right hon. Friend agree that Pakistan faces many challenges, and that last month's parliamentary elections show that it is moving towards real democracy? Can he assure the House that the British Government will give their full support in helping to build and strengthen democracy in Pakistan, which is the only guarantor for its, and our, future?

David Miliband: I am delighted to agree wholeheartedly with my hon. Friend. The scenes on election day, and on the subsequent election of the Speaker and Prime Minister, give strength to those of us who argued that democracy was in the best interests of stability in Pakistan. Our responsibility will be to engage fully with the new Pakistani Government to ensure that the Commonwealth monitoring action group, which looks at Pakistan's role in the Commonwealth, reconvenes soon, and to ensure that our aid programmes fully support the people of Pakistan, who depend not just on elections but on the economic and social progress that many millions of people in Britain, around the world, and in Pakistan itself want to see.

T3. [196035] **Sir Malcolm Rifkind** (Kensington and Chelsea) (Con): Does the Foreign Secretary agree that Chinese antagonism to the Dalai Lama is making him into an Asian Nelson Mandela? Is he as disturbed as I am that the Chinese are refusing to enter into dialogue with the Dalai Lama, despite the assurances that the Prime Minister said that he received from the Chinese Prime Minister? Will the British Government do what they can to persuade the Chinese to consider the fact that if they were able to provide genuine autonomy within China for Hong Kong and Macao, and if they are offering a similar proposal to Taiwan, it would be in their interests, as well as, obviously, those of the people of Tibet, if genuine autonomy could be offered there as well?

David Miliband: The right hon. and learned Gentleman was here 10 minutes or so ago when we addressed precisely that issue. The need for political dialogue is stark, not least because of the situation on the ground, and not least because of the danger that people will turn away from the political process if they do not see dialogue delivering a way forward. I heard the right hon. and learned Gentleman talk on the radio about having an Asian Nelson Mandela, and he repeated the phrase in the *International Herald Tribune* yesterday. I am happy to agree with him that dialogue with the Dalai Lama is the right way forward, and it remains the position of the British Government to support that. It is important to capitalise on the Dalai Lama's commitment to autonomy for Tibet, not independence, and to non-violent action and dialogue as the way forward.

T4. [196036] **Mr. Alistair Carmichael** (Orkney and Shetland) (LD): May I draw the Foreign Secretary's attention to last week's Environmental Justice Foundation report on Uzbekistan, entitled, "White Gold: the True Cost of Cotton"? The report points out that the cotton industry is an export industry worth $1 billion to Uzbekistan. What can he do? Will he take steps to ensure that we do not import cotton into this country or the EU that is sourced from Uzbekistan, where child labour, including children as young as six, is routinely used in cotton production?

The Minister for Europe (Mr. Jim Murphy): The Foreign Office noted with interest the report to which the hon. Gentleman refers. We take great care on the matter, and we will continue to monitor the specific concerns that he fairly and reasonably raises today.

T8. [196040] **Colin Burgon** (Elmet) (Lab): Ministers will be aware that, later this year, the EU reviews the common position on Cuba. May I have an assurance that British Ministers will resist the Bush Administration's drive to create semi-conditions for benign interventionism and that we will ally ourselves with the Spanish and the Italians, who seek constructive engagement with Cuba?

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Meg Munn): I pay tribute to my hon. Friend's interest in Cuba, which I know goes

back some time. The UK and the US both want Cuba to be free and democratic, but we disagree about the best way to encourage that. We continue to support the current EU common position, which will next be reviewed, as he said, in June. That is obviously a few months away, and we will consider what happens in Cuba before that. We remain concerned about the lack of human rights, especially for political prisoners, and we want greater movement on that, with the political prisoners freed, before changing the EU common position.

Mr. William Hague (Richmond, Yorks) (Con): May I return the Foreign Secretary once again to the Iranian nuclear issue? In a written answer to me last week, he said:

"Work…is now under way" —[*Official Report*, 18 March 2008, Vol. 473, c. 1032W]

—to develop new proposals for incentives for Iran, building on the package presented in June 2006. He will recall that Iran rejected that incentives package out of hand at the time. Does he therefore agree that incentives must be combined with a credible set of tougher sanctions and that, so far, despite his best efforts, which we fully support, we and our European allies have failed to muster that credible threat?

David Miliband: I fully agree with the right hon. Gentleman on the need for a twin-track approach to Iran. It is the Government's policy that we must ensure that the sanctions are clear and strong, and that incentives for Iranian co-operation are clear. I am sorry that he has dismissed what the European Union is doing. I think that he agrees that Europe has outperformed the requirements of the existing UN sanctions regime. The EU has gone beyond the requirements of the UN position on nuclear and missile technology, dual use items, travel restrictions, the assets freeze and a study ban. It is important—I would have thought that we could agree on this—that we continue to make it clear, by both reiterating the June 2006 offer and pointing to the flexibility that we showed in the May 2007 offer of a suspension for a suspension, that there is a real chance for Iran to rejoin the community of nations on the issue.

Mr. Hague: We do very much agree about all that. I do not dismiss what has been done in going beyond the UN sanctions. However, the Foreign Secretary will not be surprised if we try to hold the Government to their statements about the subject a few months ago; I am sure that he will not object to that. The Prime Minister said last November that he would seek European sanctions on Iranian oil and gas investment and on its financial sector. The Foreign Secretary said to me a few days later that Britain would push for those sanctions to be agreed before the end of the year. Does he share our disappointment that those sanctions have not been agreed? Is he still confident that those sanctions, which he and the Prime Minister rightly supported, will be agreed at any time in the coming weeks and months?

David Miliband: The right hon. Gentleman knows that the European action was designed to follow the third UN resolution, which has now been agreed; it was agreed later than he and I wanted, but it was none the less passed nearly unanimously, by 14 to zero. It is right for him and me to continue to press all our European partners to ensure that we examine precisely the issues that the Prime Minister and I raised. I assure the right hon. Gentleman that we will continue to do that. I do not want to put a date on when we will achieve that, and I do not want to say that I am confident, because we have 27 nations to line up behind the action. However, I assure him that our Government will make full efforts to ensure that the sanctions part of the package is as strong as the offer. At each stage, we need to make it clear to the Iranian people that we do not have a quarrel with them. We want to ensure a change of behaviour on the part of the regime. It is up to the people to choose their Government, but their Government must conform to the rules of the international community.

T10. [196042] **Mr. Jim Cunningham** (Coventry, South) (Lab): Has my right hon. Friend read the reports in today's press regarding aid promised to Afghanistan that has not materialised?

David Miliband: I have read of those reports. There are two aspects to the issue. One aspect is to do with the amount of aid going through the Afghan Government. I am pleased to say that 80 per cent. of British Government aid goes through the Afghan Government, rather than alongside them. That is something that should be matched by other donors. The second aspect is about whether the pledges that were given at the London and other conferences are being matched. I will write to my hon. Friend with the full details about that, because I would not want to put a figure on it at this stage, without being absolutely sure whether two thirds or 75 per cent. of what was pledged has been delivered.

Mr. Edward Davey (Kingston and Surbiton) (LD): Given that the Prime Minister said in his national security strategy statement last week that accelerating global nuclear disarmament was a key objective, can the Foreign Secretary explain how that fits with the Government's agreement that RAF Menwith Hill could be used for the US ballistic missile system, particularly when President Bush rebuffed President Putin's offer to work together on the issue? If the Government really think that a one-sided ballistic missile defence system is such a good way of promoting nuclear disarmament, will the Foreign Secretary accept the recommendation made by the Select Committee on Foreign Affairs and let the whole House have a proper debate on Britain's involvement with the "Son of Star Wars" project?

Mr. Jim Murphy: The fact is that the United Kingdom welcomes the US expansion of the ballistic missile defence into Europe. We think that the sitings in the Czech Republic and Poland are an important protection against a potential attack by a rogue state. It is clear that the system offers no challenge whatever to Russia's strategic missiles, in terms of either its location or its capacity. That is generally accepted. The fact is that the US has offered to share the information, importantly, with Russia and with NATO allies. We welcome that very much indeed. We should not be criticising the US for seeking to deal with the threat; instead, we should be showing a united effort in trying to deal with those rogue states that the missile defence system is designed to protect us from.

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): Extra-judicial executions continue in Colombia, with many trade unionists killed and others living under constant threat. What are the Government doing to call the Colombian Government to account within the international community, and will they consider a review of military aid to Colombia?

The Minister for the Middle East (Dr. Kim Howells): Both my right hon. Friend the Foreign Secretary and I have met the Colombian Government on numerous occasions and have stressed always that they should do their utmost to protect all those who campaign for human rights, especially trade unionists, who after all are an important part of civil society and help to bring a sense of security to Colombia. We will continue to do that. I am sure that my hon. Friend will continue to support our efforts to undermine the murderous influence of paramilitary groups, on the right and the left in Colombia, that seek to undermine the authority of a democratically elected Government.

T6. [196038] **Dr. Julian Lewis** (New Forest, East) (Con): Following his abduction from Zimbabwe to Equatorial Guinea, my constituent Simon Mann has, as we all know, been paraded in front of media cameras, presumably so that he can say whatever it is that the regime wants him to say. His wife now tells me that our officials were denied consular access to him as recently as last week. Is that correct? If so, what are the Government doing about it, and is it not a sinister development when the media are allowed access, but our consular officials are denied it?

Meg Munn: The Government have made it clear that we expect Simon Mann to be treated in line with internationally recognised standards, which includes in relation to the media. It is correct that our consular officials were refused access last week. We have made clear our concern to the Equatorial Guinean authorities and are urgently seeking access again.

T7. [196039] **Mr. Mark Lancaster** (North-East Milton Keynes) (Con): The elections in Nepal, scheduled for early next month, have already been postponed twice. In the light of the ongoing violence in the country, what assessment has the Minister made of the likelihood of their being postponed again? If that were to happen, what would be the long-term consequences for the country?

Dr. Howells: I quite agree with the hon. Gentleman that we must do everything that we can to hold the Nepalese authorities and the Maoists to the earliest possible date for an election. The delays have gone on for long enough. We hope very much that the United Nations will continue to play an influential role, and that India, the key player in this area, will use its good offices to ensure that the elections take place and that a proper democratic Government will start to bring peace to that country.

T9. [196041] **Mr. David Burrowes** (Enfield, Southgate) (Con): Will the Foreign Secretary join me in welcoming the agreement made on Friday between President Christofias and Mr. Talat to resume talks on reunifying Cyprus? Given Britain's role as guarantor, and the substantial number of Cypriots in our community—predominantly in my constituency—will the Foreign Secretary make it a priority to solve the Cyprus problem?

David Miliband: I am very glad that the hon. Gentleman has been able to raise this important issue. The Prime Minister had the chance to meet the new President of Cyprus at the European Council last week, and I have been able to have a meeting with the new Cypriot Foreign Minister. The consistent message that we have given to both of them is that we want to do everything possible to support the determination of the new Government in Cyprus to exploit the opening that now exists for a bi-zonal, bi-communal solution in that area. My right hon. Friend the Member for Enfield, North (Joan Ryan) is playing an important role as the Prime Minister's special representative on the issue. We are as determined as the whole House is to ensure that there is a restart of these processes. The mission of the UN, which is due in Cyprus very soon, represents an important contribution towards that aim.

Constitutional Renewal

3.31 pm

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): With permission, Mr. Speaker, I should like to make a statement about our programme of constitutional renewal. With this statement are published a White Paper, the draft Constitutional Renewal Bill, and an analysis of the responses to our consultations. Copies of these are available in the Vote Office and on my Ministry's website.

The accountability of Government is fundamental to the health of our democracy. Arbitrary action and lack of transparency can undermine that. But for decades the royal prerogative has been used by successive Governments to sustain Executive power. Last July, my right hon. Friend the Prime Minister announced his determination that the Government he leads would reverse this process and surrender significant Executive powers to Parliament, or otherwise limit them. Following my right hon. Friend's July statement and the accompanying "The Governance of Britain" Green Paper, five consultation papers were issued. I am grateful to all who responded to them. We have taken account of their views in the White Paper and in the draft Bill.

The draft Bill is in five parts. The first relates to protest around Parliament. In July, the Prime Minister undertook to consult widely on managing protests around Parliament to ensure that the people's right to protest was not subject to unnecessary restrictions. Accordingly, in the light of the consultations, clause 1 of the draft Bill proposes the repeal of sections 132 to 138 of the Serious Organised Crime and Police Act 2005. Our view is that Parliament itself is best placed to decide what needs to be secured to ensure that Members of both Houses are able freely to discharge their responsibilities. We invite the views of Parliament on whether additional provision is needed to keep open the passages leading to the Palace of Westminster and to ensure that, for example, excessive noise is not used to disrupt the working of Parliament.

Part 2 of the Bill deals with the Attorney-General. It sets out major reforms to the role of the Attorney-General and to the management of prosecutions, to make the arrangements more transparent and to enhance public confidence. The proposals involve recasting the relationship between the Attorney-General and the prosecuting authorities. In particular, the Attorney-General will cease to have any power to give directions to prosecutors in individual cases, save in certain exceptional cases which give rise to issues of national security. The Attorney-General will have to report to Parliament on any exercise of that power. Under clause 3, a protocol will set out how the Attorney-General and the prosecuting authorities are to exercise their functions in relation to each other. This will be laid before Parliament, as will an annual report. We do not propose changing the Attorney-General's role as chief legal adviser to the Government, or his or her attendance at Cabinet.

Part 3 builds on the significant reforms introduced by my right hon. and noble Friend Lord Falconer to reinforce the independence of the judiciary. The Bill proposes to remove the Prime Minister entirely from the making of judicial appointments, and the Lord Chancellor from making appointments below the High Court.

Part 4 makes it a statutory requirement that treaties must be laid before both Houses of Parliament before ratification. If this House were then to vote against the ratification of a treaty, the Government could not proceed to ratify it. Although it is obviously a matter for Parliament, the White Paper suggests that a valuable role could be played by Committees of either or both Houses in the scrutiny of treaties prior to ratification. I should just say, Mr. Speaker, that none of these proposals affects the current arrangements for European Union or tax treaties, which are already the subject of elaborate statutory procedures.

Part 5 will for the first time put the civil service on a statutory footing by enshrining the core values of the civil service—impartiality, integrity, honesty and objectivity—into law, as well as the historic principle of appointment on merit. The Bill makes provision for special advisers and the civil service commission. The Bill has benefited from detailed comments on the draft Civil Service Bill in 2004 and from the work of the Public Administration Committee, for whose help I am very grateful.

I now turn to the other key proposals in the White Paper. The first is war powers. There was a widespread welcome in July for my right hon. Friend the Prime Minister's proposals that the Government should limit the Executive's powers to deploy Her Majesty's armed forces into conflict situations. As well as from those who responded to the consultation document, we have benefited from earlier Select Committee reports from both Houses. In the event, there was significant support for the recommendations from the House of Lords Constitution Committee.

What we are proposing is that Parliament's role should be both enshrined and guaranteed by a resolution of this House. A detailed draft of that resolution is set out for consideration on pages 53 to 56 of the White Paper. It would require the Prime Minister of the day to seek this House's approval before deciding to commit forces to armed conflict abroad. It would also require him to lay a report before the House in advance of any decision, setting out the terms of approval sought and information about the objectives and legal matters relating to the proposed armed conflict. Exceptions are proposed in respect of emergencies and operational secrecy, with a requirement in such cases to inform, but not to seek retrospective approval. Special forces would be exempt from any of those provisions. Those changes, if agreed, would define for the first time a clear role for Parliament in the most critical of all decisions to face a nation, while ensuring that our nation's security was not compromised.

Last July's "The Governance of Britain" Green Paper contained proposals on increasing parliamentary scrutiny of some key public appointments. Since then, that matter has been considered by the Liaison Committee and we will respond to its recommendations shortly. On the dissolution and recall of Parliament, proposals have already been made to the Modernisation Committee, and we look forward to hearing its views in due course.

Last Wednesday, in his statement on the national security strategy, my right hon. Friend the Prime Minister said:

"We will...immediately go ahead to introduce a resolution of both Houses—in advance of any future legislation—that will

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enshrine an enhanced scrutiny and public role for the Intelligence and Security Committee." —[*Official Report*, 19 March 2008; Vol. 473, c. 926.]

The White Paper sets out the proposed arrangements.

There are other matters relating to Executive prerogative powers, the first of which is passports. The Government are committed to reviewing the prerogative power with regard to issuing passports, and draft legislation will soon be published. We are also reviewing the remaining Executive prerogative powers—for example, the prerogative to grant mercy. The Government will consider the outcome of that work and how we plan to proceed, and obviously, we will inform the House.

The Government remain profoundly committed to the establishment of the Church of England and greatly value the role played by the Church in our national life. Appointments to senior Church positions will continue to be made by Her Majesty the Queen, who should continue to be advised on the exercise of her powers by one of her Ministers, usually the Prime Minister. We are very grateful to the General Synod for its proposals at its February meeting on how new appointments procedures should work, and we are discussing future long-term arrangements with the Church.

The Government received more than 300 responses to the consultation on the flying of the Union Flag—

John Bercow (Buckingham) (Con): All from my hon. Friend the Member for Romford (Andrew Rosindell).

Mr. Straw: Not all of them were from the hon. Member for Romford, but as the House knows, I was extremely happy to join him in his campaign, and have made my own contribution to it.

In line with the majority of responses, we have decided that the interim change made to the guidance to allow Government Departments to fly the Union flag from their buildings whenever they wish should now become permanent. There are no plans to change the arrangements for flag flying in Northern Ireland.

Good law is imperative for accessible and modern constitutional arrangements. For 40 years the Law Commission has played a vital role in that respect, but I intend to strengthen its role by placing a statutory duty on the Lord Chancellor to report annually to Parliament on the Government's intentions regarding outstanding Law Commission recommendations, and providing a statutory backing for the arrangements underpinning the way in which Government should work with the Law Commission. Those changes sit alongside those announced by my right hon. and learned Friend the Leader of the House last week, which will strengthen the scrutiny of laws after they have been enacted by Parliament.

Discussions in the cross-party working group on reform of the House of Lords are proceeding well, and we are on track to publish a White Paper before the summer recess. In the coming months we will publish a Green Paper on a British Bill of Rights and Responsibilities, and on the values that should bind us together as citizens.

As my right hon. Friend the Secretary of State for Scotland announced today, Professor Sir Kenneth Calman has agreed to serve as chair of a commission to review the Scotland Act 1998. Such a commission was proposed in, and approved by a majority of, the Scottish Parliament. The Government welcome their support for the aim of strengthening devolution and securing Scotland's place in the Union, and we are giving our full backing to the cross-border, cross-party review.

The proposals in the White Paper and the draft Bill go to the heart of how power should be exercised in a modern democracy. They are not a final blueprint, but part of a much wider Government programme to secure a new constitutional settlement. They will strengthen the role of Parliament in our democracy, for it is Parliament, the seat of our democracy, that is central to this programme of constitutional renewal.

I commend my statement to the House.

Nick Herbert (Arundel and South Downs) (Con): I thank the Secretary of State for Justice for early sight of his statement. There is much in the Government's proposals with which we can agree. We welcome measures to strengthen the autonomy of the Intelligence and Security Committee, and to place on a statutory basis the rules governing ratification of treaties. We also welcome—seven years after the Government's commitment to it—legislation to put the civil service on a statutory footing, as recommended by our democracy taskforce, but why will the Government not go further and place a statutory cap on the number of special advisers? And, although pre-appointment scrutiny hearings by Select Committees would be welcome, should not Parliament be strengthened further, not least by the ability to set its own timetable, so that we can scrutinise legislation properly?

The decision to commit troops to conflict is one of the most important that a nation can take. Last May we tabled a motion to require parliamentary approval for substantial deployments of troops into conflict. I welcome the fact that the Government now accept that principle, but when prior approval cannot be sought, why should there not be a mechanism for securing retrospective approval?

In a democracy, citizens should have the right to make their views known peacefully to those who govern them. The Government's laws restricting the right to protest around Parliament caused widespread disquiet, and we welcome plans to repeal them, but can the Government say more about how they plan to ensure that while peaceful protest is protected, demonstrations that disrupt the operation of Parliament are not?

We welcome the commitment to introduce greater clarity into the relationship between the Attorney-General and the prosecution directors, but it is also proposed to end the requirement for the Attorney-General to give consent for a wide range of prosecutions. How is accountability to be preserved if that role is removed from the Attorney-General?

An independent judiciary is at the core of our liberty. Reducing the influence of the Executive on judicial appointments is welcome, but does the Justice Secretary agree that the principle of judicial independence is harmed when Ministers seek to influence the sentencing

decisions of judges and magistrates—for instance, by urging them not to imprison offenders because the jails are full?

In a newspaper article today, the Prime Minister said that the Justice Secretary would today be "consulting throughout the country" on a statement of values and the British Bill of rights and duties—but in his statement the Justice Secretary said that a Green Paper will be published over the coming months. Will the right hon. Gentleman clarify when this process will begin? Will it do so today, as the Prime Minister suggested, or over the coming months?

Will the Justice Secretary also tell us whether, as was reported yesterday, he plans to consult on alternative voting systems for the Commons, and compulsory voting, and if so, when? Does the Justice Secretary agree that the electoral system should never be reformed for partisan political purposes?

The Prime Minister also wrote today in support of the Union, but is it not the case that unbalanced devolution has unleashed the forces of nationalism? So far, the Government's answer has been to fly flags on Government buildings. Will the Calman commission, announced today, address the real issue of concern, which is the still unanswered West Lothian question?

When the Prime Minister announced his ideas for constitutional reform last July, he spoke about rebuilding trust in democracy. Since then, he has refused the referendum that he promised on the EU constitution. How can trust be rebuilt if such important promises are broken? Is it not the case that the relationship between the people and politicians is seriously damaged, and that it will require more to repair our broken politics than the measures announced today?

When more and more decisions are being taken centrally—not here in Parliament, but in Whitehall—is not the real need to return power to individuals and communities, so that people have a genuine say over decisions that affect them? Why are we not giving citizens the power to initiate debates in this House and have new laws tabled? Is there not a pressing need both for measures to ensure transparency in how we as politicians account for ourselves and our spending to the electorate, and to put an end to the culture of spin, which has so gravely undermined trust in politics? If the Government continue to shy away from real change, is not the danger that measures such as those announced today will be seen as worthy but inadequate?

Mr. Straw: I thank the hon. Gentleman for the welcome he gave to the proposals, but let me say in response to his slight chiding—that civil service reform has taken a little time, for example—that we have acted on a vast range of constitutional changes, in contrast to the Conservative Administration, who over 18 years did absolutely nothing in respect of any such changes. Also, on the issue of the Union, his history is wrong. The devolution settlement in 1998 was to bind the Union and provide legitimate transfer of power from this place to the devolved Administrations of Scotland and Wales. It was not the devolution Acts in 1998 that drove nationalism; it was the poll tax in 1987, which fuelled it to an astonishing extent and led to a situation in which Scotland became a Conservative-free zone, although the Conservatives had had 50 per cent. of the votes and seats some decades before.

The hon. Gentleman asked me some specific questions; for example, he asked about special advisers. The draft Bill is for consultation by this House; we have a view about whether there should be a limit, but let us hear what the House has to say.

As for retrospective approval where there has been an operational need for a decision to go into armed conflict to be made in secrecy, or where other operational matters have been involved, we have thought about that a great deal. Ultimately, it should be a matter for this House, but there are genuine problems—for example, if, when troops have already been committed to a theatre, there is then a big question about whether the action will subsequently be approved. We hope that, aside from operations by special forces, occasions when there is a total emergency and this country needs to undertake major armed conflict in secrecy are likely to be very few and far between. I cannot think of any such example over the past 20 years. That was why we came to the judgment that we did, but let us hear what the House has to say.

All I would say about access to this House is that the Sessional Orders used to work very satisfactorily. When I was organising demonstrations myself a few years ago, they were certainly enforced by the public order office in respect of the organisations for which I was responsible. *[Interruption.]*

Mr. William Cash (Stone) (Con): He was arrested!

Mr. Straw: No, I was never arrested.

The hon. Member for Arundel and South Downs (Nick Herbert) raises an important point on consent to prosecutions, but we cannot have it both ways. It is proposed that the requirement for the Attorney-General to give consent to a series of prosecutions should, in general, be removed. If we want to make prosecutors more independent, we must bite that bullet. Ultimately, the choice will be one for this House and the other place, but we cannot have things both ways. The Attorney-General will still be accountable for the broad operation and management of the prosecution service, and I think that that is appropriate.

I agree with the hon. Gentleman about voting systems. I think he was directly quoting me, because although I claim no monopoly on the view, I have always said that we should never change the voting system for partisan purposes. That has been the practice in one of two European countries, usually with disastrous consequences for the parties doing the proposing. We published a review of voting systems. Personally, I am profoundly committed to single-Member constituencies. I have always thought that there is much to be said on both sides, whether we are talking about first past the post or the alternative vote, particularly as we now have multiple candidates, as opposed to the situation in the 1950s when there were normally simply two candidates.

Let me make it clear that we are against making it a criminal offence not to vote. We need to address the issue of how we can raise turnout at elections, and there is a case for there to be a general non-enforceable duty for people to vote, as part of their understanding of their responsibilities as citizens; we are consulting

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on that. On citizens' powers, I merely say to the hon. Gentleman that when I was Leader of the House we put forward radical proposals to the Procedure Committee for improving how the petitions system works so that matters could be triggered in this House. It was a matter for the Procedure Committee that they came to a different view from some of us on the Modernisation Committee.

Mr. Jim Devine (Livingston) (Lab): I welcome my right hon. Friend's statement, particularly his comment that this is not the final blueprint. I ask him to include provision for the abolition of the Act of Settlement, because it discriminates directly against Roman Catholics. That is legalised sectarianism, which has no role to play in the 21st century.

Mr. Straw: Let me say to my hon. Friend that I speak on behalf of the Prime Minister: because of the position that Her Majesty occupies as head of the Anglican Church, this is a rather more complicated matter than might be anticipated. We are certainly ready to consider it, and I fully understand that my hon. Friend, many on both sides of the House and thousands outside it, see that provision as antiquated.

David Howarth (Cambridge) (LD): I, too, thank the Secretary of State for advance notice of his statement. Will he acknowledge that although some aspects of it are welcome—for example, the abolition of the absurd restrictions on demonstrating around Parliament—much of what he has said will be seen as tentative first steps and half measures?

It is right that the Attorney-General should not give direction on individual prosecutions, and should give only general policy guidance that is open and on the record. However, does the Secretary of State not accept that as long as the Attorney-General retains a broad, unaccountable power to stop prosecutions on grounds of national security, the public will not be reassured about, for example, the shameful events surrounding the dropping of the BAE Systems case? Why will the Attorney-General still have a power to stop prosecutions related to terrorism? Is it not important to fight terrorism on the basis of fighting crime, in a context that has nothing to do with political decisions?

The proposals on not releasing the Attorney-General's legal opinions are especially poignant, given that later today we will debate the Iraq war. There is a strong case for confidentiality while policy is being formulated, but when the Government rely on that legal advice in a parliamentary debate, Parliament should see the real thing. It is not enough for the Government merely to promise not to mislead Parliament.

On treaty ratification, the Government are again taking a step in the right direction, but given their tight grip on the business of the House, does not the proposal mean that there will be a vote in the House only if the Government want one?

On the proposal to put the civil service on a statutory footing, there will be quiet rejoicing in many discreet quarters, but—again, on the day of a debate on Iraq—why are the Government to make an exception so that MI5 and MI6 officers will not be bound by duties of impartiality and objectivity? Surely one central lesson of Iraq is that never again should Government policy dictate intelligence.

On the limiting of the Prime Minister's power to call early elections, which was given short shrift in the statement, I invite the Government to clear up the whole mess by supporting my Fixed Term Parliaments Bill.

Is not the main problem with the statement that it is nibbling at the edges of constitutional reform? Our political system is broken and people are losing faith in politics. That means that if we do nothing about it, they will lose faith in democracy itself. This House is at the heart of the problem, being elected in so unrepresentative a way that all Governments start out as unpopular, and usually get worse. As in 1832, and many times since, reform must start with the way in which this House is elected.

Mr. Straw: I do not accept the hon. Gentleman's criticisms of the changes. These are major and significant changes, and it has fallen to this reforming Government to introduce them, when no changes of any constitutional significance were introduced by the previous Administration.

In response to the hon. Gentleman's points about the Attorney-General, it is our judgment that it is appropriate and proper, and in the national interest, that there should be a power for someone to make difficult and sometimes unwelcome decisions to protect national security. It is important that whoever is in that position should be accountable. Far from the Attorney-General being unaccountable, our proposals mean that they would be more accountable than they are today, and there would be greater clarity about their distinctive role.

On the issue of the Attorney-General's legal advice, my belief is that, as with any legal advice in any circumstances, it has to be given on the basis of legal professional privilege, but there is certainly a case—as referred to in the draft resolution on pages 53 to 56 of the proposals—for the Prime Minister of the day to be required to provide information on the legal issues relating to any proposal for armed conflict, and that is what we propose.

On treaty ratification, there will have to be a vote. We are not proposing to use the negative resolution procedure. Either the treaty will be approved on the nod or there will be a vote. If there is a vote against a treaty ratification the treaty cannot be ratified by the Government, and that is a major shift of power to this House.

I wondered how long it would take the Liberals to get on to proportional representation as a solution to all our problems. They have been banging on about that ever since the 1923 election, when they ceased to be the second party and became the third party. Before they became the third party, they were in favour of first past the post and single-Member constituencies. I suggest that the hon. Gentleman examine other countries that have proportional representation, because they have more problems with the operation of their democracy than we do.

Mr. Chris Mullin (Sunderland, South) (Lab): Can my right hon. Friend elaborate on the proposals in the White Paper for the accountability of the Intelligence

and Security Committee? As he knows, at the moment it is appointed by the Prime Minister and reports to the Prime Minister. Is it intended that it should be appointed by this House and report to this House?

Mr. Straw: These arrangements—as my right hon. Friend the Prime Minister spelled out, they are in advance of any legislative changes—are set out at the back of the White Paper. The proposed changes would be consistent with the provisions of the Intelligence Services Act 1994, so that under the proposal, which is a halfway house, it would be for the Committee of Selection to make recommendations about the Members of each House who should sit on the Committee. They would then have to be approved by the Prime Minister of the day, however, because that is what the Act says. The implication is that, as an interim measure, that would give this House and the other place much greater control over membership of the Committee than they have now.

Mr. Douglas Carswell (Harwich) (Con): I welcome proposals to reform the Crown prerogative. Too many powers that should rightfully rest with elected members of this legislature have come to reside with unelected officials and with the quango state. Will the Bill allow Select Committees to ratify with public hearings the appointments of senior civil servants and quango chiefs, and if not, why not?

Mr. Straw: The proposals on public appointments of key officials are not in the Bill. They are proposed for non-legislative changes through discussions with the Liaison Committee, but this is a consultative process, and we are happy to hear opinions from all parts of the House.

Mr. John Spellar (Warley) (Lab): May I refer to the issue of judicial appointments? Is it not a fact that, like this country, nearly every other major country has significant political input in the appointment of judges, either from the legislature or the Executive, for the very good reason that public opinion needs to be able to influence the culture of the judiciary? Is not the alternative to have lawyers appointing judges, which would be quite unacceptable? We would have a self-perpetuating, out-of-touch, arrogant oligarchy in the judiciary, which would be very damaging to public confidence in the judiciary and in democracy.

Mr. Straw: It is rare for me to demur from my right hon. Friend's opinions, but on this occasion I do so. I do not accept his description of today's judiciary. In 2005 the House agreed—and so did the other place—major changes to the appointments of the judiciary so that the role of Lord Chancellor was very much diminished, and quite right too. */Interruption.* / Not in every sense. There is now an independent Judicial Appointments Commission, which has the primary role. Judges are also, funnily enough, human beings. They are members of society and are acutely aware of the responsibility that they bear to society.

Mr. Alan Beith (Berwick-upon-Tweed) (LD): Although I welcome the fact that the Government have moved much closer to the position of the former Select Committee on Constitutional Affairs on the role of the Attorney-General, why is the Attorney-General to retain the power to stop on grounds of national security not merely prosecutions but investigations by the Serious Fraud Office? Will the Attorney-General also retain the consent to prosecution under the honours legislation of the 1920s? As those were the two issues that most inflamed debate on the Attorney-General's role, is that not a bit too much of a coincidence and too much like back doors being deliberately left open?

Mr. Straw: On the latter point, I do not think that that is the case, but I shall certainly look at the matter. The aim of all of us involved in the discussions has been to reduce the Attorney-General's discretion over prosecutions and investigations to a necessary minimum that is basically to do with national security.

On the point about BAE Systems, it is worth reminding the House that it was the head of the Serious Fraud Office who decided to withdraw from the investigation, not formally the Attorney-General. We all accept that there must be clarity, but I also believe that the case for the Attorney-General to have a power to make decisions in the national interest, on the basis of national security, is important.

Mr. Michael Meacher (Oldham, West and Royton) (Lab): So far, so excellent, but will my right hon. Friend also include in his constitutional proposals the improvement of the Executive's accountability to the legislature? In particular, will he put in place arrangements to ensure that Select Committee members are elected by secret ballot among non-Executive Members from across the House, in accordance with party quotas? Will he also ensure that Select Committees reports—or at least some of them, by agreement with the Liaison Committee—are debated and voted on, on the Floor of the House on a substantive motion?

Mr. Straw: I shall quit while I am ahead as far as my right hon. Friend's compliments are concerned.

The way in which Select Committee members are chosen has been debated often. Having been involved in the other process from time to time, I am not sure that it produced more balanced Select Committees or provided more opportunity for those who sometimes disagree with their party Whips than the current arrangements. The process that my right hon. Friend sets out would need the most contorted and complicated system of proportional representation for each party. No doubt that would be welcomed by the Liberal Democrats, but it would not be welcomed by anyone else.

Mr. Peter Robinson (Belfast, East) (DUP): The House will have heard that the Justice Secretary believes that, when it comes to flag flying, the people of Northern Ireland should be treated as children of a lesser god. Will he tell the House the rationale behind the Government's decision on this matter? Does he believe that the flag may not be universally cherished in Northern Ireland? If so, will that have implications elsewhere in the kingdom?

Mr. Straw: The reason for the Government's decision is obvious, and it is not the one that the hon. Gentleman mentions. As everyone knows, the two communities in Northern Ireland have been seriously divided. The best advice that we received was that we should maintain the current arrangements for Northern Ireland.

Mr. Quentin Davies (Grantham and Stamford) (Lab): This is a welcome and important package of measures that will play an important part in our constitutional history. However, does my right hon. Friend accept that it would be greatly enhanced if the Government added to it parliamentary confirmation of important executive offices? Among the obvious candidates for that confirmation would be the chief executives of the Child Support Agency and the Benefits Agency, the chairman of the BBC, the Governor of the Bank of England, and the members of the Monetary Policy Committee.

Mr. Straw: I am grateful to my hon. Friend for his broad welcome for the proposals. A procedure is already in place whereby the Treasury Committee considers Bank of England appointments. The current proposals are non-statutory, as I said a moment ago, but we will listen carefully to what hon. Members of all parties say. I should also have said that we have proposed that a Joint Committee comprised of Members of both Houses be set up to scrutinise the Bill that will be introduced.

Sir Patrick Cormack (South Staffordshire) (Con): As one who believes that this Executive have done more to sideline Parliament and the legislature than any other in recent history, may I ask whether the right hon. Gentleman will take at least one step to dismiss our scepticism to some degree? Will he give an undertaking that, in future, Bills will not be timetabled automatically, at the Government's diktat?

Mr. Straw: I am sorry to say that I cannot oblige the hon. Gentleman in that regard. I have been here almost as long as he has, and I do not accept that the House is less active than it used to be. It is much more active than it was in the 1960s and 1970s, although the fact that no Government since the 1970s have had a small majority has inevitably changed the nature of the House. There is also hugely more in the way of scrutiny today. Select Committees were established by the Conservative Government of the 1980s, but they have been strengthened by us and are much more active. There are also many more parliamentary questions: there were 6,000 written questions a year in the 1960s, but there were 90,000 last year. There is much greater scrutiny of Government than there ever was in the past.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I welcome the greater scrutiny of public appointments, but there is one particular appointment that I suggest should be not only scrutinised but voted on in the House: the appointment of the EU Commissioner.

Mr. Straw: I am very grateful to my hon. Friend for that suggestion. I will discuss it with my right hon. Friends the Prime Minister and the Foreign Secretary.

Mr. Kenneth Clarke (Rushcliffe) (Con): I welcome the further statement on policy on war powers, but does the Justice Secretary agree that in practice we need to know all the details of the new process before we can know whether there has been any significant shift of authority to this House, or new constraints on the Government, particularly with regard to whether parliamentary approval will be asked for at a time when events can still be influenced? Does he accept that recent practice has been to deny until the last possible moment that any decision has been taken to enter into conflict, while vast deployments of troops are made and undertakings are given to allies? Will the resolution provide that as soon as a decision is taken to move troops to an area of potential conflict, where conflict is one of the options, it will be necessary to get parliamentary approval?

Mr. Straw: The right hon. and learned Gentleman makes an important point. I hope that he will examine the draft resolution, and I hope that the Joint Committee that we propose to establish will do so, too. In my judgment, the resolution will move the role of the House beyond existing conventions, such as that which we sought to establish on Iraq, and will change the way in which the Government will operate, internally, where there is consideration of an armed conflict. That is what I want, personally, not least as a result of my experience in respect of Iraq and Afghanistan. The purpose of putting this set of proposals before the House today—this also applies to the draft Bill, although the proposal in question is in the White Paper—is to have them tested properly by the House and the other place, so that we can see whether they will fulfil the purpose we describe.

Dr. Alan Whitehead (Southampton, Test) (Lab): I welcome the range of proposals in the White Paper, particularly those that strengthen the role of Parliament. I am sure that my right hon. Friend will agree that the legitimacy of Parliament depends on how and when elections are conducted. In "The Governance of Britain" Green Paper, it was suggested that there would be consultations on weekend voting. Is it his intention that the consultations will result in the inclusion of the possibility of weekend voting in the legislation that will be brought forward?

Mr. Straw: The answer is that we are consulting on weekend voting. There is much evidence that if voting takes place over a more extended period, turnout is likely to be higher, all other things being equal. I cannot give my hon. Friend a firm commitment that the measure will be in the Bill when it comes before Parliament in its final form, but we are looking for an early legislative opportunity, if the measure is what the public want.

Mr. Cash: Will the Secretary of State confirm that part 4 of the Bill wraps up the discussions and exchanges that we had about a year ago on whether or not treaty can prevail against statute—in other words, that treaty cannot prevail against statute? Secondly, why did he say in his statement, "If this House were then to vote against the ratification of a treaty, the Government could not proceed to ratify it"? Does that exclude the House of Lords? Of course, I am not thinking of any particular treaty.

Mr. Straw: The hon. Gentleman and I have bored for Britain on the interesting issue that the Karlsruhe federal constitutional court raised called "competence versus competence." The proposal will at least ensure that any treaty is ratified by a statutory process of this Parliament. The current proposal is that, since we have to allow for the possibility—hopefully remote—of a stand-off between this place and the other place, it should be the elected House that decides.

Paul Flynn (Newport, West) (Lab): The Canadian Parliament debated and voted on the decision to send 2,500 troops to Helmand province. In a non-emergency situation in April 2006, we decided to send what is now 7,800 troops to Helmand province without a debate or a vote in Parliament. In the spirit of the very welcome document before us, is it not time that we debated the mission in Helmand?

Mr. Straw: I will certainly pass on to my right hon. Friend the Defence Secretary and my right hon. and learned Friend the Leader of the House my hon. Friend's specific request. To return to the question asked by the right hon. and learned Member for Rushcliffe (Mr. Clarke), it is in respect of such conflict in Helmand that the change, if accepted by the House, would in my judgment make a significant difference to decision making in the Government and to the House's authority.

Pete Wishart (Perth and North Perthshire) (SNP): I am quite surprised that there is so little about Scotland in the constitutional paper, given the unanswered West Lothian question and the ridiculous remarks by the Prime Minister in *The Daily Telegraph* today. We have learned that Sir Kenneth Calman is to chair the constitutional commission, but how can the Scottish people have any faith in an initiative that ignores the central question of Scottish independence, and bypasses legitimate Scottish government? As a democrat, surely the Justice Secretary agrees that anything proposed by the commission must be tested by the Scottish people with all other constitutional options.

Mr. Straw: It might be a good idea if the hon. Gentleman recognised the legitimacy of the majority of the Scottish Parliament, who voted entirely voluntarily to establish the review; all the Unionist parties voted in favour of it. We are responding to that request from a democratically elected Scottish Parliament.

Mr. Gordon Prentice (Pendle) (Lab): Is there anything in the draft Bill that addresses the scandal of tax exiles serving in Parliament? If not, will the Justice Secretary lift the relevant clauses from my private Member's Bill, and incorporate them in his Bill?

Mr. Straw: I understand my hon. Friend's sentiments, but we have no plans to do so.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): The right hon. Gentleman's proposals that the Executive should yield power to Parliament would be even more impressive if the votes in the House were a free, unwhipped expression of opinion. Does he not concur with the advice that I give all my Back-Bench colleagues that all votes in the House are free? Furthermore, when the Whips seek to impress on me their own will, I tell them—and I hope that he agrees—that it is none of their business, and they should not interfere with the constitutional duty of Members of Parliament to vote in accordance with their own judgment.

Hon. Members: He didn't say that when he was a Whip!

Mr. Straw: The right hon. and learned Member for Rushcliffe (Mr. Clarke) has taken the words out of my mouth. This is a latter-day Pauline conversion, because I remember the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) going around arm-twisting Conservative Members while taking the Queen's shilling as a Government Whip. Now that he is an unguided missile on the Conservative Back Benches he has changed his opinion. He is entitled to do so, but government would be difficult to operate under any party without any whipping.

Andrew Mackinlay (Thurrock) (Lab): I do not understand what the Prime Minister said last week on the Intelligence and Security Committee, which was reiterated this afternoon by the Justice Secretary in response to my hon. Friend the Member for Sunderland, South (Mr. Mullin). It is a minute adjustment—a ritualistic change—as the nominated members have to go before the Committee of Selection, but they still have to be approved by the Prime Minister. I do not understand the problem: why does the Justice Secretary not legislate to create parliamentary oversight of security and intelligence, so that instead of a spook providing the secretariat, the Clerk of the House of Commons does so? All the members should be appointed on the same basis as members are appointed to the Select Committee on Transport, the Foreign Affairs Committee or the Northern Ireland Affairs Committee. What is the problem? Why does he not trust Parliament?

Mr. Straw: The Government's proposals are set out on pages 59 to 61 of the White Paper. Last Wednesday, my right hon. Friend the Prime Minister said that we would introduce a resolution of the House for change in advance of any future legislation. I take my hon. Friend's remarks and those of my hon. Friend the Member for Sunderland, South (Mr. Mullin) as strong representations that there should be such legislation.

Sir George Young (North-West Hampshire) (Con): On part 1 of the Bill, although no one would object to orderly and peaceful demonstrations in Parliament square, many people object to permanent, unsightly encampments in the middle of a great, historic city. Will the Bill put that right?

Mr. Straw: I understand that there are strong feelings about that. Those encampments are unsightly, but they also represent people exercising a right to demonstrate. The changes in the law have not been conspicuously successful—*[Interruption.]* It is no good pointing at me; I am not the police. The changes in the law have not been conspicuously successful in dealing with the problem, and they have appeared to be pretty heavy-handed as well, so better arrangements are needed. Let us see what the House has to say about it.

Fiona Mactaggart (Slough) (Lab): I had hoped to hear more in the statement about electoral systems, including the possibility of compulsory voting in elections. May I ask the Secretary of State for Justice to look urgently at the issue of postal voting? In the last general election, between one in six and one in seven votes were by post. As was seen in Slough recently, where the Conservatives cheated and won a seat through fraudulent stuffing of ballots, existing legislation does not sufficiently protect us from such fraud. Will he use the Bill to consider whether we can put in new safeguards?

Mr. Straw: Significant changes to the security of postal voting were made in the Electoral Administration Act 2006. I well understand, however, the concerns that further tightening of the procedures is needed, and we are giving that urgent consideration.

Mr. John Redwood (Wokingham) (Con): Do the proposals for the reform of the House of Lords, which the right hon. Gentleman referred to in his statement, entail the abolition of all or most of the unelected places in that House? If so, how would a Government deal with the likely No vote in the Lords to such changes?

Mr. Straw: The basic terms of reference, so to speak, of the cross-party group are the decisions of this House last March in favour of an 80 per cent. or wholly elected Chamber and against any alternatives, so as faithful servants of the House, that is what we are seeking to deliver. The proposals will, of course, have to go in legislative form to both Houses. We will have to see what happens, but I hope very much that when we present proposals, they will be approved.

Tom Levitt (High Peak) (Lab): I welcome what my right hon. Friend said about the greater inclusion of Parliament in the ratification of treaties and in the long overdue system of post-legislative scrutiny. Does he agree that along with an ever wider and deeper commitment to pre-legislative scrutiny and improvements to the way in which European legislation is scrutinised in Parliament as a whole, the proposals provide us with a good opportunity for a thorough debate on the distinctive roles and responsibilities of the second Chamber, and that until we have a settlement and agreement on the roles and responsibilities of the second Chamber, major structural reform is premature?

Mr. Straw: The proposals do provide us with that opportunity, but I do not want in the statement to rehearse the arguments in favour of significant changes to the House of Lords, except to say that clear decisions were made last March and we are taking them forward.

Picking up a question that I was asked by the hon. Member for Cambridge (David Howarth), I may have inadvertently misled the House about the contents of the White Paper as to whether it was a negative or an affirmative resolution procedure. Currently a negative resolution procedure is proposed, but I take what the hon. Gentleman and others said to be strongly in favour of an affirmative resolution procedure, and we will look at that.

Mr. Alan Reid (Argyll and Bute) (LD): Giving Parliament the power to vote on a dissolution will make no difference when a Government have an overall majority. The farce last autumn, when the Prime Minister dithered over the opinion polls and the decision whether to dissolve Parliament halfway through its term, would still be possible. How can the Lord Chancellor justify the continuation of a situation where the governing party could dissolve Parliament halfway through for no other reason than that it was ahead in the polls?

Mr. Straw: We have proposed to the Modernisation Committee that where the Prime Minister proposes the dissolution of Parliament—that is the system that we have, and it is the system in most parliamentary democracies, though not all—he would have to receive a vote on that by this House before it could go ahead.

Andrew Miller (Ellesmere Port and Neston) (Lab): Successive Governments have found difficulty in creating parliamentary time to deal with outstanding Law Commission reports. Last year the Government conceded to pressure in this House and the Lords when there was an attempt to find a means of dealing with outstanding reports through the Regulatory Reform Bill, as it was then. It is all very well having a report from the Lord Chancellor. What mechanisms do the Government intend to put in place to deal with important outstanding reports?

Mr. Straw: I understand the frustration that my hon. Friend has mentioned, and I repeat my great praise for successive law commissioners, who have done a terrific job. Speaking for this Government—and also, I think, for previous ones—I should say that Governments have not done enough to ensure that commissioners' recommendations are brought in timeously.

We are proposing a change of procedure for non-contentious Law Commission proposals. The other changes that we are proposing would ensure that within Government the commission's reports were not sometimes shelved on grounds of inconvenience. There would have to be a process within Government for taking forward Law Commission proposals that were broadly agreed.

Mr. Brian Binley (Northampton, South) (Con): Between 1965 and 1976, I was an election agent and was involved on numerous occasions in local, national and European elections. I assure the House that at that time the electoral system was credible, seen to be fair and in total receipt of the confidence of the British electorate. That is not the case any longer. I was hopeful that in his statement today the Home Secretary would give us hope that he would put the matter right. He has failed to do so. Will he now give me an assurance that he will recognise the mistakes that his Government have made in the last 10 years and do something about the situation?

Mr. Straw: I am not the Home Secretary, but we will leave that minor matter aside. I do not share the hon. Gentleman's view of the 1960s and 1970s; moreover, that view was not expressed by his party, which accused the House and the country of being ungovernable and our system of being in decay.

Mr. David Hamilton (Midlothian) (Lab): May I put forward an alternative point of view from that expressed in an earlier question about the Church of England? We should not encourage the Catholic Church—or, indeed, the Church of Scotland, which is also excluded—to come in. As we go further into the 21st century, this might be the time to separate state from Church, so that the Church is taken out of state business.

Mr. Straw: That is a point of view, but my view is that the established Church plays an important role in our constitution as well as in the faith of our society. It is significant that many of the Churches that are not

members of the Anglican communion support the inclusion of Lords Spiritual in the other place, for example.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I was extremely concerned to read in yesterday's edition of *The Guardian* that, according to its political editor, Ministers have already made a decision to introduce alternative voting systems. Can the Secretary of State give me a categorical assurance that that is not the case? Does he agree that he could introduce a new voting system only if he succeeded in a referendum of the British people on the issue, or if his party were re-elected at the next general election having included the issue in its manifesto?

Mr. Straw: I have already said on many occasions that one cannot use changes to the voting system as some kind of partisan tool. We are not proposing to do so. It is reasonable, however, for there to be a discussion about the alternative vote and we got that going when we published the review of voting systems about three months ago.

Mr. Graham Brady (Altrincham and Sale, West) (Con): The Government will not be taken seriously in their supposed desire to return power to Parliament while they insist on keeping complete control of the timetable of parliamentary business. Does the Secretary of State not agree that they have made rather a bad start today in scheduling this important but not urgent statement in Opposition time, before an Opposition day debate?

Mr. Straw: Part of the trouble—and it has been ever thus—is that there is insufficient time on the Floor of the House. The Government Whips try to avoid statements on Opposition days; I think that the record on that in the past 10 or 11 years has been rather better than it was before. However, sometimes such things are unavoidable.

Mr. Peter Bone (Wellingborough) (Con): May I press the Lord Chancellor on one matter? In answer to my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski), he did not clarify whether the Government would seek to change the voting system for electing Members of this House before or after the next general election.

Mr. Straw: I am clear about the fact that this is not a partisan proposal. We have come to no decisions about it. A review process is taking place that was launched with the review of voting systems.

Mr. David Gauke (South-West Hertfordshire) (Con): In examining proposals for constitutional renewal, have the Government given any consideration to introducing a recall mechanism whereby in certain specific and exceptional circumstances constituents could remove their Member of Parliament during the course of a Parliament, not just at a general election?

Mr. Straw: We have not, as it happens, but there is a case for that, as there would be in respect of the other place. It has not so far been part of our constitutional arrangements, but there is a case for it.

BILL PRESENTED

Sustainable Energy (Local Plans)

Alan Simpson, supported by Mr. Tim Yeo, Julia Goldsworthy, Colin Challen, Mr. Elliot Morley, Mr. Michael Fallon, Mr. Michael Meacher, Mr. Elfyn Llwyd, Jim Dowd, Steve Webb, John Battle and Mr. David Drew, presented a Bill to promote energy efficiency; to require specified bodies to publish sustainable energy plans; to make provision for the transfer of functions to principal councils; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 17 October, and to be printed. [Bill 92].

Opposition Day

[8TH ALLOTTED DAY]

Iraq Inquiry

Mr. Deputy Speaker (Sir Alan Haselhurst): We now come to the Opposition Day debate on the Iraq inquiry. I have to announce to the House that Mr. Speaker has selected the amendment in the name of the Prime Minister. There is also a 15-minute limit on Back-Bench speeches.

4.30 pm

Mr. William Hague (Richmond, Yorks) (Con): I beg to move,

That this House calls for an inquiry by an independent committee of privy councillors to review the way in which the responsibilities of Government were discharged in relation to Iraq, and all matters relevant thereto, in the period leading up to military action in that country in March 2003 and its aftermath and to make recommendations on lessons to be drawn for the future.

The passing of the fifth anniversary of the beginning of the Iraq war brings us naturally to consider once again the need for a high-level and wide-ranging inquiry into its origin and conduct. When we last debated the issue on 11 June last year, I think it is fair to say that a consensus emerged across the House that such an inquiry would be necessary at some point. Those of us who voted for the invasion of 2003, just as much as those who voted against it, expressed the view that the length of the conflict, the difficult and controversial nature of the decisions leading up to it, the extreme difficulties encountered afterwards, and the sheer immensity of the decision and of its consequences were all so great that a major inquiry would be unavoidable. The Government accepted that argument in principle, but argued that the appropriate time had not been reached.

The case that I wish to put to the House is that the nation expects, our troops deserve, and the facts lead to a fresh conclusion that the time to commence such an inquiry has now been reached. The passage of time, the urgent need to learn for the future, the need to reinforce the credibility of future decision taking, and the diminished role in Iraq of British forces all point to that clear conclusion. In a letter to the Prime Minister of 11 February, the Fabian Society put the case very well. It said:

"Iraq has been…the most controversial and publicly contested episode in British foreign policy for half a century, since Suez".

It continued:

"An inquiry cannot change the course of events since 2003. But…A full inquiry would ensure that a rounded assessment of the pre-war diplomacy, the intelligence failures…the conduct of the war itself, and the difficulties of post-war political and economic reconstruction could inform future policy."

It argued that the fifth anniversary of the war would be

"the right time for the government to set out plans to ensure the lessons from Iraq are learnt and inform the future of British foreign policy".

In response, the Prime Minister maintained the Government line of the past 18 months, saying:

"This Government has already acknowledged there will come a time when it is appropriate to hold an inquiry. But…we believe that is not now."

That statement was treated by some as a new development in Government policy, but in fact it brought us no nearer to an inquiry than at any time in the past 18 months. In the debate on this issue of 31 October 2006, which the nationalist parties initiated, Ministers did indeed refuse to concede the case for any inquiry, but the Defence Secretary then announced to the television cameras waiting outside:

"When the time is right, of course there will be such an inquiry."

That has been the Government's position for 18 months.

Mr. Gordon Prentice (Pendle) (Lab): Do the Government have to initiate an inquiry? What is stopping Parliament from setting up its own inquiry, and would the right hon. Gentleman endorse that?

Mr. Hague: If the motion were carried, it would amount to Parliament's insisting on such an inquiry. The hon. Gentleman is entirely at liberty to vote with us—as he seems to do on an increasingly regular basis—on this issue.

Lynne Jones (Birmingham, Selly Oak) (Lab) *rose—*

Simon Hughes (North Southwark and Bermondsey) (LD) *rose—*

Mr. Hague: I will give way to the hon. Member for North Southwark and Bermondsey (Simon Hughes).

Simon Hughes: Given that discussions on Privy Council terms with leaders of his party and other parties took place before many of the crucial decisions, would the right hon. Gentleman agree that it is right that the Conservative party's role and views throughout the proceedings should equally be the subject of the inquiry?

Mr. Hague: I am sure that no Opposition party would object if an inquiry wished to have access to any of its papers or records of its deliberations. The hon. Gentleman might not want to set that precedent in the case of his own party; if he is relaxed about it we may have inquiries in future on parties that promise things in elections and do not deliver them in opposition, but that is another matter.

Andrew Mackinlay (Thurrock) (Lab): Does the right hon. Gentleman go along with the idea that whenever an inquiry is held, it will be useless unless witnesses are obliged to swear an oath to tell the truth, the whole truth and nothing but the truth? We have learned that from painful experience. The inquiry should afford support to witnesses who want to tell the truth but are being leaned on by superiors and people we do not see to be ambiguous or economical with the truth. For an inquiry to have any veracity, it is a prerequisite that people give evidence under oath.

Mr. Hague: There is no reason why that should not be built into an inquiry. If we were to carry the motion, the practical effect would be that the Government would have to come back with their own proposals for an inquiry. I am sure that they would want to build such a requirement into them.

Mr. David Hamilton (Midlothian) (Lab): As someone who voted against the Iraq war on every single occasion, I think that it ill becomes someone to come to the Dispatch Box and argue about an inquiry at this stage. It would be unreal for you to expect people like me to come into the Lobby with you. Could I pose a question back to you? If the right hon. Gentleman is looking at a position where you want an inquiry at this moment in time—

Mr. Deputy Speaker: Order. I am trying to assist the hon. Gentleman in the use of the correct parliamentary language. He must not involve me by saying "you". I think that he meant the right hon. Gentleman.

Mr. Hague: The best answer that I could give to the hon. Gentleman would be to develop the case of what an inquiry would look at now, and the argument for holding it now. I shall proceed to do that—

Rob Marris (Wolverhampton, South-West) (Lab) Will the right hon. Gentleman give way?

Lynne Jones *rose*—

Mr. Hague: In fairness, I shall give way to the hon. Lady, who has been trying to intervene, and I shall then proceed a little way.

Lynne Jones: I thank the right hon. Gentleman. While I am in favour of an inquiry, and I do not accept the Government's arguments that the time is not right, I am concerned about its nature. If we vote for the right hon. Gentleman's motion, how can we be sure that it will provide a full inquiry that will take evidence in public, preferably on oath, in which we can have every confidence? We have not had confidence in previous inquiries, with good reason.

Mr. Hague: The case we have set out in the motion is for a Privy Council inquiry, modelled on the inquiry that took place after the Falklands war. As I said in response to the hon. Member for Thurrock (Andrew Mackinlay), the practical result of the motion being carried would be that the Government would be required by Parliament to set up an inquiry, which would be a matter for further debate. My preferred model is that of a Privy Council inquiry. I want to set out the reasons for that in a moment.

Mike Gapes (Ilford, South) (Lab/Co-op) *rose*—

Rob Marris *rose*—

Mr. Hague: Let me proceed a little way. I will give way to hon. Members in due course, but we have to remember that others will wish to speak.

The case in principle for an inquiry should, therefore, be agreed across the political spectrum. It was agreed after the last debate. For those of us who supported the invasion of March 2003, recent signs of hope in Iraq are welcome indeed. The security situation has improved, the Iraqi economy is growing, stumbling but genuine steps towards political reconciliation have taken place and optimism among the people of the country has risen. But we all have to recognise that the path to this renewal of hope has lain through a painful trauma, including the deaths of 179 members of our armed forces. While the 23 days of the initial military campaign to overthrow Saddam were astonishingly successful, the constant theme of those who have written about their involvement in subsequent events is that things went seriously wrong in the preparation for, and execution of, the occupation of the country.

Sir Hilary Synnott, who was in charge of southern Iraq under the coalition provisional authority, puts very well in his book the need to draw practical lessons from the events. That is part of the case for an inquiry beginning now. He says that, of course, the highest-level political decisions in the run-up to the war need to be examined, but that many practical issues also need to be considered. I shall quote him at some length. He mentions:

"The deficiencies of process and planning need to be examined in detail: the inability quickly to mobilise adequate numbers of appropriate experts or sufficient financial resources...The bureaucratic accounting and contracting procedures; the failures of communication and understanding—between the hub in Baghdad and the regional and provincial spokes...the failure to motivate and organise the Coalition Central Government Departments so that they were...able to contribute their particular skills and resources to an effort which needed to be a truly comprehensive one."

He continues:

"Only by careful analysis of such failings will it be possible to decide to what extent changes need to be made and then...ensure they are brought about."

Several hon. Members *rose*—

Mr. Hague: I shall give way to my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) and then I will read further from Sir Hilary Synnott's book.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Does my right hon. Friend agree that any inquiry needs to embark on the much more fundamental question of whether it is right for any nation to go to war in the absence of an express United Nations resolution, save when there is an urgent, genuine and immediate threat to its security or that of its immediate allies?

Mr. Hague: Of course, it would be open to an inquiry to examine the arguments about legality. I suspect that a difference of view would remain at the end, but it would be open to the inquiry to consider that.

Lembit Öpik (Montgomeryshire) (LD): Does the right hon. Gentleman accept that some of us felt that, whatever preparation had been made in advance of the invasion, the war would inevitably lead to the sort of mess that exists now—in other words, those who voted against the war at the outset felt that it was impossible to avoid the quagmire that we now face?

Mr. Hague: Of course, there are people who hold that view. There are disagreements in the House and in every party about that. The hon. Gentleman may recall that the person who said:

"I happen to be on the side of those who believed Saddam Hussein had to be removed by force, but no one could have predicted they would have made such a mess of the peace building afterwards"

[Mr. Hague]

was his noble Friend Lord Ashdown. There is bound to be disagreement to some extent in any party about that.

Mr. Kenneth Clarke (Rushcliffe) (Con): Does my right hon. Friend share my opinion that it is clear that a majority in the House of Commons currently believes that there should be an inquiry now, but that the practical problem is that we will not get one in the lifetime of this Parliament until sufficient Labour Back Benchers are persuaded to support the proposal? Could he perhaps invite members of the Labour party who have already expressed such an opinion to table a motion, stipulating what sort of inquiry they would like, and contemplate our party or the Liberal Democrats giving time for debate so that we could mobilise a parliamentary majority to do what the hon. Member for Pendle (Mr. Prentice) suggested? Thus Parliament could reassert its right to call an inquiry when it wants.

Mr. Hague: That is, characteristically of my right hon. and learned Friend, a hugely constructive proposal. Indeed, hon. Members who differ with the terms that we propose but agree that there is a need for an inquiry may wish to do exactly as he suggests.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab) *rose—*

Mike Gapes *rose—*

Rob Marris *rose—*

Mr. Hague: I will give way to the hon. Member for Wolverhampton, South-West (Rob Marris), who has been so persistent, and then I shall return to Sir Hilary Synnott's book.

Rob Marris: I am grateful to the right hon. Gentleman for his graciousness. If the inquiry that he seeks through the motion took place and was completed before UK troops were withdrawn from Iraq, would he envisage a second inquiry?

Mr. Hague: That would depend on later events, but I do not think so. Given the stage that we have now reached of fulfilling an overwatch role and what is meant to become a training and mentoring role, pressure or a campaign for a second inquiry is highly unlikely.

Several hon. Members *rose—*

Mr. Hague: Having spent the weekend reading Sir Hilary Synnott's book, I am determined to impart my knowledge of it to the House. He makes an important point when he states:

> "Understanding the causes and consequences of what went wrong in Iraq should not therefore be regarded as just an academic or historical exercise."

In his opinion,

> "Britain and America seem likely to be involved in more, not fewer, nation building efforts in the coming years…Even in Afghanistan, after more than six years of operations, the challenges show little sign of abating, and several of these are, yet again, being examined from first principles—police training…the role of Provincial reconstruction teams",

and so on. He continues:

> "Many of the shortcomings in that country have similarities with those in Iraq and still need to be properly assessed, with appropriate conclusions drawn."

That, as I see it, is why a full-scale inquiry is of practical relevance, and why it might be of assistance to the future operations of this or any other Government and to our armed forces in the field elsewhere. To close our minds to learning from or to delay learning from the issues that Sir Hilary Synnott—the man in charge of governing southern Iraq on our behalf—has been talking about would be a dereliction of our duty, as well as that of the Government.

Mike Gapes: Can we get back to the terms of the right hon. Gentleman's motion? It refers to

> "the period leading up to military action in that country in March 2003",

but when, in his opinion, did that period begin? Does it include what happened when the Thatcher Government were arming Saddam and implicitly supporting the repression of the Kurds, or does it simply start when the Labour Government were elected?

Mr. Hague: I do not think that that period starts with an election. Rather, it is for the members of the inquiry to decide; or, indeed, it is for the Government to bring forward terms of reference for an inquiry that set that out. That question is hardly an insurmountable obstacle to the setting up of a Privy Council or any other inquiry.

Mr. Henderson *rose—*

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP) *rose—*

Mr. Hague: I am trying to involve all parts of the House, so I give way to the hon. Member for Na h-Eileanan an Iar (Mr. MacNeil).

Mr. MacNeil: I am grateful. To develop the argument that the right hon. and learned Member for Rushcliffe (Mr. Clarke) made, does the right hon. Gentleman agree that, this being the third attempt to have an inquiry into Iraq, if we do not have one this time, owing to the practical problem of Labour Back Benchers, the message sent out to the public will be that to have such an inquiry, they must not vote Labour, but for somebody who will ensure that one is held?

Mr. Hague: We have not quite reached that point yet, but we might, if we continue like this, nearer to a general election.

Mr. Henderson: Unlike the right hon. Gentleman, I voted against the war in Iraq. I accept that lessons can be learned from any inquiry that can help the House better to understand how things might be conducted in the future. However, does he not share my worries about holding an inquiry at this stage, in that if it indicted the Government on the reasons for their entry into the war and how it was conducted, it would leave our troops currently in Iraq in a very vulnerable position, both militarily and politically?

Mr. Hague: No, I do not agree with that. I want to set out the case for commencing an inquiry, now or very shortly, and deal with that very point.

As it enters its sixth year, the conflict in Iraq will soon have lasted as long as the second world war. The formative decisions—about the occupation of Iraq, the disbandment of the army, de-Ba'athification and the overall manner in which the military occupation was conducted—were made either in the immediate aftermath of the invasion five years ago, or in some cases well before it. Decisions and analyses relating to the origins of the war and its planning were therefore made up to six or seven years ago.

Any inquiry would presumably take many months to hear and assemble evidence; so even if the Foreign Secretary were to announce an inquiry at the Dispatch Box today, it would entail key participants of those early decisions trying to give a crystal clear recollection, by the time they gave evidence, of events of perhaps seven or eight years earlier. An inquiry announced next year or the year after would require those recollections to stretch back anything up to a decade, with accompanying documents, e-mails and files intact. With the best will in the world, that is going to be difficult for those involved. A continuing delay of months or years—for all we know, the Prime Minister may well mean years—is not merely the postponement of an inquiry, but the diminishing of its value. Its task at a later date would be more difficult, and the accurate and detailed picture of important moments and key meetings would necessarily be more difficult to assemble.

The passage of time is also bringing into public view a series of welcome but inevitably partial assessments of the initial stages of the conflict, in the form of memoirs, lectures, diaries and responses to freedom of information requests. The Government succeeded in blocking the publication of the account of the experiences of Sir Jeremy Greenstock, Britain's senior diplomat at the UN and in Iraq, which was reported to include the observation that the opportunities for the post-conflict period were

"dissipated in poor policy analysis and narrow-minded execution."

Other accounts are well known, including the right hon. Member for Birmingham, Ladywood (Clare Short) attacking the highly personalised form of decision making by the Government, the diaries of Alastair Campbell and Lance Price from inside Downing street, the criticisms of the Government by Sir Christopher Meyer and General Sir Mike Jackson, and the memoirs of Sir Hilary Synnott, from which I have already read a considerable extract.

All of these accounts have come out, and in recent weeks it has been ordered that Cabinet minutes must be published, and an early draft of the so-called dossier on weapons of mass destruction has been forced out of the Government. With such a plethora of bits and pieces of information, and so many personal accounts, coming to light, would it not be better for the Government and for all who wish to learn from these events if what happened were considered properly, completely and in the round, with conclusions based on all the necessary information rather than on the parts that individuals have chosen or managed to publish?

The former Prime Minister's chief of staff, Jonathan Powell, was able to say on BBC television nine days ago:

"We probably hadn't thought through the magnitude of what we were taking on...we were pushing our own side to be prepared, but I don't think any of us really thought through this much bigger question of what we were dealing with".

What harm could it do to this country for the points that he was making to be properly analysed and understood? Such views are a welcome contribution to our understanding of events, but they are no substitute for an inquiry with real power and purpose.

Frank Cook (Stockton, North) (Lab): The right hon. Gentleman asks what harm it could do to this country. I can tell him quite plainly that it would not only debilitate our armed services—*[Interruption.]* I would appreciate it if the House would listen to what I have to say. It would not only debilitate our armed services but give great comfort and encouragement to al-Qaeda elements in the country, which would give them inducement to carry on their bloody trade even more vigorously than they have done to date. That is the harm that could be done.

Mr. Hague: I fundamentally disagree with the hon. Gentleman about that. I do not think that we should shy away from the proper functioning of democracy on the ground that it might encourage our opponents. An inquiry of this kind is part of the proper functioning of democracy.

Angus Robertson (Moray) (SNP): An odd argument has been made by the hon. Member for Stockton, North (Frank Cook) about an inquiry undermining our troops and our security efforts. If that were the case, why was there an inquiry into Bloody Sunday while British troops were still serving in Northern Ireland? That inquiry was supported by Labour and Conservative Members.

Mr. Hague: I agree with the general point that the hon. Gentleman is making. Of course, the same argument could have been made about the Dardanelles commission in the first world war, or, if we go back even further, about the inquiry that this House argued for, and voted for, on the Crimean war. The same argument can be made in all such circumstances as far back in history as we wish to go.

Mr. Simon Burns (West Chelmsford) (Con): Does my right hon. Friend accept that, when James Baker and the other wise men carried out their inquiry on behalf of the American Government, no one suggested that it would harm American troops? Given that there was acceptance on that, surely it is logical that the inquiry that we are proposing would not harm our own troops.

Mr. Hague: My hon. Friend makes a valuable point. There have been far more searching investigations and discussions in the US Congress—and, indeed, in the Iraq study group, as far as we can see—about the nature of the United States' involvement in Iraq than anything that we have seen in this country. Indeed, there are far more regular reports to Congress—General Petraeus is about to testify to Congress again—than anything that we see here. This is a separate point that the Government

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should attend to. There should be regular quarterly reports about progress in any theatre of war.

Mr. Kevan Jones (North Durham) (Lab): I am listening very carefully, but it seems as if the right hon. Gentleman and his party were not in the House when we debated going to war in Iraq. I voted for that war and I still believe that it was the right decision at that time. Does the right hon. Gentleman think that in any ensuing inquiry, the Opposition's role in this country's democracy should be taken into consideration, particularly when, according to what we are hearing, the Conservative party somehow stumbled into voting for the war?

Mr. Hague: I think that that question has already been raised, Mr. Deputy Speaker, so I may have to cut down on interventions in the next few minutes. The hon. Gentleman is simply raising the same point as was put forward by the hon. Member for North Southwark and Bermondsey. If those carrying out the inquiry—in whatever form it takes—want to see the paperwork relating to the deliberations of the Opposition parties, those parties should be entirely amenable to that happening. We should approach it in that spirit. What is being proposed here is not a trial or an impeachment, but an effort to learn for the future. It is a vital national process and it is an important issue for this country, irrespective of whether we voted for or against the war in Iraq.

Mr. Ian Taylor (Esher and Walton) (Con) *rose—*

Mr. Hague: Let me continue for a few moments.

A further aspect of the passage of time to which I referred is the fact that the need to learn from what has happened is serious and urgent. None of us can know at what stage in the future a British Government might feel compelled to say to Parliament and public that military action of some kind is necessary against a potential adversary. We just cannot know, but what we do know is that unless the country has been shown that all possible lessons have been learned, the credibility of any Government in that situation would be in severe doubt. And for good reason, since it would be entirely possible that lessons had not been learned because no searching examination of the past had taken place. We cannot proceed blithely into the future without understanding what has happened in the past.

When asked about an inquiry towards the end of last year, the Foreign Secretary said:

"I am obsessed with the next five years in Iraq, not the last five years in Iraq."

Of course the future success of Iraq in the political, economic and security fields is the most important issue of all in these matters, but whoever heard of making a success of the future without understanding the errors of the past? Do we not all avidly read the memoirs and diaries that I mentioned for clues as to the correct policy in the future? Are we not engaged in a conflict of major proportions in Afghanistan where, for all we know, important lessons about Government machinery, military planning and the occupation of an unfamiliar country might actually be useful sooner rather than later?

Mr. Ian Taylor: I happen to have opposed the war on the grounds that insufficient thought had been given at the time to what might happen if we won militarily. My right hon. Friend might be relieved to know, however, that I agree with him entirely on the purpose of having an inquiry now, not least because we are in danger of losing the peace in Afghanistan where our troops are in conflict. I declare that I have a son who has served in both Iraq and Afghanistan and that one of the biggest problems facing our armed forces today is the lack of transposition of the knowledge that we gained in Iraq to the circumstances of trying to secure the peace in Afghanistan—*[Interruption.]*

Mr. Hague: My hon. Friend makes a personal and a political point in support of my case, for which I am grateful. I heard a sedentary intervention on the Government side a few moments ago to the effect that Afghanistan and Iraq are completely different cases; however, not only has my hon. Friend pointed out some parallels, but a similar argument was made by Sir Hilary Synnott, who was the man in charge of southern Iraq.

It is disturbing that, although there is a rhetorical consensus about the need for an inquiry at some point, the Government's body language still shows an unwillingness to inform the future by studying the past. When my hon. Friend the Member for Mid-Norfolk (Mr. Simpson) asked the Foreign Office last November how many studies into the consequences of the Iraq war it had started or completed and what lessons had been learned by the Department, the reply came back:

"No study of this type has been carried out".—[*Official Report*, 19 November 2007; Vol. 467, c. 562W.]

Mr. Mark Hendrick (Preston) (Lab/Co-op): Will the right hon. Gentleman give way?

Mr. Hague: Not at the moment.

Similarly, in response to the same question, the Department for International Development responded:

"There has been no formal or specific study into the consequences for DFID of the conflict in Iraq."—[*Official Report*, 21 November 2007; Vol. 467, c. 931W.]

Whatever lessons the Government thought they had learned—on the basis of not having conducted any studies so far—were presumably passed on in their evidence to the Iraq study group, which my hon. Friend the Member for West Chelmsford (Mr. Burns) mentioned. That inquiry was commissioned by the United States Government and Congress, but the evidence, although given to the American commission, has never been disclosed to the British Parliament. Nevertheless, despite the passage of years, the publication of incomplete accounts and the threats of an uncertain future, Ministers maintain their position that an inquiry cannot yet be commenced.

Mr. Hendrick *rose—*

Mr. Hague: I will not give way for the moment.

I expect the Foreign Secretary will advance that argument again, but I see from the Government's amendment that they have at least dropped the argument that they advanced last summer that an inquiry was not necessary at an early date because four separate inquiries had already been held. Given that one of them was the investigation into the death of Dr. David Kelly and another was the report by the Foreign Affairs Committee, which complained vociferously about the lack of Government co-operation with the Committee's proceedings, that was never a very convincing argument.

The Government's remaining argument is that, in the words of the Prime Minister's letter to the Fabian Society, it is

"vital that the Government does not divert attention from supporting Iraq's development as a secure and stable country."

That is the Government's crucial argument, as expressed by the Prime Minister himself, so it merits some examination. First, let us be clear that the idea that Iraqi politicians will be unable to proceed with measures of reconciliation, that the Iraqi economy will suffer, or that the stability of the country will be endangered because we are conducting an inquiry in Whitehall is ludicrous.

Mr. Hendrick: Will the right hon. Gentleman give way?

Mr. Hague: I will give way to the hon. Gentleman before the end of my speech.

Of course it is true that there are still senior officials in the Foreign Office, the Ministry of Defence and the Department for International Development who are closely concerned with Iraqi affairs, but being busy cannot possibly provide an argument for indefinitely postponing something that has become so essential. Presumably, when they are no longer dealing with Iraq there will be no shortage of other things for them to do. If we are to wait until those Departments have arrived at a benign and settled time when their senior officials can be troubled with the distraction of an inquiry, such a thing will never take place at all.

If it is true that, as the Prime Minister also said in his letter,

"the whole effort of the...armed forces is directed towards supporting the people and Government of Iraq",

is it not of paramount importance for that effort to be based on a better understanding of past events? The commission that inquired into the Dardanelles campaign was set up in 1916 and reported in 1917, on the recommendation of Asquith, the Prime Minister of the time, who could no doubt have argued that the whole effort of the Government and the armed forces was devoted to winning the first world war. Of course their effort was devoted to winning the first world war, but our predecessors at that time reached the view that they might be better at winning the war, and any other war, if they understood as soon as possible where things had gone wrong.

"Ah," the Government have said in the past, "this may all be true, but we still have members of our armed forces in Iraq, and we would be letting them down or undermining their morale if an inquiry were commenced while they were there." The implications of that argument are, of course, disturbing, as for all we know some British force may be employed in Iraq for a considerable time to come, and it would follow from the Government's argument that no inquiry is remotely on the horizon.

It should also be pointed out that that has, in any case, always been a weak argument. The largest Army garrison in Britain—in Catterick—is in my constituency, and I am glad to say that it is often visited by the hon. Member for Stockton, North (Frank Cook). I often speak to soldiers and senior officers who have returned from Iraq, and the notion that their morale would be in any way undermined by our commencing an inquiry into the origins and conduct of the Iraq war is one that most of them would consider truly laughable. The morale of those wonderful people is made of far sturdier stuff than that. It depends on their training, their colleagues, their leadership and their equipment. Far from their being undermined by an inquiry, there are few who would not welcome it, for they above all others want to know that all of us politicians have learned from mistakes for which some of their colleagues paid with their lives.

Furthermore, the Government cannot claim simultaneously that the role of our armed forces in Iraq has been much reduced and circumscribed, and that the military situation is so critical that no inquiry can be commenced. On 16 December, the Foreign Secretary said,

"our role from now is going to be a supporting role because it's Iraqis in the lead in security, Iraqis in the lead in politics."

In October, the Prime Minister told the House,

"in the spring of next year"

—that is now—

"...we plan to move to a second stage of overwatch where the coalition would maintain a more limited re-intervention capacity and where the main focus will be on training and mentoring."—[*Official Report*, 8 October 2008; Vol. 464, c. 23.]

Is a process of training and mentoring, or even of overwatch, in 2008 going to be disrupted or damaged by the holding of an inquiry that would surely concentrate on the events of 2002, 2003 and 2004?

Mr. Hendrick: I thank the right hon. Gentleman for giving way. I take on board his point that this issue is about the past as well as the future. Does he regret supporting the Government's decision to go to war in Iraq?

Mr. Hague: We have also discussed that many times. I do not regret my decision, but other Members who voted the same way as I did will regret their decision; some of them have spoken out about that. However, I believe that all of us, regardless of whether we voted for or against that decision, should be able to join together in being willing to learn from what has happened, because none of us thinks that everything went according to plan. That should be the united basis on which this House approaches an inquiry, as it was in the first world war example I have referred to, and which provides a lesson for us to draw on.

Simon Hughes: There is another strong reason in the national interest why there should be an inquiry now. Given that there will be a new President in the White House as of January and given that one of the perceptions of our decision to join with the Americans is that we were their poodle, it is important that our Government and the people of Britain understand the

[Simon Hughes].

implications of that decision so that in future we get a foreign policy that is more balanced and that does not look so subservient.

Mr. Hague: In advancing that argument, the hon. Gentleman might start to fracture the possible coalition in all parts of the House in support of an inquiry. I shall not therefore go down that road with him, but let me at least say that that is clearly an argument that can be put in favour of an inquiry.

Since the current Prime Minister took office, the Government have announced at least 50 separate reviews of different areas of policy, all presumably designed better to inform future policy making. They cover a vast range of subjects, from casinos to 24-hour drinking to the promotion of tourism and to sunbeds. *[Interruption.]* The Foreign Secretary may not be aware of it, but the Government are having a review of sunbeds. Many of these reviews are in the military area, such as the review of support for the armed forces, the armed personnel review and the review of the role of the military. It defies credibility that there should be time and resources to review a vast range of subjects, including many in the field of defence, but that any review or inquiry into probably the most important events of the decade is too much of a distraction from the matters in hand.

Finally, among the Government's arguments against an inquiry last year was that it would give the impression of division or weakness to the enemy; the hon. Member for Stockton, North has made that point. However, since when, in any mature democracy, have considered debate, searching inquiry and the establishment of truth been a sign of weakness—even in more dramatic moments in our history? Did our predecessors shy away from debating Norway in 1940 in case Hitler was emboldened?

The truth is that the case for commencing an inquiry of the type, or of a similar type, to the one we are calling for today has become overwhelming. That has been well illustrated by the work of the Fabian Society and the debates in the House of Lords where former Foreign Secretaries of all political persuasions have put the case for an inquiry to begin.

If Ministers continue to argue against that, they will be increasingly isolated voices, holding out against a preponderance of national opinion, which embraces every other party and many members of their own. They may be unwilling to embark on something which would, of course, add to the duties of some of them, but they should not shirk this task because it seems unpleasant, and they should remember that if this inquiry is not established by this Administration, it most surely will be by the next one. They may be unwilling to act at the behest of the Conservative party, or of the Liberal Democrats, or even of the Fabian Society, but if so, they should go away from this debate and come back in a short time with their own considered proposals. Not to do so would be an error of policy, as well as of politics; and not to do so would be to frustrate the wishes not of any one party in this House, but of the British people as a whole.

5.9 pm

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): I beg to move, To leave out from 'House' to the end of the Question, and to add instead thereof:

'notes the Resolutions of this House of 31st October 2006 and 11th June 2007 on an Iraq inquiry; recognises that this House has already twice voted against holding an inquiry at these times; further recognises that a time will come when an inquiry is appropriate; but declines to make a proposal for a further inquiry at this time, whilst important operations are underway in Iraq to support the people and government of Iraq.'.

The amendment stands in the name of the Prime Minister, and that of myself and my colleagues. I must notify the House that a long-standing official engagement means that I shall not be present for the wind-ups.

I start on two points on which I believe there is agreement across the House. First, whether we voted for the Iraq war or against it, we all recognise that the continued bravery, dedication and professionalism of our armed forces and our civilian staff operating in Iraq is second to none. All of us have constituents whose sons and daughters, husbands and wives have served, or are serving, in Iraq. Some of us have constituents whose loved ones have died there. None of us—on any side of the debate—has anything but admiration for and pride in the selfless way in which those people have gone about their task, and nothing that I say today will impugn the motives or motivations of speakers or hon. Members, however they vote.

Secondly, there is agreement across the House that an inquiry into the Iraq war will be necessary. The right hon. Member for Richmond, Yorks (Mr. Hague) set out the reasons for that well, and I do not need to rehearse them. He was also generous enough to say that the Government have been consistent on this issue since October 2006. The dispute between us concerns not substance, but timing. The Opposition have said that the time for such an inquiry is now—on the GMTV programme this morning he said, "Now is the right time". Given today's reports from Basra, most people would see that as a bizarre choice of priority. We say, as the Prime Minister has said, that

"the right time to look at these issues and review the lessons learned is when our troops have finished the work in Iraq".—[*Official Report*, 19 March 2008; Vol. 473, c. 932.]

Mr. Burns: The British Government's view is that now is not the right time, but why have the Americans been prepared to carry out their own inquiries in previous years since the beginning of the war? Why has the time been right for the Americans when they have held inquiries but now is not the right time for the British?

David Miliband: That relates to the burden of my speech; it is contained in our amendment, which refers to the "important operations" that our troops are doing in theatre. I want to go through each of the arguments carefully. They relate to precedent and the learning of lessons, both of which I shall address, and the condition of our troops on the ground.

Jeremy Corbyn (Islington, North) (Lab): Does the Foreign Secretary not accept that his argument is absurd? If we do not have an inquiry now, we will never

have one while any conflict is going on because there will never be a good time to do so, as others have pointed out. Perhaps he could take a lesson from across the Atlantic. Not only has the United States held inquiries, but both of its Houses have debated and voted for the withdrawal of US troops from Iraq, and the troops remain there only through the presidential veto. Cannot we learn a lesson from that side of the Atlantic too?

David Miliband: Some 60 debates on the Iraq issue have taken place in this House. It is proper and right that any hon. Member, or group of hon. Members, can table a motion arguing for the withdrawal of British troops from Iraq now and Parliament would have the right to vote on that issue.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): A few moments ago, the Foreign Secretary argued that the conflict in Basra is a good argument against an inquiry. I am sure that he has read the recent interview given by Jonathan Powell, the former chief of staff to the Government, who makes it clear that the Government in no way planned for or understood the possibility of a sectarian conflict or internal civil war being likely to break out in Iraq if a war took place. Is that not precisely why we need to have an inquiry? Today's events in Basra demonstrate the inadequacy of the Government's preparation for one of the worst conflicts for which this or any British Government have been responsible in the past 100 years.

David Miliband: The events demonstrate a wide range of issues, not least the role of the Iraqi security forces and police in disbanding and attacking some of the Iraqi militia—the Shi'a militia—in the south of Iraq. I shall argue and explain in my speech why the situation in Basra precisely does not call for the sort of inquiry that has been mentioned. Our rationale was simple and it was set out clearly in the debate in the House on 31 October, to which the right hon. Member for Richmond, Yorks referred. This is what was said at the time:

"important operations are under way in Iraq. Major political decisions in Iraq and efforts to contain the insurgency appear to be in the balance. The Baker commission is expected to report in the next few months. Any inquiry should be able to examine what happens in the coming months"—

that point was made earlier—

"as well as the events of recent years. To begin an inquiry now would therefore be premature".

Those powerful words encapsulate the heart of our case. What is peculiar is that they were not uttered by a Government Minister. Instead, they are the words of the right hon. Member for Richmond, Yorks in that debate, who provided a catalogue of reasons against an immediate inquiry.

Let us go through those reasons carefully. Eighteen months on, the Baker commission has reported but every other count set out not by me, but by the right hon. Gentleman in October 2006 applies now. The right hon. Gentleman argued against an inquiry in October 2006 because

"important operations are under way in Iraq."

That was his argument, not mine. *[Interruption.]* It is his argument and mine. The same is the case today. About 4,000 British troops are providing vital functions to monitor, mentor and train Iraqi security forces, to provide key support to those forces, to support border security on the Iran-Iraq border and to provide a quick reaction force at high readiness.

The right hon. Gentleman also argued against an inquiry because:

"Major political decisions...and efforts to contain the insurgency appear to be in the balance."—[*Official Report*, 31 October 2006; Vol. 451, c. 183.]

So they are today; it is his argument and mine. One has only to switch on the TV to see it. I shall come back to this later and explain current developments but there are clearly clashes between the Iraqi security force and militia groups, never mind important developments on the political front. The Iraqi Government are deliberating on a new election law and a hydrocarbons law, as well as revenue-sharing laws that will benefit all Iraqis. The myriad Iraqi political parties that have emerged since 2003 are working through the implications of their 4 December commitments to constitutional reform. *[Interruption.]* Some hon. Members say that that is not relevant, but it is relevant because it is the exact reason given against an immediate inquiry by the right hon. Member for Richmond, Yorks in 2006. In fact, he concluded by saying that an inquiry would be "premature" because of those grounds. If that argument was good enough for him then, it should be good enough for him now.

Mr. Crispin Blunt (Reigate) (Con): The events in Basra today, where the Iraqi army is trying to address the militias and, to a degree, the police force, which is wholly infested by the militias, are a direct consequence of the failure of British policy. That policy was made evident to the Select Committee on Defence in 2004 when we were shown the Iraqi police being trained by the British. That has a direct read-across to what our troops are doing in Afghanistan, where the lessons from Iraq are directly applicable to the failure to establish a police force that is not corrupt. What is happening in Basra today will happen in Afghanistan tomorrow if we do not learn the lessons.

David Miliband: As I shall show in the course of my remarks, the Ministry of Defence has published two studies of the lessons to be learned and has conducted numerous internal studies, too, which are informing the work that is going on.

Mr. Paul Keetch (Hereford) (LD): For the record I want to say that my party, of course, called for an inquiry at a time considerably before the Conservatives did. Will the Foreign Secretary explain the position? Is he saying that there will be no inquiry while British forces remain in theatre? If that is the case, we still have troops in the Falklands, in Cyprus and in Bosnia. Is not the reality that the Baker commission in the US led to the appointment of General Petraeus and a change in policy by the US military that, to its credit, is starting to see some good effects? Could not that happen to our forces, too?

David Miliband: The hon. Gentleman referred to the Falklands—the right hon. Member for Richmond, Yorks called it a model inquiry—but we should

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remember that the Falklands inquiry was established at the end of the Falklands conflict. I do not think that the point made by the hon. Member for Hereford (Mr. Keetch) in respect of the Falklands is—

Mr. Edward Davey (Kingston and Surbiton) (LD): Rather than taking the easy tack and looking at the inconsistency of the Conservative position, will the Foreign Secretary look at the substance of the case for an inquiry? Rather than talking about the operations, which we all know about, will he say why those operations would hinder an inquiry?

David Miliband: I shall address that directly. Essentially, we think that the priority of Government and our armed services should be the situation in Iraq, not the servicing of an inquiry.

Peter Bottomley (Worthing, West) (Con): What the House hopes to hear is why an argument that might have been premature 18 months ago has not matured now. We want to know, for example, whether the then Prime Minister put decisions in writing in the way in which Winston Churchill instructed his Secretary of State to do in 1941. Meetings were to be minuted and decisions confirmed in writing. Those are the kinds of things that will get lost as we get further away from the time when the war started, year by year. The House, the country and our troops deserve better than that.

David Miliband: There have been four arguments made for an inquiry and I want to go through them one by one, but the very case that the hon. Member makes—that he wants to know whether decisions were given in writing or orally—shows that this has nothing to do with the learning of lessons that are appropriate for the lives and welfare of our troops on the ground today.

Tom Levitt (High Peak) (Lab): The one group of people whose views on this issue have not been mentioned in the first hour of this debate is the Iraqi people. The motion talks about "all matters relevant thereto", which would presumably include the internal workings of the present democratic Government in Iraq. Can my right hon. Friend tell the House whether the Iraqi Government have been pressing him for an early inquiry?

David Miliband: That is a good point and one that we had not thought of circulating in the briefing. We have not been pressed by the Iraqi Government, who have more important things on their mind.

The judgment about the right time hinges on four points, and I shall address each in turn. The first is precedent. The right hon. Member for Richmond, Yorks mentioned the situation in July 1916, when Prime Minister Asquith set up an inquiry not into the origins and conduct of the ongoing first world war, but into the time-limited, finished and ill-fated Dardanelle expedition of 1915 and, for the sake of accuracy, into the Anglo-Indian campaign in Mesopotamia in spring 1916. That point was brought out in the debate on 31 October 2006 by my hon. Friend the Member for Grantham and Stamford (Mr. Davies), who at the time was not my hon. Friend. He showed that the Dardanelle example did not actually speak to the case that the right hon. Gentleman seeks to prosecute. In fact, the campaign was over before the inquiry was set up—

Mr. Keith Simpson (Mid-Norfolk) (Con): A case could just be made by the Foreign Secretary about the Dardanelles, but he glided carefully over the example of the campaign in Mesopotamia—which we otherwise know as Iraq. That inquiry was set up specifically to learn military operational lessons in an ongoing campaign, which had brought disaster to the British at Qut al Amara. It was going on at the time, and lessons were learned. That example proves our case.

David Miliband: It is a good thing that the right hon. Member for Richmond, Yorks did not mention the Mesopotamia campaign in the prosecution of his case. In fact, it was the Dardanelles campaign that he mentioned.

The right hon. Gentleman did mention the famous Norway debate in 1940, but it is known as the Norway debate, not the Norway inquiry, for a very simple reason—it was a debate about Norway, not an inquiry into the Norway campaign. There was no inquiry into the Korean war, Suez, the first Gulf war or the Balkan conflicts of the 1990s. The Franks inquiry was set up after the end of the Falklands conflict. The right hon. Gentleman said in his speech that we should model—not my word, his—any inquiry on the Franks inquiry. In fact, the Franks inquiry was set up only after all the troops had come home from the Falklands. I do not therefore believe that the case has been made.

Mr. Andrew Tyrie (Chichester) (Con): The whole of the Foreign Secretary's argument seems to rest on what will be perceived outside this Chamber as the absurd premise that a group of 4,000 people with an overwatch role will somehow have their morale undermined if we commence an investigation to clear up the huge number of concerns that remain about the war. Is that really what his argument rests on? If not, will he finally get round to telling us what his argument is?

David Miliband: I have never mentioned the word "morale". I do not think that the morale argument is a very strong one and the hon. Gentleman will not hear it from me.

The second argument is that following Basra's transition to provincial Iraqi control in December, our military role in Iraq is now so limited—the right hon. Gentleman used the rather dismissive word "diminished"—that an inquiry could safely be held without prejudice to the position of our servicemen and women in Iraq. That argument does not accord with the reality of our ongoing commitments in southern Iraq.

Mr. MacNeil *rose—*

Mr. Bernard Jenkin (North Essex) (Con): Will the Foreign Secretary give way?

David Miliband: No; I am just going to make this point, then I shall let hon. Members come in.

British forces still have an important role to play in monitoring, mentoring and training the Iraqi security

force in southern Iraq. Our forces support the Iraqi security force in active operations such as countering smuggling on the Shatt al-Arab waterway and at the Iranian border, including by supporting, training and developing the Iraqi department of border enforcement.

When necessary, and at the request of Iraqi authorities, we provide Iraqi-led operations with advanced capabilities that the Iraqi security forces do not possess. That was what we did in January when the ISF were faced with a series of pre-planned attacks in both Basra and An Nasiriyah by a fundamentalist sect during the Ashura festival.

Mr. Jenkin: Will the Foreign Secretary give way?

David Miliband: I shall give way at the end of this section of my speech.

UK forces were in close contact with the Iraqi security forces, and provided fast air support and aerial surveillance capabilities in support of ISF operations. Those capabilities were crucial in enabling the Iraqi security forces to deal with the situation as effectively as they did.

We also retain the capacity to deploy ground forces in support of the Iraqi security forces, at Iraqi request and in line with the terms of the memorandum that was signed in December. The dangers and difficulties of that role are shown by the continued efforts of small numbers of extremists to target our forces. It is not tenable to make the second argument: that our armed forces are no longer devoting significant attention to the future of Iraq, and so have time on their hands for all the demands of an inquiry.

Mr. MacNeil *rose—*

David Miliband: The hon. Gentleman has been trying to get in; I am happy to let him.

Mr. MacNeil: The Foreign Secretary says that Iraq is an ongoing situation. Is he saying, therefore, that the President of the United States was wrong when he said, "Mission accomplished"?

David Miliband: I think it is evident that the mission has not been accomplished. I associate myself entirely with something that the right hon. Member for Richmond, Yorks, said earlier—I do not know whether he was quoting what I said last week. It seems clear that the war itself went better than most people expected, but that the building of the peace afterwards has gone much worse than people expected. That is the basic truth, and we might as well all accept it. The mission has not yet been accomplished.

Mr. Jenkin: On the previous point, I think that my hon. Friend the Member for Mid-Norfolk (Mr. Simpson) completely demolished the Foreign Secretary's argument.

Will the Foreign Secretary explain to the House why the Prime Minister promised a reduction in the number of troops in Iraq to 2,500 by next summer? It is now becoming evident that that is not going to be delivered, and 4,000 looks like the minimum. Is that not a further argument for an inquiry? Some of the mistakes that the Government made soon after the invasion seem to be being repeated.

David Miliband: The Prime Minister's promises were made on the basis of military advice. He promised a downward trend in troop numbers, which remains the case. All further decisions will also be based on military advice, and I think I would discount the numbers that the hon. Gentleman is chucking around.

Mr. Robert Marshall-Andrews (Medway) (Lab): The Foreign Secretary's argument is predicated, in truth, almost entirely on the fact that it would be militarily deleterious for an inquiry to be held now. Will he tell us which senior commanders of the British armed forces, present or past, have told him or said that such an inquiry would be harmful?

David Miliband: The same question was asked in a previous debate, and the answer was, "None." That is not the basis of the case. I am asking people to make a judgment of the four reasons that have been given. The first is the precedent, and the second is the so-called diminished role that we are playing.

Mr. Kenneth Clarke: I do not understand the Foreign Secretary's response to my hon. Friend the Member for Chichester (Mr. Tyrie). He has described clearly the role being carried out by the 4,000 people still in Basra. He said that it is not their morale that he is worried about. What is the argument that an inquiry into the origins of and planning for the war will disrupt the continuing role in Basra? It sounds as though the Foreign Secretary is just saying, "They wouldn't have the time." The people involved in Basra at the moment, however, are highly unlikely to be required for the sort of inquiry that my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) has been arguing for.

David Miliband: The argument is straightforward: that the focus, attention and priority of armed services and diplomats should be on the job at hand, not on the service of an inquiry.

The third argument for an inquiry has to do with the lessons learned for the benefits of future policy. It is that an early inquiry can help us learn lessons that will contribute to the future success of efforts in Iraq. However, our military, diplomatic and development strategies have consistently been adjusted and updated in the light of events on the ground in Iraq and the lessons that have been learned.

As I said earlier, in 2003 the Ministry of Defence published two studies about the operations in Iraq. Since then, it has conducted a series of internal reviews and studies concerning various stages of the operation. They apply across the complex range of issues raised by the Iraq conflict—from military kit to counter-insurgency strategy, from the relationship of security to economic and political change. More broadly, we have long recognised the importance of learning systemic lessons about the conduct of post-stabilisation operations—a point that was made earlier in relation to Afghanistan.

The final argument is that, if an inquiry is not held soon, memories will fade, records will be lost and the passage of time will render it impossible to conduct an effective and detailed examination. The right hon. Member for Richmond, Yorks said last week:

[David Miliband]

"As we reach the fifth anniversary of the invasion of Iraq it is becoming imperative to begin an inquiry before memories have faded, e-mails have been deleted and documents have disappeared."

Patrick Mercer (Newark) (Con): The Foreign Secretary spoke about lessons learned, but 15 years or more ago a very expensive course—the higher command and staff course—was set up at the Joint Forces Staff college. It studied campaign planning, and many of the senior officers and civil servants who tried to make decisions about the invasion of Iraq had been on it. I know that they looked carefully at a module covering the Marshall plan, and at what would happen after the fighting finished. Why was their advice ignored, and should we not inquire into the matter?

David Miliband: I shall be happy to look into that, and to ask my hon. Friend the Minister for the Armed Forces to address the point about the module. However, the hon. Gentleman and I agree that there are significant lessons to be learned, both in-theatre and about decision making. What divides us is when there should be an official inquiry—and the motion calls for a Privy Council inquiry—into the Iraq war. Should we hold one now, or when our troops have finished their work? I put it to the hon. Gentleman that it is more sensible to hold it when our troops have finished their work.

Mr. Keith Simpson: The Foreign Secretary has gone into some detail about the internal inquiries conducted by the Ministry of Defence. There is no dispute about them, but will he explain why the Foreign Office has not undertaken any inquiry? I refer the right hon. Gentleman to the written answer that I received from the Minister for the Middle East on 19 November 2007.

David Miliband: The wisdom of all Foreign Office officials is of course used to inform the development of policy. Those officials include existing ambassadors who have moved out of Iraq, as well as those who have retired. The policy of the Foreign Office is not the same as it was in 2002 or 2003, but the failure to establish an official inquiry is not a consequence of that.

I want to say more about the fourth and final argument for an inquiry, which is that memories will fade and that e-mails will be deleted. Frankly, that is the weakest part of the case for an inquiry. Since 2003, there have been four separate inquiries into different aspects of the decision to invade Iraq and associated events, and they are not going to go away. In the same period, there have been 60 parliamentary debates on the matter. As the depth of interest in the fifth anniversary of military action shows, events and decisions related to Iraq are still being analysed and debated in minute detail. I do not see any risk that interest will fade before the time is right for an inquiry.

Mr. Davey: I am afraid that the Foreign Secretary has just holed himself below the waterline. He has told the House there have been four inquiries, and that used to be the Government's argument for not holding an official inquiry. Will he tell the House how the Government were able to hold the four inquiries about which they now boast without harming operations in Iraq?

David Miliband: The argument against the Government was that those inquiries were narrow and limited. I shall go through them: they include the inquiry into the death of Dr. David Kelly—the so-called Hutton inquiry—and the Foreign Affairs Committee inquiry for which the hon. Members who compiled it claimed to have received insufficient help. Both were specific and narrow, but the right hon. Member for Richmond, Yorks made it clear that the inquiry proposed in the motion would have no limit on what it would be able to look at. A Privy Council inquiry of the sort that is being proposed is of a different order from those that have been conducted so far. The inquiries that have been conducted so far, including the Butler inquiry on the use of intelligence, were discrete and narrow in their terms of reference and in what they were investigating.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Before my right hon. Friend moves on from the point about memories fading, many in this House remember well the events leading up to actions five years ago, and we remember well the Conservative party's view on the issues. Is he not being patient in his speech, given that we know why we are debating the subject today? The debate is a cynical move by the Conservative party to reposition itself on Iraq for narrow, party political advantage.

David Miliband: I am glad to have my hon. Friend's support, and I think that there is rather a lot of agreement, certainly among those on the Liberal Benches, with what he says about the official Opposition's motivation on the issue.

Mr. Michael Howard (Folkestone and Hythe) (Con): The Opposition's position on the four inquiries may indeed have been that the terms of reference were so limited that a wider inquiry was needed, but does the Foreign Secretary not recall that the Government's position, repeated time and again by Members on the Government Benches, was that it was precisely because the inquiries' terms of reference were so wide-ranging and comprehensive that no further inquiry was needed?

David Miliband: There is absolutely no comparison between the Privy Council inquiry advocated by the right hon. Member for Richmond, Yorks, which would cover every aspect of not just Government policy but, as we learned today, Opposition policy, and the Butler inquiry on the use of intelligence or the Hutton inquiry on the death of Dr. David Kelly. Those were of a different order from the Privy Council inquiry, with no limits, that is being proposed today.

Lynne Jones: Will my right hon. Friend give way?

David Miliband: In a moment; let me make some progress. The right hon. Member for Richmond, Yorks, majored on this point, but it is not credible to argue on the basis of the risk of interest fading, of records being lost, or of e-mails going missing. That cannot conceivably be the basis for arguing for an inquiry now,

rather than when our troops have come home. That seems to me to be the fourth and final weakness of the case that he makes.

Lynne Jones: My right hon. Friend mentions the Butler committee's inquiry, but how can the House have confidence in that inquiry, or indeed that of the Intelligence and Security Committee, when one member of both committees—a former Member of the House, Ann Taylor—was involved in the preparation of the dossier? We know that from an e-mail to Jonathan Powell, among others, that begins:

"Ann Taylor read the draft dossier this morning and passed on some detailed comments to John Scarlett. She has just rung me to underline the following points."

There then follow various points. A Member of the House was involved in drawing up the dossier, was then appointed a member of the Butler committee, and was Chair of the Intelligence and Security Committee; how can we have confidence in those procedures?

David Miliband: I have never heard the credibility or the good sense of the Butler inquiry called into question. I think that all of us who have read that study believe that it did a very serious job, without fear or favour. It interrogated all the relevant people, it looked into all the issues, and it had full access to papers. It came up with a clear set of recommendations that no one would say were comfortable for the Prime Minister and the Government of the time.

Alan Simpson (Nottingham, South) (Lab): What the Butler saw was as little as possible.

David Miliband: My hon. Friend says, from a sedentary position, something about what the Butler saw; I think that the Butler saw pretty much everything in this case. I am surprised to hear my hon. Friend the Member for Birmingham, Selly Oak (Lynne Jones) cast doubt on the credibility of the Butler inquiry.

Sir Malcolm Rifkind *rose—*

David Miliband: Is it about the Butler inquiry?

Sir Malcolm Rifkind: The Foreign Secretary said earlier that it was not the morale of troops in Basra that was of concern to him, but the fact that senior Ministers and diplomats would be distracted from the priorities of dealing with the ongoing situation in Iraq. He knows perfectly well that not a single senior Minister, ambassador or senior civil servant who was responsible for Iraq five years ago currently has responsibilities for Iraq, so how can that possibly be an argument in favour of his position?

David Miliband: First of all, for the record, I would never say that the morale of troops was not of concern. My argument was that I would not advance the case against an inquiry on the basis of the morale of the troops. Secondly, in respect of the work that would be required across the armed forces, which I mentioned, and the diplomatic service, it is not only the senior Ministers to whom the right hon. and learned Gentleman referred but the whole machine that will have to service the inquiry and ensure, in a diligent way, that the issues are addressed. That is the issue at hand. That is the argument for holding an inquiry when we could hold one, when all our troops have come home.

Richard Ottaway (Croydon, South) (Con) *rose—*

David Miliband: I will give way to the hon. Gentleman, because he has not yet had a chance to speak, but then I want to conclude.

Richard Ottaway: The Foreign Secretary has spoken about the wide-ranging nature of the Butler inquiry and the inquiry by the Intelligence and Security Committee. He knows that the previous Prime Minister admitted at the Dispatch Box that he did not know that weapons of mass destruction, which he was going to destroy, were in fact defensive weapons. We went to war without the Prime Minister knowing exactly what the threat was. How could that possibly happen? The Prime Minister did not know—he was not briefed—yet those questions were not posed by either the Butler inquiry or the ISC inquiry.

David Miliband: We have had 60 debates, many of which have focused on that and other relevant issues. However, that does not seem to be relevant to the issue that we are debating.

Sir Menzies Campbell (North-East Fife) (LD) *rose—*

Mr. Keetch *rose—*

David Miliband: On due grounds, I shall give way to the right hon. and learned Member for North-East Fife (Sir Menzies Campbell). I hope that the hon. Member for Hereford understands.

Sir Menzies Campbell: I have listened carefully to the Foreign Secretary's speech. Does he understand that the impression that he is giving is less a concern about the effectiveness of British operations in Basra and much more a determination to try to protect the Government from embarrassment in relation to the decision to go to war?

David Miliband: With all due respect, I believe that the right hon. and learned Gentleman thought of that line before the debate began.

Given the events in Basra, it is important that I update the House on our understanding of the clashes that have taken place. In the hour between oral questions and the debate, I have spoken to our acting consul general in Basra and to our ambassador in Baghdad, and I should update the House on that, because it is relevant to this issue. Over the past two days, the Iraqi Government have launched a new phase in their efforts to assert full authority over Basra. On Monday, Prime Minister Maliki broadcast a message to the people of Basra, emphasising that the Iraqi state was responsible for security.

Mr. David Lidington (Aylesbury) (Con) *rose—*

Mr. Deputy Speaker: Order. I may have anticipated the point of order the hon. Gentleman was about to raise. The Foreign Secretary should be careful on this matter. If he seeks to insert in his speech a statement

[Mr. Deputy Speaker]

about a situation that would ordinarily be subject to questioning, that ought to be done in a specific way. It is not normally accepted procedure to combine a statement of information to the House with a speech in an Opposition day debate.

David Miliband: I am certainly not going to argue with the Deputy Speaker, or trespass on the conventions of the House. I think it is relevant, however, to our debate that the centrepiece of the Government's—

Mr. Blunt: On a point of order, Mr. Deputy Speaker. May I suggest to the Foreign Secretary that he make that statement on the completion of our debate tonight, when he will have more information to present to the House?

Mr. Deputy Speaker: I think that the hon. Gentleman knows that that is not a matter on which the Chair can pronounce. I have suggested that the Foreign Secretary follow the normal way of proceeding in cases of this kind. It is up to the Government to decide how they deal with that.

David Miliband: Let me conclude, Mr. Deputy Speaker, by addressing the finely balanced position that continues to exist in Iraq, and which the right hon. Member for Richmond, Yorks himself argued in 2006 militated against an inquiry.

In the past year, there have been significant improvements in the security situation in Baghdad, as the right hon. Gentleman said. That is a reflection of various factors, not least the growing capability of the Iraqi security forces and the rejection by many Iraqis, particularly Sunnis of western Iraq, of al-Qaeda. However, it is also clear that to sustain that progress, Iraqis themselves need to use the opportunities provided by improved security to take forward the political reconciliation process. It is important, too, to use the breathing space provided by improved security to progress broader reconciliation at the local level, which is directly relevant to the position of our troops and the training of the Iraqi security forces in southern Iraq.

In Basra, real progress had been made by General Mohan, head of Basra operations command, and by General Jalil, Basra police director, in developing ISF capability since their appointment last summer. On the economic front, the Prime Minister's announcement on 8 October of a Basra development commission has been taken forward, and meanwhile, hundreds of corrupt or militia-affiliated police officers have been dismissed by General Jalil. The sovereign decisions of the Government of Iraq in respect of the Iraqi security forces and their work with our troops in southern Iraq reflect the progress that has been achieved since provincial Iraqi control in Basra.

We have commitments to the Iraqi people, rooted in UN resolutions. We are continuing to devote substantial diplomatic, development and military resources to honouring those commitments, against a background of promising but still fragile progress. In that context, all the efforts—

Adam Price (Carmarthen, East and Dinefwr) (PC): Will the right hon. Gentleman give way?

David Miliband: No. All the efforts of our most senior people, from soldiers to diplomats, need to be focused on creating the best possible future for Iraq, not on concentrating on the past. That is what the Government will be doing. I believe that is what the House should be doing as well. Let us have an inquiry, but when our troops are safe. I urge support for the Government amendment.

5.45 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): I begin by associating my right hon. and hon. Friends with the initial comments of the Foreign Secretary about the bravery and dedication of British servicemen and women. Whatever our differences on the war or the inquiry, at least we can all agree on our joint pride in our armed forces.

Apart from those comments, however, I am afraid that the Foreign Secretary's speech was totally unconvincing. Although I enjoyed his exploitation of the inconsistencies of the Conservative position, his argument on the substance was pitifully weak. The case for an inquiry into the Iraq war is overwhelming, and the case for it to be held now is at least as strong. One would have thought that an inquiry ought to be automatic when a decision of the magnitude of going to war goes so catastrophically wrong. To put such an inquiry off, even five years afterwards, is nothing short of a scandal. So just as the Liberal Democrats have proposed an inquiry and supported all past calls in the House for an inquiry, we will do so again tonight.

Yet in supporting the Conservative motion, we feel that it is only right to remind the public that the Conservative party still refuses to admit that it made a gross error of judgment on Iraq. If the Conservative party were to admit that tonight, my hunch is that their motion would be more likely to succeed. In past such debates, more than 40 Labour MPs who had voted against the war voted against an inquiry, partly because the Tory position looked so opportunistic. A long overdue expression of regret from those on the Conservative Benches could serve a useful parliamentary purpose and defeat the Government tonight. Judging from the speech of the right hon. Member for Richmond, Yorks (Mr. Hague), it seems that they are still believers in the war.

I can therefore appeal only to Labour MPs—those who were brave enough five years ago to vote with us against the Iraq war. Yes, the Conservatives may be playing politics with the issue. Yes, I can understand that those Labour Members do not want to be seen to play games with the Tories. But surely the logic of their opposition to the war means that the only rational place for them to be tonight is in the Lobby with the other 15 Labour MPs who previously voted for an inquiry.

We need an inquiry because those who took that decision, including the Conservatives, need to be held to account. We also need it because, as the right hon. Member for Richmond, Yorks said, we need to be sure that the lessons are learned for Afghanistan and all future conflicts, and for the work of the intelligence services.

Mr. John Randall (Uxbridge) (Con): Has not the hon. Gentleman given his game away by asking for hon. Members to be made to give account of themselves? Surely this is wider than a party political debate. Of course, I should be interested to know what happened with the Government, with my own party and with his party in the discussions, but this is a matter for the country. It is not for the Liberal Democrats to try to use it as their little toy.

Mr. Davey: That is rather rich, coming from the Conservative Benches. I agree with the hon. Gentleman on one thing—the debate goes wider than party politics. That is what we have argued for many years.

The Government position used to be to oppose an inquiry completely, claiming that four inquiries had already been held. When I intervened on the Foreign Secretary tonight, we heard a volte-face from the previous Government position. His argument tonight destroyed the argument that they made in the past, which we always thought was threadbare. At least tonight the right hon. Gentleman had the decency to admit the fiction.

Early this week, it seemed refreshing when we appeared to get a promise from the Prime Minister, repeated in the Government's amendment tonight, that the Government were no longer against an inquiry in principle. Indeed, the Foreign Secretary said that again today. It seems that the only issue in this debate is the timing of that inquiry. Are the Government correct in saying that an early inquiry would be wrong and that we must wait while, as the Government amendment puts it,

"operations are underway in Iraq to support the people and government of Iraq"?

Absolutely not. The Government have got themselves into a ludicrous and untenable position. In this debate, the Foreign Secretary has never explained why the ongoing operations in Iraq are an obstacle to the inquiry. He mentioned that a few diplomats, soldiers and commanders might be needed for the inquiry. However, as I shall endeavour to show, most of the people who will need to go before the inquiry will have moved on and will not be involved in Iraq today.

Mr. Keetch: If my hon. Friend speaks to senior members of Congress who were involved in the Baker review, they will tell him that Congress was able to carry out a thoughtful and full-ranging review of the US commitment in Iraq with no negative effect whatever on troops on the ground or the diplomatic service. If the Foreign Secretary is suggesting that they were put at risk by the review, he is, frankly, wrong.

Mr. Davey: My hon. Friend is absolutely right. He will know that there have been many American investigations into a whole range of issues in Iraq—not least, many of the audit reports. There have been more than 60 audit reports on different aspects of the reconstruction. How have they got in the way of the major work going on in Iraq?

Mr. Robert Goodwill (Scarborough and Whitby) (Con): The Foreign Secretary tried to make the point that many potential participants in the inquiry may be too busy to take part in it. Is it not the case that the key witness—the most important person from whom we wish to hear—has plenty of time on his hands at the moment? In a few months' time, however, he may be too busy as president of the European Council.

Mr. Davey: I am grateful to the hon. Gentleman, but he anticipates my speech; I shall deal with his point in a second.

The main remaining public justification for UK troops staying in Iraq is that they are there to train the Iraqi security forces—an important task that our armed forces have been doing for some time with distinction. However, does the task of training prevent an inquiry? I think not. *[Interruption.]* From a sedentary position, the Minister for the Armed Forces is saying that the troops are doing far more. However, the Iraq Commission, co-chaired by my noble Friend Lord Ashdown, made it absolutely clear that the training function was the key and critical issue during the overwatch stage. If the Minister wants to deny that, let him get to the Dispatch Box.

Furthermore, even when questioned about the action in Basra today, the British military are clear that it does not involve our forces. Action is being taken by the Iraqi armed forces and the Iraqi police, who have been trained in the past by the British security forces but who have no help from British forces today. That is the point; we are now handing over.

The Minister for the Armed Forces (Mr. Bob Ainsworth): How do you know?

Mr. Davey: I know because that is what the military are telling the journalists in Iraq. The Minister ought to know that himself.

Mr. Jim Cunningham (Coventry, South) (Lab): British forces are there to train the Iraqi forces, but also, if necessary, to back them up. We do not yet know what is happening in Basra.

Mr. Davey: One can only go on what the military spokesmen are saying.

Even if the limited military operations mentioned by the Foreign Secretary are ongoing, I still do not see how they would be an obstacle to an inquiry. He went on to talk about the attention and focus of our armed forces and diplomats. However, if that is the argument, our engagement in any military operation anywhere in the world—Afghanistan or elsewhere—would hinder an inquiry. The argument is palpably absurd.

I was grateful for the history lesson given by the hon. Member for Mid-Norfolk (Mr. Simpson); it really holed the Foreign Secretary beneath the waterline, and he failed to answer the hon. Gentleman's point. He was also wrong in his refutation of the precedent of the Dardanelles commission of 1916-17, cited by the right hon. Member for Richmond, Yorks (Mr. Hague). That was sitting during the first world war. The actions in Gallipoli may have finished, but let us face it, our armed forces were hugely involved in northern France. The idea that because the action had happened in Gallipoli, those involved were freed up so that the inquiry could take place is absurd.

Mr. Hendrick *rose—*

Mr. Davey: I give way to the hon. Gentleman. I hope that he can come up with a better argument than that of his Front Benchers.

Mr. Hendrick: To compare a war that was taking place in 1917 with one that has taken place this century—in the age of the internet and of people flying around on easyJet, when propaganda can fly around the world in a split second—is to look at the whole issue totally out of context.

Mr. Davey: If I had understood the logic behind the hon. Gentleman's argument, I would answer his intervention. However, I am afraid that the House has already shown that that point is not worth addressing.

If the House is to vote against the Government's amendment and for the motion, it will have to try to understand more the nature of the inquiry. Who would be called? What would be the inquiry's focus? The right hon. Member for Richmond, Yorks rightly said that it would focus on the run-up to the war, the invasion itself and the immediate aftermath far more than on actions going on in Basra and the southern provinces on the Iran-Iraq border in 2008.

Let us think about who would come to the inquiry—one Tony Blair comes to mind. I suggest that he is not that busy at the moment; I do not believe that he is involved with our troops in the Iraqi operations in Basra. He may be attending a few board meetings. One or two days a week, I believe, he helps to create peace in Israel-Palestine, although he has a bit of work to do on that. Nevertheless, he ought to come to the inquiry. He ought to be called now, not in a few years' time. He is the central witness and he is available. Many of the main actors in the civil service, the armed forces or the Government have moved on from the responsibilities that they held in 2003. Even if they are still in place, they are not working in the theatre of operations, but are here in London or somewhere else in the UK. On the issue of those very few witnesses in Iraq whom the inquiry would wish to call, I cannot believe that a temporary leave of absence would bring training work or any other operations to a dramatic standstill that would somehow undermine our efforts. The argument is ludicrous.

The case for delaying the inquiry is weak, but the case for an early inquiry could not be stronger. It has been five years.

Angus Robertson: Longer than the first world war.

Mr. Davey: The hon. Gentleman anticipates me; it is longer than the first world war, and almost as long as the second world war, since the invasion. The Foreign Secretary dismissed the notion that memories could fade and recall could be hazy. He may be right; Tony Blair's memory of what he has said to the House or his colleagues is often hazy, but it will not improve with the passage of time. Unless they have been recorded accurately, which I doubt, recollections of who said what to whom will be far less precise.

The Foreign Secretary dismissed the point about e-mails. The Government do not have a good record on archiving and management of electronic records, so I hope that he understands why the Opposition are unconvinced by that argument. I ask him, and whoever will sum up in his absence tonight, what is happening in respect of preserving the electronic and written evidence. In anticipation of the inquiry that they now support, have the Government set up people to make sure that all the evidence is available to it? I hope that there will be an answer to that. Continuing this farcical delay does the Government no credit at all.

Adam Price: The hon. Gentleman is, of course, right that if we are to restore public confidence in the democratic process, it is essential that we initiate an inquiry as a Parliament this side of a general election. If we are unsuccessful on this third occasion—three tries for a Welshman; the shadow Foreign Secretary is an honorary Welshman, at least—will the Liberal Democrats consider supporting the proposal made by the right hon. and learned Member for Rushcliffe (Mr. Clarke) that they use some of their parliamentary time for this purpose? Alternatively, they could use the amendment that they are allowed to put to the Queen's Speech motion. If an inquiry is not proposed by the Government, would the Liberal Democrats support a Back-Bench initiative from the Labour side so that we as a Parliament, on a cross-party basis, can get the inquiry that the public demand?

Mr. Davey: I certainly think that all the Opposition parties in this House should work together on that and work with those Labour Back Benchers who are prepared to be open-minded about the issue, as many of them were. Five years ago, more than 100 of them bravely went against very hard whipping from their Front Benchers to support our arguments against the war, so I am sure that that could be brought about by people of good faith.

Given the scale of the disaster in Iraq, it is perhaps understandable that the Government are reluctant to open their files. There was a chance during the change of Prime Minister to seize the moment, draw a line and have the inquiry, but I am afraid that once again the new Prime Minister ducked that opportunity—as in so many things, he is blowing his chances.

We owe an inquiry to the people who have died—the 175 British servicemen and women and the 4,000 American troops, and the countless Iraqi civilians. Whether that figure is the latest UN estimate of 0.25 million or the higher figures of *The Lancet* and other surveys, those deaths demand an inquiry, as do the injured, the tortured, the refugees, the internally displaced, the kidnapped, the people whose lives have been ruined—the millions of people affected by the decision to go to war. When we begin to count the cost of the war in the lives lost and in the damage to security, stability and the rule of international law, it is, frankly, frightening. That is before we get to the cost to the taxpayer, the cost to our friends and allies in the region—countries such as Turkey, Israel and Jordan—and the cost of making less friendly countries in the region much stronger, such as Iran and Syria, which have been strengthened by the failures in Iraq. Then we should think of the cost to the United Nations and its credibility. How can anyone say that there is no need for an urgent inquiry?

Mr. MacNeil: Is not the fact that the UK is spending £4.5 million a day enough reason alone for an inquiry?

Mr. Davey: It is low down on the list, given all the deaths that have occurred, but it is one of the many reasons for the inquiry.

Liberal Democrat Members will vote for the motion, but I cannot let the debate go by without a slight comment on the Conservatives' position. They are right to push again for an inquiry, as the right hon. Member for Richmond, Yorks did well, but even he must understand that his position is much weakened by his refusal to admit that the Conservatives were wrong to back the war in the first place. Of course, the Conservatives are desperate that people should not be reminded of their complicity. Their call for an inquiry has long been part of their tactics in seeking to distance themselves from responsibility for this catastrophe. Yet they cannot escape their past, for they are guilty on three counts for aiding and abetting the war.

First, the Conservative party leadership argued the case for military action, at times with far more enthusiasm than Tony Blair. On 1 September 2002, the then Conservative party leader said that

"we can choose to act pre-emptively or we can prevaricate".

If that was not a call to war, I do not know what was. Then he added:

"Those who genuinely seek evidence in support of potential military action in Iraq will find there is plenty of it; those who oppose intervention at all costs will never find enough."

In other words: "Suspend your rational faculties and go with your prejudices."

The second count on which the Conservatives are guilty is that of failing to ask the pertinent questions. So convinced were they that the war was legal that they left it to the Liberal Democrats to push for the true legal opinion.

Mr. MacNeil: Not just the Liberal Democrats.

Mr. Davey: And indeed to others in this House, on the nationalist Benches and on the Labour Back Benches.

Mr. Hendrick *rose—*

Mr. Davey: I give way to the hon. Gentleman.

Hon. Members: No!

Mr. Hendrick: Were not the deliberations of the right hon. Member for Richmond, Yorks (Mr. Hague) all about distancing himself from the Government's decision to go to war, and are not the hon. Gentleman's remarks all about distancing his party from the Conservatives?

Mr. Davey: I am afraid that I made a mistake in allowing the hon. Gentleman to intervene. I will listen to my hon. Friends more in future.

So convinced were the Conservatives that Saddam had weapons of mass destruction that they attacked our view that the UN weapons inspectors should be given more time. So convinced were they that the war was right that they failed to join the Liberal Democrats in demanding to know what the exit strategy was and for how long UK troops would be committed. Failing to ask those searching questions before a decision to go to war is a failure to perform the constitutional duty of an Opposition party.

The third charge against the Conservatives is that the right hon. Member for Witney (Mr. Cameron), the right hon. Member for Richmond, Yorks and 144 of their Conservative colleagues voted for the war. It is just possible that some of them regret their decision and believe that it was a mistake, although the official Conservative Front-Bench position is still that the war was right. I find it astonishing that even five years after the war, with all the evidence that it was so wrong, the Conservatives will not give their regrets. Of course, some of them may try running the line that they were misled by Tony Blair, and that with the truth now available and the benefit of hindsight, and now that we know that there were no weapons of mass destruction, they can somehow escape the blame for voting for the war. However, that was not the argument of the Conservative leader and his Front Benchers at the time. In October 2002, he said at his party's conference:

"We cannot wait until we have irrefutable proof that Saddam has nuclear, biological and chemical weapons targeted on the British people."

The truth is that the Conservatives at no stage relied on the Government's dossier of September 2002 to make their case for war. That is why we believe that when the inquiry comes it must be a comprehensive one that will be free to question all Members of this House from whatever party.

I hope that the House will vote for an inquiry tonight, but if the Government really do try to put it off, they must know that their day of reckoning will come.

6.6 pm

Ann Clwyd (Cynon Valley) (Lab): I think that I have been quite consistent during the time that I have spoken about Iraq in this Chamber. I argued for one thing—for the removal of a regime that persecuted its own people and was responsible for 5,000 deaths in Halabja, for the deaths of tens of thousands of Kurds throughout Kurdistan, and for the deaths of tens of thousands of Shi'a in the south. It was for humanitarian reasons that I always argued for the removal of the regime, and I did so in 2003 when I spoke in favour of the war. I did that because I had failed—and I would suggest that we had all failed—in looking at the alternatives to war in the removal of the Saddam Hussein regime. There were alternatives. There was an alternative that I spoke about here for at least seven years; in fact, I continually bored myself by talking about it so often. I was very pleased that 201 people in this Chamber—my colleagues in all parts of the House—voted at that time to indict the regime and to remove it by international law. That would have been possible.

I support the inquiry, but I would like it to include the question of why nobody took the indictment of the regime seriously at that time. I chaired an organisation called Indict, which had collected evidence of Iraqi war crimes over a period of seven years. We had three researchers who went to 15 countries all over the world and collected that evidence in case anybody forgot about it. Some of the evidence went back further back than seven years; it went back for more than 30 years.

[Ann Clwyd]

because it was for 30 years that that regime persecuted its own people. We employed researchers and lawyers to take testimony from Iraqis all over the world. We gathered evidence, carried out interviews and prepared legal briefs detailing the monstrosity of the Saddam regime as told to us by individual Iraqis. We took many more testimonies than we were able to use; some of them, unfortunately, would not have stood up in a court of law. The crimes committed by the regime were truly appalling.

John Barrett (Edinburgh, West) (LD): The right hon. Lady argued for military action on humanitarian grounds, but would she agree that one of the disasters of the Iraq war is that—without an inquiry—it makes military action for humanitarian purposes in future even less likely?

Ann Clwyd: I am sorry, but the hon. Gentleman is completely missing my point, which is that there was an alternative to war, but nobody took it seriously enough. At that time, it was possible under international law to indict leading members of the regime, particularly Tariq Aziz, on the taking of hostages. We presented evidence to the then Attorney-General, who passed it to Scotland Yard. I remember saying to him, "You're kicking it into the long grass," and in the long grass it remained, because, as far as I know, Scotland Yard took no action at all. In fact, we were ridiculed in the press for wasting police time. There were very few people in this House who supported alternative action; I have mentioned the 201 who did.

On the board of Indict—much to people's surprise, I am sure—were leading members of the Iraqi opposition. They also believed that indictment was the way to remove leading members of the regime, and they believed that the regime would fall as the result of that action. Those members included Latif Rashid, who is now the Iraqi Water Resources Minister, Ahmad Chalabi, who now chairs a committee on reconstruction in Baghdad, and Hamid Al-Bayati, who is now Iraqi permanent representative to the UN in New York. By 2003 we had enough evidence to indict Tariq Aziz. I personally attempted to get the indictment in Belgium, Norway, Switzerland and the United Kingdom. We were funded by the Americans because, at that time, their statute of limitations did not enable prosecutions or indictments to take place in the United States, but they were possible in Europe.

Alan Simpson: My right hon. Friend makes an important point, but does she regret—as those who shared her concern but still voted against war do—that when the trial of Saddam Hussein finally took place, it was framed in such narrow terms that none of the charges about which she had collected evidence were allowed to be addressed? The British and American Governments felt that evidence of our own complicit involvement in supporting and perpetrating those atrocities would be unearthed .

Ann Clwyd: My hon. Friend makes a good point. I would have liked a full-scale indictment where all the charges against Saddam Hussein could have been heard. I hope that they will be heard in other cases; do not forget that the trials are still going on. My point does not concern those trials, however, but the opportunity that we missed in this place for an alternative to war. I was not somebody who supported war; I did so only on rare occasions. I was active in the peace movement. I supported war as a last resort because we failed to get those indictments. I hoped that in the United Kingdom most of all, we would have seen how to use international law to avert a war, but we failed to do so. I would like to see that dealt with in an inquiry.

Some of those on the other side of the House are asking for an apology from those of us who voted for military action in 2003. I do not apologise, because I still think that it was the right thing to do to remove that regime. However, it is quite right to ask what went wrong. Unlike many Foreign Office officials, I have not yet put my memoirs on paper. However, I have been closely involved with Iraq for more than 30 years. I have my own criticisms of how things progressed after the war—*[Interruption.]* I know that my hon. Friend the Member for Islington, North (Jeremy Corbyn) wants to intervene. I do not need him pointing out, thank you; I am not deaf. We should have examined certain possibilities to the full, and we did not do so.

Jeremy Corbyn: Does my right hon. Friend consider that any inquiry held should also look at the role of the Foreign Office and Ministers in relation to the refusal to allow weapons inspectors to return to Iraq just after Christmas 2002? The inspectors had clearly made enormous progress in disarming the regime. As she knows, I supported the idea of indicting the regime before that. The inspectors were not allowed to return, and instead we rushed into war, with all the consequences that followed.

Ann Clwyd: My hon. Friend was one of those few people who, in 1988, came with me to the Foreign Office to complain about the actions of the Conservative party in its dealings with Iraq. In particular, when the events at Halabja occurred, the then Foreign Office Minister said that there was no evidence. We said at that time, "We insist that you get the evidence, because it is there." My hon. Friend has played an honourable role in pursuing these matters for a long period.

I go to Iraq frequently—I was there in December—and at the moment there are green shoots of optimism. There is no doubt about that; even the sternest critic of the war would have to admit that there is progress and optimism. There are positive developments, but what is happening in Basra at the moment is very unfortunate. It is a pity that we could not hear from my right hon. Friend the Foreign Secretary about the events that are taking place there as we speak. I understand that British jets are involved in some sort of surveillance and in giving information to Iraqi forces fighting on the ground. We are not quite as detached from what is going on there as some people may suggest, which is why it would not be helpful to have an inquiry now, next week or the month afterwards, although I do think it essential to have one at some stage. In particular, I would like the inquiry to ask why we did not make more of an effort to get an indictment when we had the evidence to do so.

Paul Holmes (Chesterfield) (LD): The right hon. Lady says that she voted for the invasion reluctantly, because we could not get the indictment. However,

would she accept that invading a country for regime change is illegal under international law, and that that was not the reason given for the vote in this House? On 25 February 2003, the Prime Minister told us:

"I detest his regime...but even now, he could save it by complying with the UN's demand. Even now, we are prepared to go the extra step to achieve disarmament peacefully."—[*Official Report*, 25 February 2003; Vol. 400, c. 124.]

In other words, if Saddam Hussein had given up the non-existent weapons of mass destruction that Hans Blix could not find, he would have been allowed to stay in power, and it was not about regime change.

Ann Clwyd: That may be the case, but it is not my case. My point is that for more than 25 years, senior Iraqi officials committed genocide, war crimes and crimes against humanity. The list is long, and people need reminding of it; I sometimes think that people have conveniently wiped it from their memory. It was important to get regime change; I have not changed my mind one little bit.

Mike Gapes: My right hon. Friend knows, because she has been involved in the campaign longer than I have, that we have just marked the 20th anniversary of the terrible Anfal atrocities that Saddam carried out, but where has that appeared on the BBC? Where has the "Today" programme been? When did John Humphrys talk about that yesterday? There has not been a word.

Ann Clwyd: I thank my hon. Friend for making that point. He is absolutely right. I tried to talk about it last week on a BBC programme and I was continuously told, "It's Basra we're talking about. Basra." We need to assemble all the facts; we cannot take something in isolation and talk about only one specific case. The genocidal Anfal campaign against Iraqi Kurds in 1987-88, the invasion of Kuwait, the killing of more than 1,000 Kuwaiti civilians and the violent suppression of the 1991 Kurdish uprising led to 30,000 or more civilian deaths. I am interested to know what the Conservative party's solution would have been. Would it have allowed Saddam to continue to persecute his own people?

Mark Hunter (Cheadle) (LD): The right hon. Lady makes the case for regime change and says that the war in Iraq was all about that as far as she was concerned. Why was the case for regime change different in Iraq from the case that could be made against dictators and despots the world over? What is the difference between the position in Iraq that she has outlined and the position in Zimbabwe, where there is the most awful dictator, Robert Mugabe? Why is it right to invade one country to change the regime and not another?

Ann Clwyd: Because Iraq had ignored 17 UN Security Resolutions—*[Interruption.]* I wonder whether the hon. Gentleman has ever sat in the UN and listened, as I did for several years running, to the report of the UN rapporteur on human rights in Iraq, who detailed all the things that I have mentioned today. The UN Security Council sat there and did nothing. If the UN is to mean something, surely ignoring 17 UN Security Council resolutions is important.

Jo Swinson (East Dunbartonshire) (LD): The right hon. Lady has been a tireless campaigner and I respect the fact that she has been consistent in her arguments. However, does she accept that the humanitarian reasons were not those given to the House or the country to justify going to war with Iraq? That is why we urgently need an inquiry into the Iraq war now.

Ann Clwyd: I agree that humanitarian arguments were not presented. I think that they should have been, and that we should ask why they were not. I know the slick answer to that question, but some of us, including many of my hon. Friends who opposed the war, presented the arguments for regime change for many years. We consistently said that something should be done about the Iraqi regime. I believed that the regime should have been indicted under international law. It was possible in the case of Milosevic, so why not in the case of Saddam Hussein, Tariq Aziz and many others on our list who are in jail awaiting trial?

To take up the point that the Chairman of the Foreign Affairs Committee made, it is important to remind people why the regime was so bad. The people of Iraq deserve to hear that themselves, and the people who lost family during those years need to hear the people who perpetrated those crimes answering for them.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. I remind hon. Members that Mr. Speaker has imposed a 15-minute time limit on Back-Bench contributions.

6.24 pm

Mr. Michael Howard (Folkestone and Hythe) (Con): It is a pleasure to follow the right hon. Member for Cynon Valley (Ann Clwyd), who speaks with such experience and knowledge of Iraq. I am sure that the points that she made could be accommodated in the terms of reference of the sort of inquiry that the motion envisages, and I hope that she will perhaps reconsider her intention to vote against the motion, because the logic of her speech is that such an inquiry should be held and that the best time for it is now.

I agree with many speakers, including the Foreign Secretary, that we should pay tribute to the way in which our forces have performed in Iraq. That unites us all. Many of them were trained at Lydd and Hythe in my constituency, and several were trained in Shorncliffe, also in my constituency, before they went to Iraq. They have performed superbly and we owe them a deep debt of gratitude.

I congratulate my right hon. Friend the shadow Foreign Secretary on a powerful, compelling and, in my view, unanswerable speech. I sympathise, in his absence, with the Foreign Secretary for the task with which he was saddled. I was a practising barrister for 21 years and during that time I had to argue some pretty thin cases. I had the privilege of being a Minister for 12 years and I readily confess that there were one or two occasions—very few—when I found myself defending from the Dispatch Box one or two positions that were perhaps a little thinner than I would have liked. However, I am happy to say that I have never had

[Mr. Michael Howard]

the experience of attempting to advance such threadbare arguments as the Foreign Secretary was obliged to present today.

Jeremy Corbyn: May I take the right hon. and learned Gentleman back to the late 1980s when he was a Minister? Since he supports an inquiry, as I do, does he accept that it should include a thorough investigation of those Ministers, civil servants and others who authorised selling arms to Iraq, even after the events at Halabja, and of British participation, which Ministers approved, in the Baghdad arms fair the following year?

Mr. Howard: That is exactly what the Scott inquiry examined at length. It was right to hold an inquiry into those matters. The previous Government set it up and it duly reported.

Our debates about the need for an inquiry into events surrounding the invasion of Iraq before and after it took place were clothed in a language that had an arcane theology of its own. That was when the former Prime Minister was still in office and before the Defence Secretary's announcement in 2006, to which my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) referred. The Government position then was that no full inquiry was needed because of those that had already taken place.

Those debates were punctuated with obscure arguments about the precise terms of reference of the previous inquiries and the extent to which they had been implemented. The Government's position at that time and in the context of those arguments was not only inconsistent with that which the Foreign Secretary advanced today but directly contradicted it. Their argument then was, "We've had all these wide-ranging and comprehensive inquiries—there's nothing left to inquire into." Fortunately they realised—I suppose that they deserve some credit for it—that that position was untenable. They therefore changed it and accepted that the case for an inquiry was unanswerable. So far, so good.

Unfortunately, as we have heard today, the Government's position is, "Yes, we'll have an inquiry, but not yet. We won't tell you when or precisely what circumstances must be satisfied. It'll happen sometime, but not yet." That exposed a vulnerability in the Government's line, which, as we have witnessed this evening, was obvious, clear and wholly indefensible. There is no good reason for not holding an inquiry now, and everyone, including the Government, knows it.

It is interesting that when the Prime Minister responded to the case for holding an inquiry that the Fabian Society put forward, he limited himself to just one reason. He said that it is

"vital that the government does not divert attention from supporting Iraq's development as a secure and stable country."

That prompts the question, which has already arisen in this debate: whose attention would be diverted from that task? It would not be our troops on the ground in Iraq whose attention would be diverted. Indeed, it is difficult if not impossible to see how they would be involved in such an inquiry, so there is no cause for concern there. The Foreign Secretary and the Defence Secretary, who we hope are spearheading the United Kingdom's support for Iraq's development as a stable and secure country—they have the political responsibility for that task—were not involved in the events surrounding the invasion, so they are not likely to have their attention diverted from that important task, either.

The House is entitled to know whom the Prime Minister had in mind when he uttered those words. We are entitled to an answer. Who are the people whose attention would be diverted from that task? I hope that the Minister, who has the unenviable task of replying to this debate, will respond to that question. If the Prime Minister says that the reason for not holding an inquiry now is that we must not divert people's attention from that task, we want to know whose attention would be diverted.

Mike Gapes: The right hon. and learned Gentleman has been around long enough to know that several serving members of the Government, some of whom were in other Departments before, were intimately involved in the events of 2003.

Mr. Howard: That is not what the Prime Minister said. He did not say, "We can't have an inquiry because there are lots of Ministers who have important business to attend to and we mustn't distract them." He said, "We can't have an inquiry, because we mustn't divert people from the responsibility of what they need to do in Iraq." That prompts the question that must be answered if we are to give any credence at all to the position advanced by the Government.

The truth, of course, is that there are lessons that could be learned from such an inquiry and from which we could benefit. Those lessons could benefit what we are doing in Iraq and in Afghanistan now. It is a disgrace that we should be deprived of those benefits for no good reason at all.

Mr. Tobias Ellwood (Bournemouth, East) (Con): Does my right hon. and learned Friend agree that many military personnel would welcome an inquiry now? Many in the military feel that they were left with a huge burden, in moving into Iraq and creating a level of peace without back-up from other Departments—namely the Department for International Development, which did not undertake the reconstruction and redevelopment that was so needed. However, it is the military who receive the brunt of the complaints about what has gone wrong.

Mr. Howard: My hon. Friend is absolutely right: that is one of the many reasons why we need an inquiry.

Mr. Henderson: I did not intend to intervene on the right hon. and learned Gentleman, but following the point raised with him by the hon. Member for Bournemouth, East (Mr. Ellwood) does he not accept—I raised this point earlier with the Opposition Front-Bench spokesman—that were an inquiry to take place now or in the months ahead that indicted the Government and was critical of the conditions in which the troops had found themselves, and that was published while the troops were still there, the leadership of those troops would become almost impossible for the officers, because they would lack the political credibility enabling them to be there in the first place? Is that not the real reason why it is important not to hold an inquiry now?

Mr. Howard: No, I do not accept that reasoning at all. My right hon. and hon. Friends have cited the precedents. It is inconceivable that the results of any such inquiry could have that effect on the limited role that our troops are currently carrying out in Basra. The argument does not begin to make sense. We know what the troops are doing and what they are there for. It is inconceivable that the results of any such inquiry could in any way damage their position. Also, that argument was not the reason put forward by the Prime Minister—it may be the hon. Gentleman's reason, but it is not the Prime Minister's.

So what is the reason? Why are the Government proving to be so obstinate? What is the real reason for their procrastination? I suppose that some people may be tempted to put it down to the Prime Minister's natural tendency towards procrastination—we know that he finds it difficult to make decisions about all sorts of things. However, I believe that a more specific reason is at play in this case. I believe that there is only one conclusion that we can draw from the Government's behaviour: that they do not want an inquiry that will report before the next general election. The Government do not want any inquiry's findings to be available to the electorate when they come to give their verdict on the Government. The Government do not want those findings to be taken into account when that verdict is delivered. In short, they are running away from the principle that should be central to our parliamentary democracy: the principle of accountability.

Earlier this afternoon, the Justice Secretary introduced a White Paper from the Dispatch Box. Practically the first sentence that he spoke was, "Accountability is fundamental to the health of our democracy." The Government's attitude to the motion before the House in this debate gives the lie to what the Justice Secretary said just that short time ago.

Let me finish by giving the Foreign Secretary a word or two of advice in his absence—I hope that it will be transmitted to him. This issue will not go away. This will not be the last time that it is debated in the House, and if the Government stick to their line, this will not be the last time that the Justice Secretary is so painfully embarrassed in the studios of the "Today" programme as he was this morning, or the last time that the Foreign Secretary is so humiliated at the Dispatch Box as he was this afternoon. I urge the Foreign Secretary to use all his persuasive powers to get the Prime Minister to see how ludicrous the Government's current position is. The Government have changed their position once; they can change it again. The sooner they do so, the better.

6.38 pm

Mike Gapes (Ilford, South) (Lab/Co-op): Since 2003 there have been four inquiries into the events leading up to the war in Iraq, as has been stated. There has been the Butler inquiry, the Hutton inquiry, the Intelligence and Security Committee inquiry and the Foreign Affairs Committee inquiry, which was agreed in June 2003.

However, there is a need for ongoing investigation and inquiry, and for lessons to be learned. I gave evidence to Channel 4's Iraq Commission inquiry a few months ago. That was a valuable exercise and the report of the commission, which is chaired by Lord Ashdown, was a valuable piece of work. However, that is not what today's debate is about. In today's motion, hon. Members are pressing for

"an independent committee of privy councillors"

to conduct an inquiry. We might ask whether one can find such a thing as a genuinely independent Privy Councillor, but that is a debate for another time.

Reference has been made to the US Baker-Hamilton inquiry. That inquiry was composed not only of current members of the US House of Representatives and the Senate. It was a body that brought in academic experts and former diplomats, as well as Lee Hamilton and James Baker as its bipartisan chairs.

My first criticism of the motion before us relates to my belief that we need to widen the focus of any such inquiry, when the time comes. We also need to take account of what my right hon. Friend the Member for Cynon Valley (Ann Clwyd) referred to as the long history of events in Iraq that led to the decisions made in this House in March 2003. The right hon. Member for Richmond, Yorks (Mr. Hague), who is not in his place at the moment, said that an inquiry should concentrate on 2002, 2003 and 2004. I would ask why, and I would do so for two reasons. Reference was made earlier to the Scott inquiry. That inquiry did not deal with the terrible crimes of Saddam against the Kurdish people in Halabja. Instead, it took a narrow focus on the supergun, Matrix Churchill and the way in which public immunity certificates were used in a legal process to stop the truth coming out under the previous Conservative Government. The late Robin Cook did a fantastic job of demolishing the Conservative party and its role in that debate, after the Scott report was published. Any inquiry that takes account of the recent past would also have to take account of the previous history.

Reference was also made to the arms sales policies of the 1980s, when some of the Conservative Members who are here today were members of the Government who were selling arms to Saddam. We can look back to 1980, when Margaret Thatcher and the right hon. and learned Members for Rushcliffe (Mr. Clarke), for Kensington and Chelsea (Sir Malcolm Rifkind) and for Folkestone and Hythe (Mr. Howard) were all part of that British Conservative Government. They made the decision to support the Ba'athist fascist regime in Iraq, implicitly and sometimes explicitly, as well as supporting Osama bin Laden and other disreputable people whom we now regard as beyond the pale. At that time, however, for reasons of state, certain decisions were made. We need to look at the whole context.

If there is to be an inquiry, let it not be partisan. Let us have an inquiry into the UK's relations with Iraq over the past 30 years. Let us really dig up the stones and look at the way in which those on the Conservative Benches who are now taking a holier-than-thou position on these matters were conspiring to support that Ba'athist regime while my right hon. Friend the Member for Cynon Valley, my hon. Friend the Member for Islington, North (Jeremy Corbyn) and I were campaigning against the arming of Saddam. Let us not forget that as we discuss what kind of inquiry we should have.

Mr. MacNeil: I am listening intently to the hon. Gentleman's concerns, which stretch over many decades. I take it that, like me, he is very impatient for an inquiry into the war in Iraq, and that he will vote for such an inquiry tonight.

Mike Gapes: If the motion before us today proposed an inquiry into all aspects of UK relations with Iraq over the past 30 years, I would indeed support it, speak to it and vote for it. However, that is not the focus of the narrow motion that we are debating today. I will therefore not support it.

Mr. Gordon Prentice: My friend is becoming very animated. Did he know that the Public Administration Committee will be taking evidence next week on the possibility of initiating a parliamentary inquiry into the circumstances leading to the war in Iraq? Given that such an inquiry would not be partisan—the Opposition motion is, by nature, partisan—would he support an inquiry couched in those terms?

Mike Gapes: I am always in favour of Select Committees of this House initiating inquiries. I was a member of the Defence Committee, which carried out an inquiry into the lessons of Iraq. It was published in 2004 and, incidentally, was very critical of the then Secretary of State for International Development for failing to get her officials to prepare for the aftermath of the conflict. If I remember correctly, she criticised us rather robustly in a debate on that report in the House. I believe that all Select Committees should take the initiative in holding the Executive to account, both for what they are doing now and for what they have done in the past. That is the appropriate route to take if we are to strengthen the power of the Committees of this House against the Executive. That is what we should be doing.

Mr. Keetch *rose—*

Mike Gapes: I will give way to my friend over there, my colleague on the Foreign Affairs Committee, even though he is also from the Liberal Democrats.

Mr. Keetch: I am grateful to my Chairman for giving way. Thanks to the procedures that we have in this House, we can now be texted by our constituents. One of mine is watching this debate in Basra, on the BBC Parliament channel, and he simply wants to know why he is there. I accept what the hon. Gentleman and the right hon. Member for Cynon Valley (Ann Clwyd) have said, but surely the real question for today's debate is: why did we deploy troops in 2003? Will the Chairman of the Select Committee support this motion calling for an inquiry? The recent past that he is describing has nothing to do with the argument that the rest of us in this Chamber are engaged in.

Mike Gapes: I am afraid that I will not support the Conservative motion tonight. Nor, unfortunately, will I be able to vote against the Liberal Democrat motion, as far as I am aware. I believe that simply to call for an apology from the Conservatives or from the Labour party needs to be balanced—

Madam Deputy Speaker: Order. Perhaps I can advise the hon. Gentleman that the only amendment under discussion tonight is the one tabled by the Government.

Mike Gapes: I shall take your advice, Madam Deputy Speaker.

I would simply say that there needs to be a recognition that some of us, whichever side we took in this debate, are glad that Saddam is no longer in power. That would not have been possible without the intervention that took place in 2003. My right hon. Friend the Member for Cynon Valley made the point very strongly that some people tried to find other ways to get rid of the Ba'athist regime in Iraq. They tried to do so in 1991, when the Shi'as in the south rose up and were massacred. They rose up with the encouragement of the first President Bush, and ended up being slaughtered, and the Kurds were driven into the mountains. I pay tribute to the role that John Major played at the time, when the previous Conservative Government brought in the no-fly zone to protect the Kurds.

Some people, having taken the position of saying that those crimes were terrible, did not follow the logic of saying that we had to get rid of the regime that had made them possible. I always took the view, as I do today, that regime change in Iraq was the right way to go. That was what I argued in the debate at the time, as did my right hon. Friend the Member for Cynon Valley. However, that was not the position taken by the Government or by those on the Opposition Front Bench. It was also not a position taken by many others at that time, who took a narrower focus.

However, many of us had fought and campaigned against the Ba'athist regime for many years. I had friends who were students in this country, and who had come here as refugees from Saddam in the 1970s and 1980s. They told me about the terrible crimes that his regime had carried out. Some of those people went back to Iraq, and some are now in the Iraqi Parliament or in the Iraqi Government. They would not be alive today if this country had not welcomed them as refugees and supported them later on.

Angus Robertson: I am grateful to the Chairman of the Foreign Affairs Committee for giving way. I think that the record will show that, a moment ago, he said that he was in favour of regime change in Iraq. Will he therefore explain how it is possible to be the Chairman of the Select Committee on Foreign Affairs and to be in favour of something that is actually illegal in international law?

Mike Gapes: The problem with the crude, simplistic view of the world is that it does not take account of facts. The fact is that over 12 years Saddam's regime was, as already stated, in breach of 17 successive Security Council resolutions. There was and there remains a very strong argument—unfortunately, it was not tested—for intervention to remove that regime— *[Interruption.]*

Angus Robertson *rose—*

Mr. Blunt *rose—*

Mike Gapes: I will give way in a moment. Presumably, the hon. Member for Moray (Angus Robertson) will tell me that he was against what happened in Kosovo in 1999.

Angus Robertson: Yes.

Mike Gapes: Was that a yes?

Angus Robertson: It was a yes.

Mike Gapes: It seems so. That is interesting.

Madam Deputy Speaker: Order. Will Members note that the usual rules of debate apply in the Chamber?

Mike Gapes: The Scottish National party is at least being consistent—*[Interruption.]* Consistently wrong, but consistent. There needs to be a serious debate about humanitarian intervention and when it is right to exercise a responsibility to protect as called for under the UN system by the Canadian commission and as debated at the millennium summit. We need to look at the issues surrounding Iraq in that context.

Mr. Blunt *rose—*

Sammy Wilson (East Antrim) (DUP) *rose—*

Anne Main (St. Albans) (Con) *rose—*

Mike Gapes: I give way to the hon. Member for Reigate (Mr. Blunt).

Mr. Blunt: I am grateful. The hon. Gentleman has just paid a generous and proper tribute to Iraqi politicians who literally take their lives in their hands by participating in the politics of that country. He is a senior Member of this House, the Chairman of a Select Committee, and he also served on the Defence Committee, when I did. That Defence Committee reported:

"We regret that MOD has failed to provide us with certain documents which we have requested and has demonstrated on occasion less co-operation and openness than we have the right to expect as a select Committee of the House of Commons".

Is it not sad that, in advancing his arguments this evening, the hon. Gentleman is not prepared to stand up for the rights of Parliament against the Executive? Is that not a very sad example to show to the Iraqi politicians he mentioned?

Mike Gapes: I will not take that from the hon. Gentleman. I am afraid that I will take no lectures from him. We could discuss what happened in the Defence Committee in 2003 and 2004, but that would be outside the terms of our debate. What I would say to the hon. Gentleman and others is that when we have an inquiry, it is crucial that it is conducted on the right basis. It must be constituted on the basis of wide support—not just in the House or among "independent privy councillors", but also among academics, journalists, former diplomats, perhaps even people in the BBC if that is possible—having heard the "Today" programme yesterday and today, I sometimes wonder whether another agenda is at work, as certain issues about Iraq are not mentioned. There is a constant litany of one view, which unfortunately does not inform the wider debate.

On the way forward, we need an inquiry to look into other aspects before, during and after 2003. One such aspect is the scandalous abuse of the oil-for-food programme, in which at least one Member of this House—the hon. Member for Bethnal Green and Bow (Mr. Galloway)—has been implicated. There are also scandals relating to the role of consultants and contractors and the money—mostly US money, not UK money—that has not got through to the Iraqi people in the reconstruction period. I do not know what the real costs of the conflict have been.

Angus Robertson: That is important now!

Mike Gapes: That is important now and it is particularly important in the US, because mainly US money is involved. British money spent in Basra in 2003-04 through the quick-fix quick-impact projects was a small amount well spent, whereas the US spent huge amounts very badly and inefficiently. I think that issue could be looked into further in connection with the question of how to prepare the ground for reconstruction after a conflict.

Sammy Wilson: Give way!

Mike Gapes: No, I am in my final minute. I have been generous in giving way several times.

The issues emerging from an inquiry will not be only for the Foreign and Commonwealth Office. We need to look at the role of the Department for International Development, as well as that of the Home Office and the Ministry of Justice; we need to look into the training of policemen and the other people we need to help build up judicial systems; we need to look into ways of giving advice on humanitarian law. All that is very hard to accomplish when we are trying to recreate a country almost from scratch. An inquiry will be needed at the appropriate time, but it will need to be established on a much wider basis than is provided for in the motion.

6.56 pm

Sir Peter Tapsell (Louth and Horncastle) (Con): I voted against the invasion of Iraq. As we have all heard, we have already had four inquiries and one might ask why we need a fifth. There are just two arguments in favour of that—one is on account of the scale of the disaster that has flowed from the invasion; the other is the need to know how it came about that we invaded Iraq in the first place.

I thought that the right hon. and learned Member for North-East Fife (Sir Menzies Campbell), who was such a distinguished foreign affairs spokesman for the Liberal party, put his finger absolutely on the real reason why the Government do not want an inquiry. Actually, we all know what has gone wrong. Anyone who has followed what happened knows perfectly well what went wrong in the Iraq war. We do not need another inquiry on that score, although the people in charge are, of course, reproducing the same mistakes in Afghanistan. The fact that they are doing so shows that no inquiry is going to educate them on these matters. No, the real reason is that Labour Members are frightened that the activities of the then Prime Minister in the run-up to the war will be exposed in detail.

Three inquiries—into the Crimea, Mesopotamia and Gallipoli—have already been mentioned, but one much more relevant inquiry has not been mentioned: the Jameson raid inquiry—[Hon. Members: "Ah."] The key

[Sir Peter Tapsell]

issue there was whether Joseph Chamberlain, without the knowledge of his Cabinet colleagues or of civil servants in his Colonial Office or the Foreign Office, conspired with Cecil Rhodes to launch that raid. It led, of course, to the disastrous Boer war, in which British casualties were incomparably higher than in Iraq so far—tragic though those have been.

The voting on the inquiry was entirely on party lines, as it always is in the end, so no one knows to this day whether or not Joe Chamberlain was a scoundrel. However, Enoch Powell, who wrote a biography of Joe Chamberlain, told me that when he started studying and writing about Chamberlain's career, he thought he was a great hero, but by the time he had finished, he was convinced that he was a scoundrel. That is also my view, in that I am pretty certain that he had foreknowledge of the Jameson raid. I am also convinced that Mr. Tony Blair entered into a conspiracy—in September 2002, if not earlier—with President George W. Bush to attack Iraq in the early months of 2003.

Mr. Gordon Prentice: Would we learn nothing from the cross-examination of Tony Blair? During the Hutton inquiry, the Prime Minister was famously not cross-examined.

Sir Peter Tapsell: I am all in favour of the inquiry, because I should like to see Mr. Blair cross-examined on these matters. I have no doubt that after the American presidential election, when the new President takes over next January, the Democrats—if they win—will investigate all these matters, so we might as well do it ourselves.

I shall return to the question of Mr. Blair in a moment, but I think we must not lose sight of the magnitude of the disaster, and of the reason given to us for going to war. One would hardly believe that some of the speakers whom I have heard tonight were present when they heard Mr. Blair's brilliant eve-of-war speech to the House of Commons, in which he made perfectly clear that regime change was not the reason why we had to go to war. The reason, we were told, was that Saddam Hussein had weapons of mass destruction that could be mobilised within 45 minutes and which might not only put our troops in Cyprus at risk, but pose a threat to Britain itself. That was the basis on which we were told that we must vote for going to war, and the basis on which the country was led into the war.

A great deal of evidence about the intelligence on which Mr. Blair based that speech has been made public, and appeared in the various reports. It is perfectly clear that the evidence did not justify the terms in which he explained the position to the House. Even Lord Butler's report, in mandarin English, makes that clear.

This sort of thing is not unusual in history. We need only think back to the meeting between Napoleon III and Cavour at Plombières, or Bismarck's handling of the Ems telegram—to take two of the most famous schoolboy examples, about which we were all taught at the age of 11 or 12 in the days when history was still taught in this country—to know that political leaders do periodically decide to involve themselves in skulduggery in order to achieve what they think are foreign policy aims which it is desirable to pursue.

I am not just being wise after the event, as it is so easy to be, because I never believed in any of this at the time. I had known Iraq, although not as well as the right hon. Member for Cynon Valley (Ann Clwyd). I had been there first when I was 19, and a number of times since then. For many years I had been an adviser to the Central Bank of Iraq on the management of its bond portfolios, and I had met every leader of Iraq from General Nuri to Saddam Hussein. I therefore had some knowledge of these matters. I know many members of the foreign service who have served in the middle east, and none of them believed the story. Moreover, they were not consulted. That was the extraordinary thing: in the run-up to all this, none of the key people in the Foreign Office with great expertise on the Arab world were consulted.

Four months before the war, during a debate on resolution 1441, I said—if I may egotistically quote from *Hansard*—

> "It seems to me that we shall get into difficulties if the inspectors are given a free and unfettered right to search for weapons of mass destruction, if that continues without interference, and if they are unable to find any such weapons. Surely we could not, at that point, say that, because we believe that those weapons were there last September, a nil return would justify an attack on Iraq. That would be difficult to explain to the British people."—[*Official Report*, 25 November 2002; Vol. 395, c. 70.]

I said that in a speech on 25 November 2002—or, rather, not a speech: just an intervention.

It was perfectly clear to me then that they were not going to allow Hans Blix and his inspectors to do their job properly. Indeed, they started a whispering campaign to discredit Hans Blix and the inspectors because they were frightened of his integrity. They started saying "The man is unreliable, and all these people are absolutely inefficient."

A month after the attack, at Prime Minister's Question Time, I put the following question to Mr. Blair:

> "If it eventually transpires that at the time of our invasion Iraq no longer possessed weapons of mass destruction capable of threatening this country, and that the Prime Minister led this country into war on the basis of a false as..mption, will he resign?"

Mr. Blair gave a long reply, from which I shall select two key sentences. Members can look it up if they wish. In his reply, the Prime Minister of the day said:

> "I am absolutely convinced and confident about the case on weapons of mass destruction...we will produce the analysis and the results of that investigation in due course. I think that when we do so, the hon. Gentleman and others will be eating some of their words."—[*Official Report*, 30 April 2003; Vol. 404, c. 296.]

Well, I never had to eat my words—and nor, I may say, has Mr. Blair, because he has never apologised for the whole thing.

The situation that existed then has led to a complete collapse of the balance of power in the middle east, which depended on the triangular animosities of the secular dictatorship of Iraq, the Sunni monarchical Government of Saudi Arabia and the theocratic Shi'a Government of Iran. Those three mutually conflicting animosities between the three leading countries in the middle east kept the peace. British foreign policy at its best has always supported the balance of power for that reason. By smashing the Government of the wicked Saddam Hussein they turned Iran into the major power in the area, and that has destabilised Islam all the way from Turkey to Indonesia.

Mr. MacNeil: Is not the point that it was not the British who decided to do that? Was it not simply Tony Blair's appeasement of George Bush that led the United Kingdom into that situation?

Sir Peter Tapsell: I think that that is so. I was in New York on the morning of 9/11. I was not there when the attack on the twin towers took place, because my plane took off for Denver 20 minutes before the attack. I never got to Denver, where I was supposed to be making a well-paid speech to business men, because the plane was diverted to Chicago. We flew, at about 5,000 ft, all the way to Chicago. The pilot said "I cannot say what has gone wrong, but we are flying to Chicago. I am flying by sight—I have done it before—because we are not allowed to use the flight guidance instruments." As we came in to land, we could see 40 or 50 planes on the ground. When the plane landed, we were surrounded at once by the national guard with rifles and things. I had some difficulty in getting out of the airport. I knew Chicago very well, because—

Madam Deputy Speaker: Order. I realise that the hon. Gentleman has a very interesting incident to relate, but perhaps it is for another time and place.

Sir Peter Tapsell: I can show that it is relevant. When I reached the not insubstantial comforts of the Drake hotel, where I was stuck for the next six days, I found Chicago in a state of the most amazing hysteria and panic, because—

Madam Deputy Speaker: Order. Perhaps the hon. Gentleman will now relate his remarks to the motion that the Opposition have tabled.

Sir Peter Tapsell: The American people were so shocked by the attack that President Bush felt that he had to find an enemy to attack. All his speeches thereafter mixed together that wicked attack on the twin towers with Iraq, which had nothing whatever to do with it.

Stephen Pound (Ealing, North) (Lab): Will the hon. Gentleman give way?

Sir Peter Tapsell: No, I must conclude.

The extraordinary thing about Iraq was that it was the one country in the middle east where al-Qaeda could not go. Their respective leaders were bitter enemies. Osama bin Laden and Saddam Hussein detested each other; they represented opposite ends of the theological spectrum in the Muslim world.

The American Administration led by President Bush wanted an opportunity to show the American people that they were hitting back in what they called the war on terror. They enlisted Mr. Blair's support for that, and he dressed it up in the bogus phrase, liberal interventionism, which is in fact just an excuse for overthrowing sovereign Governments wherever we do not like them. If we were to attack every despotic ruler on that basis, the world would be in total chaos. I have no doubt that if Zimbabwe had had oil, we would have long ago thought it morally necessary to overthrow its leader.

The fact is that we did not have to attack Iraq at that time, because under the no-flight zone arrangements Kurdistan was doing better than ever before, and there was no possibility of danger from Iraq. Israel is much less secure now than it was before the attack, as the war in Lebanon against Hezbollah has proved. We are responsible, jointly with America, for the death and mutilation of hundreds of thousands of Iraqi men, women and children. We have driven the whole of the middle class out of Iraq. Some 4 million Iraqis have lost their homes. The water supply has gone and the drainage has gone, and the health service, which was the best in the entire middle east, has been destroyed.

There will be instability in the middle east for years to come. In my judgment, the attack on Iraq was the greatest strategic mistake that the west has made since our failure to crush the German militarisation of the Rhineland in 1936. The consequences of that went on for many years, and the consequences of our attack on Iraq will be felt for decades to come.

7.12 pm

Lynne Jones (Birmingham, Selly Oak) (Lab): It is a privilege to follow the hon. Member for Louth and Horncastle (Sir Peter Tapsell), and I must say that I agree entirely with his analysis. I was opposed to the war, but not because I thought Saddam Hussein did not possess weapons of mass destruction. I thought that he probably did possess some residual capability of the weapons that we knew he had possessed in the Gulf war. There was evidence of that past possession, and in my view it was likely that he still maintained some capability. In the 1990s, however, weapons inspectors were crawling all over Iraq, and Hans Blix and his team and Mohamed el-Baradei were not able to gather sufficient or indeed any evidence to demonstrate that Saddam Hussein was a threat.

I was also very suspicious of President Bush constantly referring back to 9/11 and suggesting that Iraq was involved with al-Qaeda. He specifically said that Iraq

"has aided, trained and harboured terrorists, including operatives of al-Qaeda."

We know that that was not the case. Saddam was a secularist, and if anything he had a lot to fear from the likes of al-Qaeda. President Bush blatantly exploited his people's fear and anger about 9/11. When I put that to the former Prime Minister, he did not explicitly come out in support of President Bush, but neither did he condemn that link. Indeed, on 20 March 2003, the then Defence Secretary, now the Parliamentary Secretary to the Treasury, told me:

"There are clear links between the Iraqi regime and al-Qaeda."

He went on to say:

"We are not sure of the precise nature of those links".—[*Official Report*, 20 March 2003; Vol. 401, c. 1096.]

How can we take a Secretary of State seriously when he makes such comments to this House? In fact, I could not take at all seriously the entire evidence presented to the House, and I was very surprised that Opposition Members went along with the campaign.

It is time that we had a thorough inquiry into what happened in the run-up to the war and after it. I have reservations about the type of inquiry proposed, but the right hon. Member for Richmond, Yorks

[Lynne Jones]

(Mr. Hague) implied that Her Majesty's Opposition would give the House the opportunity to specify the kind of inquiry it wants.

Angus Robertson: It might be helpful if the hon. Lady and other Labour Members who are considering voting for the inquiry are made aware that the motion that stands today in the name of the Conservative party is exactly the same as the motion previously tabled by the Scottish National party and Plaid Cymru, having been drawn together by Members in all parts of the House to try to get maximum support. The motion under consideration has, therefore, been born out of views from all parts of the House.

Lynne Jones: I am aware of that. I was unable to support the previous motion at the time, because I felt it was playing politics and was personalising the matter. I take on board the hon. Gentleman's point, however.

Earlier, I mentioned the Butler report and the Intelligence and Security Committee, and I cited evidence that came to light in the Hutton inquiry of an e-mail from somebody called Matthew Rycroft to Jonathan Powell, Sally Morgan, Clare Sumner, Robert Hill, David Manning, Alastair Campbell and John Scarlett. I shall read out the relevant parts of it:

"Ann Taylor read the draft dossier this morning and passed on some detailed comments to John Scarlett. She has just rung me to underline the following points."

A number of points are then made, and the message ends:

"the hardest questions in the debate, not fully answered by the dossier, remain why now and why Saddam. The PM should take these on in his statement to undercut critics".

Those questions are still relevant and have not been addressed—and certainly not by the ISC or the Butler report. Ann Taylor was a member of the Butler committee, and she was also the chairperson of the ISC.

The Foreign Secretary was surprised that I cast doubt on the Butler report. I should like to illustrate why I cast doubt on it—and not only on its membership. I and a former Member of this House, Llew Smith, submitted a detailed dossier to the Butler committee. We focused on the Government's claim that Iraq had sought to procure uranium from Niger. We asked many detailed questions, and we made 15 recommendations. I will not go into all of them, but the report is posted on my website. It asks some pertinent questions, and refers to the fact that I and colleagues had often received contradictory evidence in response to the many parliamentary questions we had asked, and that when we queried those contradictions we were referred back to the Butler inquiry. We were anxious that Butler examined this issue in detail, because it was one of the core arguments about the threat that Saddam Hussein posed to us.

We made 15 recommendations, and I wish to read out a couple of them. We stated:

"From the information made publicly available by the UK Government, the IAEA and the FAC, it is our view that the ISC investigation into this matter was insufficiently inquisitive—the ISC do not make it clear whether they even saw the relevant primary documentation. We recommend that the Butler Committee ask the Government for all relevant primary documentation on the claim, including the forged documents mentioned by the IAEA and assess what impact the forged evidence had on the UK sources of June 2002 (which is officially still 'under consideration' over a year after the forged evidence was revealed) and of September 2002 (the single source upon which the UK relied)."

We further recommended

"that the Butler Committee investigate whether the information the Government have made publicly available provides an accurate reflection of the primary evidence."

The Butler committee did answer that question, concluding that it was reasonable for the Government to make their claims. The logic by which it reached that conclusion must be highly questionable. It cited information obtained from the International Atomic Energy Agency that makes it clear that not only before the war, when it presented its evidence to the UN in March 2003, but more recently, it had received no further evidence that would lead it to believe that Iraq had tried to obtain uranium from Niger.

The Butler report makes no comment on the fact that the international agency charged with looking into these matters did not believe that Iraq had sought to procure uranium from Niger, but simply talks about reasonableness. It states:

"Since uranium constitutes almost three-quarters of Niger's exports, the intelligence was credible."

That is a risible argument. How can we take such an argument seriously? Yet, that was the Butler report's conclusion.

Furthermore, that report did not take on board the argument that we had presented, which was that under article 10 of UN Security Council resolution 1441, member states were required to provide any information on Iraq's prohibited weapons programmes, so either the British Government did not make that information available or they did make it available and the IAEA concluded that it was not credible.

Mr. Ellwood: I am listening carefully to the hon. Lady. Can she complete this study on the uranium, or yellow cake, by sharing with the House how it ended up being mentioned in the State of the Union address by President Bush?

Lynne Jones: It was mentioned in the State of the Union address, but shortly afterwards a withdrawal was made. The UK Government cited CIA intelligence in support of their argument that uranium was sought, yet the CIA did not support that; it simply reported that another state had reported this fact. There is no evidence of any support from America or the CIA. Again, Butler neglects that fact, which was again argued closely in our dossier.

All the evidence suggests that the United Kingdom Government were going out of their way to present evidence in a way that justified going to war. I could not put it better than the former member of the Defence Intelligence Staff, Brian Jones, who said:

"A small coterie in and around No 10 knew that the Prime Minister needed an intelligence assessment that allowed him to paint a picture of an Iraq bristling with WMDs. That alone won him the public and parliamentary support he needed to go to war. A few top intelligence officials were the facilitators, providing the political spinners with enough of what they needed and the silence of an acquiescent Joint Intelligence Committee did the rest".

We need to get to the bottom of how this House was misled in voting to go to war.

Dr. Ian Gibson (Norwich, North) (Lab): Will my hon. Friend also consider the possibility of examining the cost of war—the sustained amount of money that seems to appear during a war? As the hon. Member for Louth and Horncastle (Sir Peter Tapsell), the historian across the way, will recall, during the 1920s Churchill, Bonar Law and Lloyd George had long debates on the issue of money being spent on the equivalent of the Iraq war then. Why has there not been a proper discussion in this Chamber of the escalating costs of this war? Why does that escalation happen?

Lynne Jones: With respect, that is not a matter relating to the inquiry. I merely make the point that had the resources that have been deployed in this war been devoted to fighting terrorism by winning hearts and minds, we would not face the kind of international threat from terrorists that we face today.

I am also moved to support the motion as a result of recent contact with one of my constituents. She is a British subject and citizen, and her husband, who is currently in prison in Iraq, has joint citizenship. In February 2003, Oxfam stated:

> "Those who propose war have not yet shown that any threat from Iraq is so imminent that it justifies the risk of so much suffering".

We know that so much suffering has been felt, and I shall tell the House about the suffering experienced by my constituent and her husband.

Although it was not the main reason for going to war, in Prime Minister's questions Tony Blair told me:

> "If we remove Saddam...the people who will rejoice most will be the Iraqi people who will be free of a murderous tyrant".—[*Official Report*, 19 March 2003; Vol. 401, c. 936.]

The Iraqi people are free of one murderous tyrant, but many hundreds of murderous tyrants have sprung up in his place. The Iraqi Government are weak and the country is run by fiefdoms and militia.

The constituent to whom I referred, Mohammed Hussein, was in Iraq in January 2007. He went there with his wife and two-year-old son to try to persuade his mother to come to the UK for medical treatment—she was very ill. She had been unwilling to leave Iraq because she was living in the same household as her daughter-in-law, whose husband, her son, had been killed in Baghdad by terrorists. Her son was a member of the Iraqi police force. She was forced to flee Baghdad to Najaf, which I am told was more peaceful at the time. She was not allowed by the governor of Najaf to join two of her daughters who were in the city, but she did join another daughter who was living in its outskirts. In the run-up to the holy festival of Ashura, she, her family and my constituents were outside Najaf at a place called Zarga. On the night before Ashura, Mohammed Hussein telephoned a number—I think it is 130—that Iraqi citizens are invited to use to report any suspicious activity. He reported that a number of armed men had been seen in the vicinity. Subsequently, there was an event that became known as the battle of Najaf. During that conflict, the mother, sister and, we believe, the brother-in-law of my constituent were killed, and my constituents were rounded up along with many other people.

Since then, along with hundreds of people who were rounded up simply for being in the vicinity of that conflict area, my constituent was sentenced—in an en bloc trial where no individual evidence was allowed—to 15 years' imprisonment. I have a letter from his wife telling me about the torture that he suffered from the Iraqi authorities. She said:

> "During this time he has been tortured brutally. He was hung from the ceiling for two hours causing permanent damage to his arms and attempts were made to pull out his nails."

She gave some further information, and I have since spoken to her. She told me that she witnessed the torture of another woman with whom she was imprisoned for a short time. She said that that woman was hung from the ceiling, her clothes were forced above her waist and she was beaten on the legs and feet by the authorities. My constituent was threatened with the prospect that that would happen to her. For a while, she was imprisoned near her husband. She said that he was chained to a toilet and guards came in intermittently, beat him and threatened to rape his wife and his sister. That is what is going on in Iraq today. Is that what we fought this war for?

I went to Iraq in 2005 and met many people, and the majority were in favour of the war. Almost all of them, however, condemned the nature of the occupation. They said that it had been totally mishandled. They were very concerned that the Iraqi people were seeing no benefits from the millions of dollars that were being poured into their country. One said to me, "No other tyrant has done what the Americans have done to my country."

We also spoke to an opinion pollster who had set up the first opinion poll in Iraq. He had 350 very brave people going out throughout the country—

Madam Deputy Speaker: Order. I am afraid that the hon. Lady's time is up.

7.33 pm

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): I commend the hon. Member for Birmingham, Selly Oak (Lynne Jones) on her moving comments and clear illustration of what happens when one goes to war, even if it is for the best of purposes, but then loses control of subsequent events. I shall return to those considerations in a few moments' time.

The Liberal Democrat spokesman, the hon. Member for Kingston and Surbiton (Mr. Davey), said that the Prime Minister had missed an opportunity, when he came to office, to try to distance himself from the Iraq war by initiating an inquiry. Although one would have liked to see the Prime Minister do that, it was never really on the cards. The Prime Minister is as involved as Tony Blair was. During that period, he was the second most powerful member of the Government, and if he had made it clear that he could not support the war, it would not have happened with British involvement. The Prime Minister of the day could not have accepted such a consideration. The Prime Minister has a serious problem, which explains the rather curious way in which he has tried to handle these legitimate demands for an inquiry.

Reference has been made to the letter that the Prime Minister was sent by the Fabian Society. What he said in his reply, which has already been mentioned by my right hon. and learned Friend the Member for

[Sir Malcolm Rifkind]

Folkestone and Hythe (Mr. Howard), is rather curious. The Prime Minister said that it was

"vital that the Government does not divert attention from supporting Iraq's development as a secure and stable country."

Is it seriously being suggested that we have to wait until Iraq is a secure and stable country before the Government will feel able to initiate the inquiry that they promised? We all know that even in the best scenario it will be years, if not decades, before Iraq is a secure and stable country. That cannot be the basis for denying the inquiry that is so clearly necessary.

The case for an inquiry is unanswerable, both for reasons that are internal to Iraq and for reasons regarding the implications for the region as a whole. I refer again to the Prime Minister's comments, because they show the confusion and double standards at the heart of Government. The Government are confused. They know that their policy on Iraq is a shambles and that they cannot deal with the criticisms properly. When the leader of the Liberal Democrats asked the Prime Minister last week whether he had any regrets over what had happened in Iraq, almost the only point that the Prime Minister made in his reply was:

"Millions of children are getting the benefit of education, vaccination and health care services as a result"—[*Official Report*, 19 March 2008; Vol. 473, c. 916.]—

as if we went to war to ensure vaccination for the children of Iraq, and as if that somehow justified all the other terrible things that have happened in Iraq!

The Prime Minister knows perfectly well that that was a ridiculous justification for war, but no Ministers can now use the arguments that were made at the time. There were no weapons of mass destruction. Ministers know perfectly well that whatever the Chairman of the Select Committee on Foreign Affairs might have said, to argue for regime change in its own right is against international law, and could never possibly have the support of the UN. Ministers are scrabbling away trying to find convincing justifications, all to do with what a terrible man Saddam Hussein was, when they know perfectly well, as we do—we are not telling them anything that they do not already know—that that could not possibly have justified the war.

I want, too, to refer to the external consequences of the war. I pay tribute to my hon. Friend the Member for Louth and Horncastle (Sir Peter Tapsell) who, in a marvellous and colourful speech, made some powerful and appropriate points. The single greatest beneficiary of this disastrous Iraq war has been Iran. Two of Iran's most powerful enemies were Saddam Hussein's regime on one side, and the Taliban on the other. Never in their wildest moments did the Iranians believe that both regimes would be removed by the United States—the great Satan—without Iran having to lift a finger to achieve its geopolitical and strategic objectives.

One then has to add to the implications of Iran's emergence as a regional power the terrible Shi'a-Sunni sectarian conflict, which does not now exist merely in Iraq, but is part of a regional problem that is distorting the politics of the middle east. Although those tensions would have existed without the war in Iraq, that war provided the opportunity for a massive loss of life and ethnic cleansing on an enormous scale in Iraq that certainly would not have happened otherwise.

Then let us look at the whole question of al-Qaeda. Even today, people such as Dick Cheney try to claim that there was some link between al-Qaeda and Saddam Hussein. We know perfectly well that al-Qaeda had no opportunity to develop its terrible deeds in Iraq until the power vacuum was created by the war initiated by the US and the UK. Perhaps most serious in terms of the next year or so is the fact that for the west and the international community, putting real effective pressure on Iran to desist from going down the nuclear weapons path is infinitely more difficult than it would otherwise have been. That is because of the massive loss of authority, credibility and power on the part of the US in particular, but also on the part of anyone who argues for tough measures with regard to these matters.

I want to draw attention to a crucial question. Iraq is not only terrible in itself, but it is the single biggest example so far of the consequences of what is known as the Bush doctrine—that pre-emptive wars can be justified—combined with Tony Blair's Chicago speech, which tried to justify, under the name of liberal interventionism, the use of our armed forces to change regimes and, hopefully, in his view, to promote democracy around the world.

That comes to the heart of the question of what is and what is not a just war. The concept of a just war goes back many centuries, as people have struggled to try to find some set of criteria for when war can be justified, particularly against those who have not attacked first.

Traditionally, there have been five justifications for a just war. First, it must be started by a lawful authority: in the case of Iraq, that is a question of enormous controversy. Secondly, it has to be for a just cause, and we know that the reason why we went to war was not justified. Thirdly, it has to be a matter of good against evil—and I would be happy to concede that point, if it were the only relevant consideration. Fourthly, it has to be the last resort. Partly for the reasons given by my hon. Friend the Member for Louth and Horncastle, it clearly was not that in this case. Finally, there is the issue of proportionality.

In the modern world, we have to extend those propositions in two important ways. First and most crucially, if we are going to try to begin to justify a war against a country that has not attacked us—if we are not acting in self-defence, and especially if we do not have the mandate of the Security Council of the United Nations—it is crucial that as part of the justification for war we consider all the likely, possible or credible consequences of that war. I do not mean only the combat, but what may happen after the combat is over. Unlike in the mediaeval world, in the modern world a war is not an end in itself. In times gone by, there were wars, somebody won, somebody lost, the war ended and things went back to normal. The whole problem with Iraq has been the power vacuum created by the removal of Saddam Hussein's regime, and all the consequences that flowed from that.

I was very disturbed by the interview that Jonathan Powell, Tony Blair's chief of staff, gave to Andrew Marr a week or so ago. He was asked whether he had known what was going to happen in Iraq. He said:

"I think that the trouble with Iraq was, we were kind of preparing for the wrong sort of aftermath. We made lots of preparations for humanitarian disaster, for the lack of water, you know for all that kind of thing."

He spoke as if a lack of water was the only predictable consequence of sending an army into Iraq, removing the regime and creating a power vacuum.

When asked why there were not sufficient troops in Iraq, Jonathan Powell said:

"But no one was urging us to do that at the time. No one actually had that, that insight at the time. It would have been rather more useful if they'd told us then."

Who is "they" supposed to be? This is the Prime Minister's chief of staff speaking—the man closest to him, who we know worked with him in the preparation of British policy. He says that they made no attempt to consider the possible consequences of removing a Sunni-dominated regime in a country with a Shi'a majority. They did not consider what would be the consequence of removing the existing power structure and, as was entirely predictable, the Shi'a majority then demanding power. They made no attempt to consider the implications for Iran if its traditional enemy were removed by force. They made no attempt to consider the implications for Shi'a-Sunni sectarian conflict. It was not that they got it wrong. They had not studied the situation and come to an unjustified conclusion. If Mr. Powell is to be believed—and we have no reason to doubt him—they were so busy wondering about the water supplies that they gave no thought to such issues.

That suggests that we must learn from this experience that if one wishes to contemplate going to war in the modern world, and credibly to justify it as a just war, such consequences—which, in the case of Iraq, were not only predictable but predicted—must be taken into account and one must be prepared to live with the consequences. That is the first major change necessary to the just war theory to take account of modern circumstances.

The second consideration goes to the heart of the argument made constantly by the Prime Minister and other apologists for the war. They ask whether we would have liked Saddam Hussein to have remained in power. Would it, they ask, be better if Saddam Hussein were still there, as if somehow that was an argument in itself. Well, it is not, because in the modern world armed forces can be used in a more restricted way. Using the military does not only mean going to war. They can be used for peacekeeping, for peace enforcement, for containment in various ways or to impose a no-fly zone. As my hon. Friend the Member for Louth and Horncastle rightly pointed out, that was successfully being done in the 10 years before this terrible war began. Of course sanctions were not working perfectly, but Iraq's military power had been emasculated, by the first Gulf war, by the economic sanctions imposed by the United Nations, by the arms embargo that had been imposed, and by the no-fly zone that the United States and the United Kingdom were enforcing.

Those sanctions had been so successful that those Arab and middle eastern countries that had supported the first Gulf war, including Turkey, Syria, Saudi Arabia and Egypt—which were happy to be allies of the United States and the United Kingdom, and who sent their armies to help to liberate Kuwait, because they recognised that Saddam Hussein was a threat to regional security—were not happy to send their armies or provide diplomatic or political support for the Iraq war of five years ago. They knew, as we all know, that Saddam Hussein's regime had been emasculated. He was not a better man; he was still an evil man who would have like to do more evil, but he no longer had the capability to do so.

The lessons must be learned for the future, if this is not to be an entirely terrible experience. First, in trying to decide whether war is justified, we must look not only at the combat aspect, but at the political, economic and social consequences of any war that we may initiate. In Iraq we have seen terrible loss of life of hundreds of thousands of people, millions of refugees, and internal anarchy. Ministers know how terrible the situation is in Iraq, and they wish that it had never happened. They wish that different decisions had been made five years ago. They know that, although I do not expect them to say so.

The second lesson must be that the alternative to going to war is not, and never has been, doing nothing. Nor has it meant restricting oneself merely to economic, social or diplomatic pressure. There are other military means that can be used, including no-fly zones, embargoes, and various methods of peace enforcement. As we showed in Iraq until 2003, that can ensure regional peace and security. It was a messy solution and it might not have lasted for ever, but it did not even begin to be as terrible as what the people of Iraq have had to live through over the past five years.

7.47 pm

Mr. Robert Marshall-Andrews (Medway) (Lab): May I say straight away what an irrepressible joy and pleasure it is to follow not just the person but the blazing erudition of the right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind), which was surpassed only just, perhaps, by the blazing erudition of the hon. Member for Louth and Horncastle (Sir Peter Tapsell). I can tell both of them that at the conclusion of this debate I shall hand them my papers for marking, and I hope to do rather better than I have done in the past. I shall also have the pleasure of joining them both in the Lobby.

I believe not only that there must be an inquiry but that it is urgent and necessary, because this is a war without an apparent or defined end. There is no apparent or defined context of victory. What is victory in this war? We had a victory four years ago, and it is a gloomy symbiosis that the fourth anniversary of that victory marked the death of the 4,000th US serviceman in Iraq. He will not be the last; and nor will our next casualty be our last.

What is the victory that we seek? Is it the stable, secure state that is spoken of by the Prime Minister? What is a stable and secure state? Who decides when Iraq has become a stable and secure state, capable of its own government? I do not wish to be facile and flippant, but I remember when debating devolution that there were those who said that Wales was not a sufficiently stable and secure state to govern itself. So who decides, who sets out the parameter of when we can safely leave? If the Americans cannot leave, nor can we.

We hear what is said about the success, security and achievements of Basra, but it is necessary only to notice whence the trumpets of triumph and achievement come. They come from within the security of the British

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army base, miles from Basra. If a quarter of what we are told about Basra were true or reliable, British politicians would be making their speeches from within a liberated city and to a liberated people. They would not be arriving secretly at night at a base in order, as the world sees it, to posture in the safety of a British square. This is not a war that is anywhere near its termination, and that is why we cannot possibly wait until such time as that end occurs and by whose wish it occurs.

If it is to be said that we cannot have an inquiry because it imperils the military effectiveness and strategy of what we are doing in Iraq, that is a military judgment, not a political judgment. If our senior commanders, past or present, had said publicly that it would be ill-advised and dangerous for us to hold an inquiry, or if Ministers had said that the commanders had advised them in that way, I would respect what they said. If Generals Rose or Jackson said, "We must not have an inquiry now because of the danger that it will pose to our strategy and to our troops", I would respect that and not vote for an inquiry. I shall not respect those who have interests in an inquiry, and those who are potential defendants in an inquiry, using the troops and strategy as an alibi in order to avoid one. That is precisely what we have seen.

The second reason why an inquiry is urgent is that we cannot rely on the British media and press properly to interrogate the responsibility for and causes of this war. One had looked forward on the fifth anniversary of the war to seeing a resurgence of activity and interest in the media. Many of us were horrified by what we saw in the past few weeks: a media obsessed not with what was happening in Iraq but with itself. People in the media were asking themselves, "Why did I support the war?" or "Why did I oppose it?" or looking at other members of the media and asking, "Why did he oppose it? Why did she support the war? What was wrong with us?" That exercise had scant relevance and showed no interest in the truth in Iraq.

Then came the worst part, the climax of that. I endorse what the right hon. and learned Member for Kensington and Chelsea said about interviews with Jonathan Powell. An even worse example was his interview with Jeremy Paxman on "Newsnight". I am perfectly happy to make the resources of my chambers available to Mr. Jeremy Paxman if he wishes to brush up his skills in cross-examination, but I can inform him that the youngest pupil in my chambers knows very well that prosecuting counsel do not ask questions that approximate to "Are you really sure you're not guilty?" When that is the question asked, one is a very long way away from the great pantheons of British advocacy, I can tell you that for nothing—particularly when it is followed by something like, "Do you have any regrets?" That, metaphorically, is very slow bowling outside the leg stump, particularly to somebody of the capacity of Mr. Jonathan Powell.

To make it even worse, one third of that interview was given up not to Iraq but to plugging Mr. Jonathan Powell's book on Ireland. Baghdad is 2,805 miles from Belfast geographically, and a great deal further in culture and history and in terms of those who have died as a result of the military intervention. It is not in the same league.

Mr. Charles Kennedy (Ross, Skye and Lochaber) (LD): I am motivated by what the hon. and learned Gentleman is saying. If I say the words Tim Razzall, cricket and that "Newsnight" programme, to which I happened to be a contributor last week, he will understand why.

What I found most revealing—this is also probably barrister speak—was that Jonathan Powell, when questioned repeatedly by Paxman, simply said that he was glad that Saddam Hussein was down and gone. We all are—but that was not the issue, was it?

Mr. Marshall-Andrews: I respectfully agree. The right hon. Gentleman has conveniently taken my next words from my mouth, because I was about to report to the House that that was indeed what Jonathan Powell said. The apologia that he gave for the war was that Saddam Hussein had gone. It is an apologia that we hear time and time again, and as a litany it begins to bear an uncomfortable relationship to the words of Napoleon the pig in Orwell's "Animal Farm", who at the end of the book informs the animals that their suffering and distress is in fact a paradise, because the farmer has been removed. Let us have no more of this, particularly those of us who spent many years campaigning against Saddam Hussein. We do not want to hear any more the idea that the distress to the Iraqi people and the 600,000 of them who have died is blood that was worth paying for an illegal occupation in 2003.

It was possibly the diversion into Ireland that prevented any serious investigation in that interview, or at all, of the main issues upon which an inquiry must centre. I wish to bring to the House's attention just two, which are, for me, the most important two. I mention them also because they may be investigated without the slightest inconvenience to any diplomat in Iraq—which is now apparently the reason why we cannot have an inquiry—without the intervention of a single member of the armed forces; and without inconveniencing a single member of the security services, if that is something that exercises the House. They can be investigated only through the cross-examination and interrogation of those who were involved.

The first is what was revealed in the Downing street memo of July 2002, reported by *The Sunday Times* in an unusual contribution to the debate. It was recorded that at that meeting in Downing street in July 2002 Sir Richard Dearlove, the head of secret intelligence, or "C", as he was known, had reported from America to the War Cabinet, which included Jonathan Powell, that:

> "There was a perceptible shift in attitude. Military action was now seen as inevitable. Bush wanted to remove Saddam, through military action, justified by the conjunction of terrorism and WMD. But the intelligence and facts were being fixed around the policy."

In the same minute, it is recorded that the then Foreign Secretary, now the Lord Chancellor, said that it was clear that

> "Bush had made up his mind to take military action...But the case was thin."

The then Attorney-General, Lord Goldsmith, to whom I shall return in just a moment, is recorded as warning that justifying the invasion on legal grounds would be difficult.

That secret memorandum, of limited circulation and ordered to be destroyed thereafter, will become, I predict, one of the seminal documents when the history of warfare comes to be discussed. Not one single word of that document reached this House; not one single word reached the British people. Indeed, this House was told precisely the opposite: until the end of 2002 and the beginning of 2003, the case was made that there was still time to avert war and catastrophe. That was a lie, and a black deception to this House and to the British people.

I do not entirely agree with the palliative statements in the excellent speech made by the right hon. Member for Richmond, Yorks (Mr. Hague) in opening the debate. The real point of the debate, and of any inquiry that may be held, is not to learn lessons so that we do not make mistakes again. That is one reason, but I want an inquiry to be held into the Iraq war because I want those responsible to be brought to book and to justice. If necessary, they should be brought to international justice, but I want us to be the ones who bring them to it.

Mr. Humfrey Malins (Woking) (Con): I support the hon. and learned Gentleman's argument with all the strength that I can muster, but may I remind him gently that some Opposition Members at the time took the view that he is expressing? I was one of those who resigned as a shadow Minister because of the illegal war. Does he agree that, when we look back at our parliamentary lives, we may well regard the decision to go to war with Iraq as the worst and most horrible decision that this Parliament has made?

Mr. Marshall-Andrews: That is undoubtedly right. Indeed, beside that decision, all our other achievements and deficiencies—and there have been many of both—pale into insignificance. The circumstances and repercussions of what we did then have swept well past Iraq. As Tacitus noted, one victory can create a thousand enemies, and that is precisely what happened.

I shall dwell briefly on the second matter, which is the written advice given by the Attorney-General to the Prime Minister on 7 March 2003. We are able to look at that advice now, even though it was obtained only in the teeth of those at the time who wished to keep it secret. Those people produced every form of spurious argument, based on dubious or non-existent precedent, that such advice should never be shown.

When we saw it, we found out why they wanted to keep it hidden. The advice was hedged around with doubt: it said that it was possible to argue that the invasion of Iraq was illegal but, two paragraphs later, that it was equally possible to argue that it was not. The advice then pointed out the number of challenges that could be brought, and the people who would bring them, if it turned out to be wrong.

One week later, on 14 March, the Attorney-General went to the Cabinet and to the House of Lords. Not one word of those doubts was set out to either. The House of Lords and the Cabinet received a completely different opinion. Furthermore, and even worse, the Attorney-General's written opinion was buried. It was never shown or volunteered to the Cabinet—of course, its members should have asked for it, but they did not—or to the House of Lords. The advice was not given to this Chamber or made available to the British people. That must be made the subject of an inquiry, although I suspect that no such inquiry will be held during my time in the House. However, if the inquiry that is eventually held concludes that deception and deceit led us into an illegal war, then I hope that Parliament will deliver up to justice those who are responsible. That is inescapable.

I am a humanist. I do not believe in a final judgment, when our sins and misdemeanours will be read out of a great book. I suggest that this is the place for such things. However, if I did believe in judgment day—and particularly if I was a Catholic—and if I had been responsible for the deceit and duplicity that led to the slaughter in Iraq, I would be saying my Ave Marias as fast as diction would allow. It may be a pity that I do not believe in the final judgment, as I should like to be there to see it. However, I believe that we here must arrive at a quicker judgment, and that we, the British people and those who have suffered as a result of our actions, are entitled to that judgment sooner—much sooner—than later.

8.5 pm

Mr. Paul Keetch (Hereford) (LD): It is a pleasure to follow the hon. and learned Member for Medway (Mr. Marshall-Andrews), who made a fine speech. There have been many fine speeches from those arguing in favour of the motions, although not so many from those who oppose them.

I shall begin as others have, by paying tribute to 175 British troops who have been killed in the Iraq war. I pay tribute, too, to the 4,000 US troops and the countless thousands of Iraqi civilians who have also died. The decisions that we made on 18 March 2003 are the most momentous that I have witnessed in my relatively short parliamentary career, but I am glad to say that I believe that, when history looks back, I and others will be found to have been on the right side.

I have always been interested in what Lady Macmillan said at the time of Suez. It was to the effect that, for several weeks, she felt as though the Suez canal went through her drawing room.

Mr. Keith Simpson: That was Lady Eden.

Mr. Keetch: The hon. Gentleman reminds me that it was Lady Eden who said that, and I am grateful to him for once again correcting an historical inaccuracy.

There was a time in the run-up to the war when I felt that Iraq was dominating my life. In the months leading up to the conflict, I made three visits to the Gulf, two to the US and one to NATO. Since the war, I have been privileged enough to visit Iraq on four occasions. I want to share with the House what happened on my visit to US Central Command in Tampa on 21 August 2002.

I was told by the then Defence Secretary that I was the only member of the Opposition who had asked—and been allowed—to go to Tampa to meet Tommy Franks and his team as they prepared the invasion. General "Rifle" P. DeLong gave me a medal that I still carry, and he told me in great detail what was about to unfold in the middle east.

I had made a deal with the then Defence Secretary that I have always honoured. It was that I would never

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discuss what I was told that day at CENTCOM, before the action started. I reported my experiences to my right hon. Friend the Member for Ross, Skye and Lochaber (Mr. Kennedy), and I shall share with the House this evening my two overriding memories from my meeting with General DeLong. Also present was a British general who I know, because I have discussed this matter with him since, is known to the hon. Member for Mid-Norfolk (Mr. Simpson).

The meeting took place in August 2002, and two overriding points were made to me. The first was that there would be a war. It was made clear that the US would invade Iraq in March or April of 2003—of that there was no doubt. The US wanted British troops to be involved, and American planning assumed that they would be. I was shown in candid and considerable detail what the role of the British troops would be, and one element of it was that Royal Marines would lead assaults that included US marines—something almost unheard of then.

From that point, I had no doubts at all that war was coming, but I was also told something else that was equally interesting—that all the US planning was predicated on the assumption that it would be a US-UK war. No thought was given to the possibility that Saudi, French or Syrian troops, in the sort of alliance that was built up to liberate Kuwait, would be used. The view of the US military, supported by their political masters, was that they did not want other troops involved—and that the UN was therefore totally pointless.

What I find incredible is that all the talk of attempting to get another resolution from the UN was irrelevant to the US military in Tampa, Florida, planning that assault; the war was going to happen in March or April 2003, and it would include only British and American troops. That gives the lie to some of the things that we were told in the run-up to the war—that we could possibly somehow avoid the catastrophe, and that somehow we wanted the international community to be involved. That simply was not going to be the case. When I visited troops massing in Kuwait and Bahrain, and warships in the Gulf, there was a strong belief among our armed forces that war would happen in March or April 2003. Of course, as we all now know, that was indeed the case.

The first result of the war was to make another war, Afghanistan, much more difficult. It has not so far been mentioned tonight that in the run-up to the Iraq war, urgent operational requirement orders—the emergency purchasing of kit—all related to Iraq. I firmly believe that the attempt to bolster, for understandable reasons, our forces preparing to go to Iraq damaged our actions and performance in Afghanistan, and it has continued to damage our performance there ever since. The reality is that we could not take on two such engagements, as the strategic defence review suggested we ought. That is perhaps the reason why we have failed, or have not yet achieved success, in both those engagements.

The lasting legacy of the war was the fact that the great coalition of the international community, built up to fight international terrorism since 2001—when even the front page of Paris newspapers said, "We are all Americans now, after the tragic events of 2001"—was thrown asunder. Suddenly it was not the world versus terrorism; it was large parts of the world against America, and large parts of the world against Britain. Those two consequences of the war—first our continued failure in Afghanistan and secondly the rift in the international community that has still not yet been settled—are legacies of the vote that took place on 18 March.

Mr. Edward Leigh (Gainsborough) (Con): What was very apparent at the time, and what motivated many of us who voted against the war, was that it would inflame Muslim opinion. That was so obvious, and every single diplomatic source told us that. The tragedy of the event is that that advice was ignored.

Mr. Keetch: The hon. Gentleman is indeed right, and I was going to mention the fact that in the weeks after the attack on Iraq, in the ceremony in which children are named in Islam—forgive me for not knowing the term; in Christianity we call it the christening—the name Osama was given to more boys born in the Islamic world than any other name; I think that proves the hon. Gentleman's point.

What should the inquiry cover? Well, there are a number of things that it must cover, if it happens, and I sincerely hope that it does. I hope that many Labour Members will again join us in the Division Lobby this evening to see that it does happen. The first thing that it should cover is the aftermath of the war. Anybody who believes that large parts of Iraq are better now than they were under Saddam Hussein certainly is not talking to some of the service people to whom I talk, and has not experienced some of the things that I have experienced in my four visits in the past five years.

The first time I went to Basra, we drove in soft-skinned vehicles with Royal Marines with berets on their heads, and we felt safe. We got out and talked to people on the streets. The last time I went to Iraq, we were holed up in armoured vehicles, flying by helicopter and living in reinforced bunkers on air bases because the Ministry of Defence was too scared to let us on to the streets. Unfortunately, as was excellently described by the hon. Member for Louth and Horncastle (Sir Peter Tapsell), the lives of many ordinary people in Iraq are probably worse than they were under Saddam Hussein.

Mr. MacNeil: The Red Cross says so.

Mr. Keetch: As the hon. Gentleman mentions, that is exactly what the Red Cross says. I think that the aftermath of the war needs to be considered. We could have predicted it. People on the Liberal Democrat Benches, notable exceptions on the Conservative Benches, and very many notable exceptions on the Labour Benches—*[Interruption.]*—and the nationalists warned the Government that the consequences of the action would be appalling, yet, I am afraid, one Conservative Front-Bencher who is sitting in the Chamber described me as an appeaser, and described my right hon. Friend the Member for Ross, Skye and Lochaber as Charlie Chamberlain. That was the kind of abuse that was being thrown at us when we warned of the consequences.

A second aspect that must be considered, mentioned by the hon. and learned Member for Medway, is the legality of the war. I have never wanted to say that the war was illegal, because if I did, I would be suggesting that the British forces who went to Iraq were complicit

in some kind of war crime, but certainly the legality of the war, and the justification by Lord Goldsmith, conveniently changed considerably in a 10-day period in the run-up to the war. There are many reasons to believe that under international law, the action, if not illegal, certainly pushed the bounds of legality in ways never experienced before. As the right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind) said when expressing his view of what a just war is, Iraq could not be considered a just war. It is absolutely right that we examine whether the war was legal or not. After all, what other reason is there why Lord Boyce—then Sir Michael Boyce, chief of the defence staff—sought the Prime Minister's personal guarantee that the war was legal? He surely would only have done so if he had some doubts.

The next thing that we must surely ask—it is a question that I asked consistently at the time—is whether we were equipped to fight the war, and whether we had the right equipment. Certainly the troops that I saw preparing to fight the war did not have the body armour, the boots or the equipment to make sure that they could fight the war. Sadly, that is a view shared in many coroners' inquests held since the war. We are not talking about a war that suddenly occurred; it was not like the Falklands, where we suddenly woke up one morning and said, "Oh my God, we've got to perform an amphibious action on the other side of the world." We are talking about a war for which we were preparing, month after month, yet we sent our troops away inadequately kitted out. Certainly some inquests have suggested that some of our servicemen died as a result of not being properly equipped. What more serious criterion could there be by which to judge the value of a conflict? We are talking about a Government who sent their troops off, knowing that they were going to fight, without giving them the equipment with which to fight that war.

We have tonight heard references to weapons of mass destruction. There might have been such weapons years before, but certainly there were not weapons of mass destruction available to Saddam Hussein, ready to fire within 45 minutes, that could hit our bases in Cyprus; let us remember that the dossier suggested the contrary, as did the front page of the *Evening Standard*. They suggested that there was somehow an immediate threat to British troops based in Cyprus, and a threat to the troops who were about to fight—the troops whom, let me remind hon. Members, we had not properly equipped.

Reference has been made to Lord Franks and his inquiry after the Falklands. That was an inquiry on the workings of Government. I would certainly be happy if the inquiry that will eventually take place covered the workings of Opposition parties. I would certainly be prepared to stand by what we, as an Opposition party, did to oppose the war. Frankly, her Majesty's loyal Opposition failed to oppose it in the way that they should have done. It is a matter of record that before Christmas in 2002, the then leader of the Conservative party was calling for military action to overthrow Saddam. That was before the dossier and before any talk of weapons of mass destruction. The Tories, and unfortunately their leader at the time, were as much cheerleaders for the war as any Member on the Treasury Bench.

Mr. Malins: Not all of us; not all of us.

Mr. Keetch: Not every Conservative, and I certainly pay tribute to those who were not.

I want to make two more points. The right hon. Member for Cynon Valley (Ann Clwyd) said that we went off to fight the war because of the appalling things that Saddam Hussein had done, and the hon. Member for Ilford, South (Mike Gapes), the Chairman of the Foreign Affairs Committee, suggested the same thing. On one of my visits to Iraq, I was stopped by a sergeant from the Parachute regiment, who said, "Sir, why am I 'ere? I didn't join the British Army to do this. I joined it to protect my family, to make sure that they were safe, to ensure that our country is protected, not to go off and fight war at the behest of the President of the United States, endorsed by the Prime Minister." I have to tell the right hon. Member for Cynon Valley that there may have been a very good reason for attacking Saddam Hussein on humanitarian grounds, but it is easy to stand here and call for that action; it is less easy for someone who has joined the armed forces with the aim of protecting their country not to go off and fight someone else's war.

Sammy Wilson: Does the hon. Gentleman agree that bizarre arguments were made in the Chamber by the two Back-Bench Members who opposed an inquiry, especially as they could not say where we should draw the line, and which obnoxious regimes we would tolerate and which we would decide to send the armed forces in to topple?

Mr. Keetch: The hon. Gentleman is absolutely right. The right hon. and learned Member for Kensington and Chelsea set out the reasons why a humanitarian war might be justified. Kosovo springs to mind: it was a conflict that my party and I supported, because there were clear reasons for doing so. We simply could not say that, however, about Iraq. If we did, we would say it about Zimbabwe and a host of other countries, in which we simply should not get involved.

Finally, the one thing we know is that sooner or later, there will be another conflict. Another Secretary of State and another Prime Minister will come to the House to ask us to support military action. The first thing that some hon. Members will say—and the first thing that our constituents will say—is, "Is this another Iraq? Are we going to be fooled, like we were fooled then?" At some point in future, there will be a war that we will have to fight, and from which we will shy away, simply because of what happened in Iraq. 9/11 started the process. I was in the Commons with my right hon. Friend the Member for Ross, Skye and Lochaber on 9/11. We saw the skies being cleared, and we watched the aftermath on television. Once 9/11 had happened, George Bush had the authority in the US to do what he wanted to do, and settle his debts with Saddam Hussein. Unfortunately, the previous Prime Minister went along with that. Unfortunately, the main Opposition party—or most of it—went along with it, and the result is the biggest disaster for British foreign policy that has occurred not only in my lifetime but in the lifetime of much more senior Members of Parliament. We should be ashamed, collectively, of what we did by sending our troops into Iraq. I hope that tonight we will start the process of atonement, and the only way in which we can begin to do so is to have a full, proper inquiry into the events leading up to war.

8.23 pm

Frank Cook (Stockton, North) (Lab): I intended my remarks to be short, and I shall still try to keep them brief.

I should like to take the Chamber back to the original debate. Members who were there will recall that it was a lengthy day. There was a main Question, and there was an amendment. The text of the amendment was originally proposed by Lord Smith, who was then the Member for Islington, South and Finsbury. A number of Labour Members got together to consider the text, and it was thought by some—principally me—that it was slightly inappropriate, and needed to be changed. Collectively, those Members decided to accept my suggestion, and that has a bearing on what I will come on to say. The text of the amendment was, in a way, the result of consideration by myself.

I sat all day through that debate, and I left the Chamber only twice—once to visit the rest room and get a cup of tea, and the other time, to respond to a summons from the then Prime Minister to his chambers behind the Chair. He called me singly. I had to wait to go in alone, whereas other Members went in in groups. A group went ahead of me, and a group followed me after I had finished. I was with the Prime Minister for about 25 minutes, and he was clearly in some distress. He begged me to support him on the amendment, but I pointed out that I was voting for the amendment. He said, "No, no, no—I need you to vote against it." I said, "You don't really need my vote. The Conservatives are going to support you on the amendment anyway, so you're going to romp it." He said, "I want to win it with Labour votes." I said, "I'm sorry, Tony, you can't have mine." "Why not?" he said. I said, "For a start, I have sat in the Chamber for over four hours today, and I was informed by the Chair as I came out to see you that I didn't have a chance of being called to speak, because I spoke for four minutes on the debate that was called during the recall of Parliament last year, for which I had to travel across the Atlantic, before going back again." Four minutes in one year denied me any opportunity to register my views at that time.

I said, "Apart from that, I am partly responsible for the words on the Order Paper. I can hardly vote against my own text." The Prime Minister pleaded, pleaded and pleaded, but I said, "I just can't do it. I can't even apologise for it, because that's it." The amendment, as the House will recall, said that Hans Blix and team be given time to finish the job with which they had been tasked. Blair said, "I really need your support." He was distressed—he was chalk white, and was visibly shaking—so I said, "Tony, the best thing I can do for you is, once the amendment is defeated, although I would like to think that it won't be, on the basis of clause stand part, I will vote for the main Question." That is what I did, and I have to tell the House what I have told one or two people privately: from that day to this, I have regretted it to the bottom of my heart, and I am deeply ashamed that I allowed myself to do it.

As I went through the Lobby in the Division on the main Question, I got a slap on the back. Some Members will remember that I had trouble with my shoulders. Left wing, right wing—they were both troublesome at different times. I got a slap on my bad wing—my left wing; Blair was always keen to hurt the left wing. When I turned round, ready to use my right wing to reply to this pain, Blair was standing against the bookcase, still white, still quivering. All he said was, "Thanks, Frank."

In a way, I am relieved that I have had the opportunity to confess openly to that this evening, but let me come to the question of an inquiry. I do not think that anyone is arguing about the need for one, and I do not think that anyone will argue about its breadth or the depth to which we should pursue it. There is great agreement on that, because it needs to start as early as my hon. Friend the Member for Ilford, South (Mike Gapes) said, and it needs to cover all the things that my hon. and learned Friend the Member for Medway (Mr. Marshall-Andrews) covered, and lots more besides.

But the question is when, and I am still not convinced that now is the time. Let me explain why. I was brought up as a child when there were big posters on the wall which read, "Careless talk costs lives". We have been talking about previous inquiries, such as the Dardanelles in 1917—that was when nations were fighting nations—and Norway, when it was no more than a debate. We are not fighting nations now and we are not seeking a debate.

We are dealing with al-Qaeda, and with al-Qaeda we must deal with al-Jazeera. We have all experienced their great technique in handling modern communications. We have seen how skilfully they can misrepresent, and even now I can guarantee that they will be misrepresenting the kind of debate that this has become and the kind of self-justifying statements that have been bellowed across the Chamber.

I sympathise with the sergeant in the paras. Of course I do—my boy is in the Army. We care about every one of them, but we must make sure that we do not give hostages to fortune, and that we do not give encouragement to the terrorists that we are trying to combat. Let us not forget that not only is it not nation against nation, but we have the enemy in our midst. There was not only 9/11; there was 7/7 in a London bus and in a tube station, and we are creating enemies within our own communities by talking in this way.

Whatever inquiry takes place must be conducted on the right basis and must not be conducted in haste. I understand that we have the problems that the right hon. Member for Richmond, Yorks (Mr. Hague) has suddenly discovered in the past 15 months, in going ahead with an inquiry, and I commend him for recognising those problems. "It is not a trial," he said, "or an impeachment." On that basis, if he were running the inquiry, I could go along with it, but do you think that the *Daily Mail* would allow it to remain not a trial and not an impeachment? My hon. and learned Friend the Member for Medway has already said that we cannot rely on the media. Well, we can, you know. They will make the worst of it that they possibly can, for their own political ends.

Mr. Marshall-Andrews: I have been listening to my hon. Friend with considerable respect. I respect what he says, but if we are to allow fear or trepidation of al-Qaeda to dictate when we have our inquiries, when in truth will we have one?

Frank Cook: Like any sensible inquiry, it would commence once there had been a cessation of hostilities. Cessation of hostilities occurred when we signed peace agreements or when we declared an armistice. That is not possible with al-Qaeda, because we are creating

more of them every day. As long as the terms used are those that have been used in the Chamber tonight, we have no more chance of getting a fair and free inquiry than I can fly, and I cannot and never will fly—along, that is.

Yes, I support an inquiry, but not now.

Sammy Wilson: I appreciate many of the points that the hon. Gentleman is making, but given the tenacity of terrorism in our society—I look at the situation in Northern Ireland where, for 35 years, terrorists were able to hold the country to ransom—does the hon. Gentleman accept that if, as he argued, we cannot have an inquiry until there is a cessation of hostilities, it could be 30 years before we ever examine some of the events that we are discussing?

Frank Cook: I take the hon. Gentleman's point. With Bloody Sunday, it was 30 years. We did not have an inquiry into Bloody Sunday until we had a Labour Government. By holding an inquiry while hostilities continue, we would be creating more ammunition for further hostilities. I well recall that we always thought that the Irish question would never be resolved. Perhaps it has not been resolved yet, but we are a sight nearer to that than we ever were before.

Like everybody else, I am in favour of an inquiry, and like most of us in the Chamber, I want it to be as wide as possible, but to have it now would be the height of lunacy. I want to vote for the inquiry. Why? Because I want to achieve the final catharsis of the confession that I have made tonight. I look forward to doing so when I can, but that is not now.

8.35 pm

Mr. Crispin Blunt (Reigate) (Con): It is always a pleasure to follow the hon. Member for Stockton, North (Frank Cook). He has long taken an interest in these matters and I found his account of how he voted in 2003 moving because it exposed many of the dilemmas that many hon. Members faced. I confess that I did not. I was reasonably clear about what I was going to do. I supported the Government's motion and I shall come to an explanation of that later in my remarks.

I seriously disagree with the hon. Gentleman, however. The idea that we would give comfort to al-Qaeda by avoiding accountability through an inquiry or through the processes of the House is wrong. Let us consider what is happening in al-Qaeda in Iraq. I have a godson who is commanding an American infantry platoon in Iraq. He is about halfway through a 15-month tour and has very nearly been killed twice in the time that he has been there. I can tell the hon. Gentleman that al-Qaeda in Iraq is on the way to defeat. Further down the road there may be many more serious problems arising from the Sunni-Shi'a divisions in Iraq and the movement of Iraqis for power, but we are witnessing success.

Mr. Ellwood: One of the reasons why we need an inquiry into Iraq is surely that al-Qaeda was not in Iraq when we first invaded. That must be one of the basic reasons why we need a study of what went wrong.

Mr. Blunt: I entirely agree with my hon. Friend.

There have been many brilliant speeches in the debate and I do not want to repeat arguments that have already been made by others much more ably than I could. I shall pick up one or two of the points that have been made and try to add to the arguments, and then come to my own perspective.

The hon. Member for Newcastle upon Tyne, North (Mr. Henderson) said that an inquiry now might end as an indictment of the Government's decision in 2003 and that would have consequences for our troops in Iraq. Our troops are now in Iraq on a wholly different legal basis from that in 2003 when they entered the war. They are there now on the basis of a United Nations Security Council resolution, at the invitation of the Iraqi Government. That argument does not hold water.

Mr. MacNeil: Will the hon. Gentleman give way?

Mr. Blunt: I shall make a little progress, if the hon. Gentleman will allow me.

From a sedentary position, the hon. Member for North Durham (Mr. Jones) said, in reference to Iraq and Afghanistan, that the situation was different altogether. I could not disagree more strongly. I shall come to the direct parallels that exist—particularly in respect of the overlap between our policies towards the police and the army in Iraq. We have totally failed to provide proper training for the police in Iraq; I shall come to that, and to what is happening in Afghanistan now, later in my remarks.

The saddest speech that we have witnessed in this debate was the Foreign Secretary's. To say that the events today in Basra are an example of why we should not be having an inquiry now is to say the opposite of the truth. In Basra at the moment, what the Iraqi army is having to mete out to the militias—and, to a degree, to the Basra police, who are completely infiltrated by the militias—is a precise example of what I am talking about, because it all flows from British policy and action, in Basra in particular, in the past five years.

The most amusing part of the Foreign Secretary's response came when my hon. Friend the Member for Mid-Norfolk (Mr. Simpson) made it clear that the Mesopotamia inquiry entirely destroyed his arguments about the Dardanelles inquiry; the Foreign Secretary's defence was that the shadow Foreign Secretary had not mentioned the Dardanelles in his argument in chief. The Foreign Secretary went on to say that the wisdom of the Foreign Office would always be taken into account. In the light of what happened in 2003, that statement is pretty amazing: the legal adviser to the Foreign Office resigned; a previous Foreign Secretary resigned from the Government; my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind), the Foreign Secretary previous to Robin Cook, was against the war; and scores of retired ambassadors with experience in the region made public their opposition to the war.

Mr. MacNeil: The hon. Gentleman said that we are now in Iraq on a different basis, and he is absolutely correct. The motion asks for an inquiry into the Iraq war. We are not at war with Iraq today; we are in a different situation—a mess created in the aftermath of the war. The war is over, so there is no reason for not having an inquiry now.

Mr. Blunt: I agree. The Government's arguments are manifestly absurd; in respect of time scale, they are like rejecting an inquiry into Dunkirk just after VE-day because we are going to engage in fighting the Japanese, which might be a distraction. It is five years since this unhappy adventure was embarked on. In 1945, one could have said that an inquiry into Dunkirk would be entirely irrelevant and a matter for the historians. However, I am afraid that an inquiry into the events leading up to the Iraq war, and into our policy on the occupation since, is extremely relevant to what we continue to do—not only in Iraq, but in Afghanistan and in other conflicts in future. We cannot wait any longer; Government Ministers have only to read *Hansard*, listen to this debate and see where the strength of argument is coming from to know that in their heart of hearts.

The hon. Member for Ilford, South (Mike Gapes) has the honour of chairing the Foreign Affairs Committee. He talked about R2P, the right to protect. That all links in with the Chicago doctrine and the whole idea of liberal interventionism. It is absolutely essential that we inquire into how we got into the situation and into the arguments put forward to justify our actions.

In a customarily brilliant speech—on this occasion without any specialist advice, I am impressed to say—my right hon. and learned Friend the Member for Kensington and Chelsea referred to Jonathan Powell's statement that he and others did not know that more troops would be needed. I am afraid that that argument does not wash. The previous chief of the US army staff told Donald Rumsfeld that more troops would be required and that the forces provided were wholly inadequate for the occupation; his reward was to be sidelined and shuffled out. We should honour him for the fact that he did give advice. The Americans cannot say—nor can the British at the most senior levels—that they did not receive serious advice that the strategy on which we were embarked was wrong.

I agree with nearly all that my right hon. and learned Friend said. He was certainly right that containment was working and that sanctions were not. When I worked for my right hon. and learned Friend at the Foreign Office, it was my view that at some point we would have to face up to the failure of the oil-for-food programme. That is why I have significant sympathy for people such as the right hon. Member for Cynon Valley (Ann Clwyd). When they voted for the Government motion in 2003, that was about business unfinished since the ceasefire in 1991.

From what I know of it, the legal case presented by the then Attorney-General hung round the failure of Iraq to observe the terms of the 1991 ceasefire. The argument made to the people of the United States was that the issue was about al-Qaeda—it was painfully apparent that that was false. The problem was that that argument could not be made in the United Kingdom, as we had not been attacked by al-Qaeda. Of course, here the arguments made were that it was about weapons of mass destruction.

We need an inquiry to identify what happened in the decision-making process. I want to know how it is that I, as a Member of Parliament, ended up voting for the Government's resolution. I watched the performances of the then Prime Minister, Tony Blair, probably from right where I am standing now, in September 2002 and in March 2003. I thought that I knew when he was not being entirely direct with the House and that I could spot when things were different. Those performances were of a totally different quality from anything that he had produced on any other occasion in the House of Commons, and he was always a fantastic performer in this Chamber. He really believed it, and that was what I was being told by friends of mine who remained in the Army and were briefing him to say that he was entirely up for this and convinced of its necessity. I am afraid that that faith in its necessity, combined, it would appear, with the faith of the President of the United States in its necessity, and the opportunity presented by 9/11 to move on to unfinished business in Iraq, blinded senior policy makers at all levels to the consequences of what they were doing.

I want to know the detail of what happened in October 2001 in the discussions between Rumsfeld and Cheney and at senior levels of the Bush Administration about 9/11 providing the opportunity to "do" Iraq. I want the then Prime Minister questioned about what happened in Crawford, Texas in April 2002, when the United Kingdom became irredeemably committed to that course of action. All the policies that flowed from that decision, with British officers getting involved in CENTCOM and the planning that took place during the summer, meant that by July 2002 the thing was rolling down a military track and was not going to stop. I do not know when the hon. Member for Hereford (Mr. Keetch) received his briefing from CENTCOM, but my understanding would be that this was happening six months before he went there. Everything was running to a military timetable in order to get the invasion of Iraq under way in spring because people would not have wanted to delay it until the summer, for entirely understandable military reasons. At that point, the military timetable overtook all the other considerations. The doubts that were being thrown in about the intelligence and other issues became irrelevant to the key policy makers as they drove the process forward.

An important lesson that an inquiry should be able to get to the bottom of is how we can put the brakes on at a policy-making level inside Government and in Parliament. Today, the Justice Secretary came to the House to explain about this Chamber's involvement in war-making votes in future. That is of direct relevance to an inquiry. For ex-soldiers like me, it was not realistic to ask me to vote about 12 hours—or 36 hours; I cannot remember now—before H-hour and troops going over the front line, and to pull the plug on a huge operation that had been months in the planning by suddenly saying, "Sorry, the British aren't coming." We were providing more than a third of the forces to invade southern Iraq; the military and strategic decisions had been taken. We were placed in an impossible position. Immediately before the soldiers were committed to action, with their battle procedure almost complete for going across the starting line, we were being invited to pull the rug out from underneath them. That would have been another consideration of mine in deciding to support the Government.

My view was that that the Saddam Hussein issue had to be resolved and that 9/11 had given the President of the United States the freedom of manoeuvre to act on

Iraq and resolve it; that is why I supported the action. I should have followed the advice from slightly wiser quarters like those whom I previously worked for and with in the Foreign Office. I was profoundly wrong in not identifying the consequences that we have unleashed on the middle east and the world.

We need an inquiry to understand the damage done to the United Kingdom's position in the middle east. I take a significant interest in the region and travel there frequently. Wherever one goes there, one finds that friends of the UK are appalled at our failure to exercise more influence on the United States throughout the course of the disastrous strategy leading up to the invasion and during the conduct of the occupation as well. They expected much more of the United Kingdom, given our history and our association with the region. Tragically, we utterly failed to deliver and our standing in the middle east has taken a hammering as a result. It is vital to the British interest that we somehow address that damage to our standing and start to put it right.

As my right hon. Friend the shadow Foreign Secretary made clear, books on the subject are now being published by figures such as Sir Hilary Synnott. Rory Stewart wrote an excellent book on the conduct of the occupation in Iraq, Paul Bremer has burst into print, and so has the former chief of the general staff—everyone is writing their account. We need an inquiry so that senior Members of both Houses can bring together all that testimony in a sensible, disciplined way, as proposed by the motion, to try to draw the sensible lessons we must learn from the appalling tragedy that has overtaken Iraq as a consequence of our policy.

Finally, I want to turn to today's events in Basra, which was one of the arguments advanced by the Foreign Secretary as to why now is not the time for an inquiry. In April 2004, I and other members of the Defence Committee were taken to Basra, and we were proudly shown British police officers, and Northern Ireland police officers, training Iraqi policemen. We were taken to three different police stations—it took up about half of the time we had in Basra—where we were shown different groups of policemen going through riot training and so on. But even with the level of investment we had put into training police in Basra, we completely failed to avoid their being highly penetrated by militias competing for power there.

If we had given our international development aid to one thing alone, it should have been to payment of the police to get control of their human resources policy. We could then have sacked people who did not match our standards. If we had paid the police at the same rates paid to police in the UK, we would have achieved an enormous amount more than we did in the past five years. The importance of how the police are treated in the establishment of the rule of law in a country was a lesson learned in Bosnia. We have identified that problem all too plainly in Iraq, and we are making the same mistake in Afghanistan now.

The police in Afghanistan are highly corrupt and in the hands of drugs barons and local warlords. The entire shop in Afghanistan is bet on the Afghan national army at some point being able to face down the police forces around the country in order to retake control for the central Government.

Mr. Bob Ainsworth: Will the hon. Gentleman give way?

Mr. Blunt: If the Minister will forgive me, I have about 20 seconds left, and I will not get any extra time as I usually would.

I know that the Government understand this point; it is a lesson to which they will need to direct significant resources. A proper inquiry into what has gone wrong in Iraq will strengthen the Government's hand in making their case for what we need to do in Afghanistan.

8.53 pm

Mr. Quentin Davies (Grantham and Stamford) (Lab): It is a pleasure to follow the hon. Member for Reigate (Mr. Blunt), who spoke lucidly and forcefully. At one time, he was my deputy in Northern Ireland and in those days we used to agree with each other rather more frequently than we do now, but I shall endeavour to explain why I find myself rather a long way from him on this issue.

I shall focus narrowly on two issues. I shall not focus on whether we should have taken military action in Iraq or on the issues that ought to be the subject of an eventual inquiry, or even on whether we ought to have an inquiry at some stage. That is common ground in the House, which has emerged clearly from the debate. The issues I shall focus on are why we are having the debate on this motion, and on the arguments for having an inquiry now rather than later—and even more importantly, the arguments for not having one now.

The reason for tabling the motion has not been addressed. Anyone who listened to the right hon. Member for Richmond, Yorks (Mr. Hague) when he introduced the debate, and attempted to take his words seriously and at face value, would suppose that the Conservative party had invented the idea of an inquiry on the military operation in Iraq and had consistently been in favour of it. Nothing of the kind is the case. The Welsh and the Scottish nationalists devised the idea. At the time, I was a member of the Conservative party and I assumed, based on the party's reaction to such things in past years, or at least in past generations, that, as soon as it saw such opportunistic and irresponsible nonsense emerging on the horizon, it would reject it without further ado. To my horror, I found that that is not the way in which the modern Tory party works.

The modern Tory party sees a bandwagon, thinks it might pick up some short-term party political benefit, and, without caring about the issue, jumps straight on it. I expressed my public disagreement in 2006 with the Tory party's conduct on the important matter that we are discussing. I think that the Tories were a bit miffed and felt that they had missed a trick—"trick" is the right word for such a ploy—because the Scottish and the Welsh nationalists had thought of the idea first. They were determined to appropriate it if they could and, on another Opposition day last June, they tabled a motion calling for an inquiry, taking credit for the idea themselves.

Why does an inquiry have such appeal for the Conservative party? The answer is plain. The Conservative party voted overwhelmingly for military action in Iraq and I was part of that—I had better say that now so

[Mr. Quentin Davies]

that there is no doubt about it. I was a member of the shadow Cabinet when we decided to support the Government on the matter, for reasons that I do not regret. However, leaving that aside, the Conservative party has that record and cannot do anything about it. On the other hand, it has noticed that the Iraq war is not popular and would like to gain some party political advantage from that and attack the Government.

How do the Conservatives attack the Government without saying that they were wrong about the Iraq war and facing some humiliation for doing that? The answer is that they call for an inquiry—which is irresponsible for reasons that I shall outline shortly, and could not realistically be accepted by any remotely responsible Government—and thus gain some short-term party political advantage. Such conduct from a major party and pretended alternative Government is beneath contempt. It is one of the major reasons that I do not sit on the Conservative side of the House any more.

Let me consider why I believe that it would be irresponsible to hold an inquiry now. There are three reasons. First, there is a general principle that, when one's military forces are engaged in combat, one can responsibly do only two things: support them to the hilt or pull them out. It is impossible to be half pregnant; there is no easy halfway house. A public inquiry is not a Select Committee inquiry—in democratic countries, Select Committees always have the right to conduct an inquiry into anything, of course. It is not an inquiry into a matter, albeit important in itself, that is marginal to the main issue, such as the death of Dr. Kelly. An official public inquiry into whether we should be in a particular place, when we are asking our serving men and women to risk their lives there, is inconceivable and wrong. We should not even think about doing such a thing.

We owe it to our troops—we all agree about how extraordinarily gallant they have been—not to sow the seeds of doubt about the rationale for their being in that situation and putting their lives at risk, which they do every day. There are strong reasons for not pulling out of Iraq now. We cannot let down the nascent Iraqi democracy, which has a chance of success. I do not know how great the chance is—perhaps not overwhelming, but certainly not minuscule. We owe Iraqi democracy a chance. We also owe it to our allies not to let them down, particularly when the Americans have bravely launched their surge campaign, which has yielded encouraging results.

Those are good reasons why we can legitimately ask our serving men and women to continue to risk their lives in Iraq, but we should not raise any doubt. As my hon. Friend the Member for Stockton, North (Frank Cook) so eloquently said, the signal that we would send out by starting such an inquiry at this time would be amplified and distorted by the press in this country and, no doubt, by malevolent forces in the middle east. That is a major reason of constant principle why we should never do such a thing.

I am glad to say that we are a democracy that, traditionally, has been extraordinarily responsible in its conduct of anything to do with our armed forces, and we have never dreamt of holding such an inquiry at such a time before. We have already heard the examples of the Dardanelles campaign, when the inquiry did not take place until the year after, the Franks report on the Falklands conflict, which did not take place until the Argentines had surrendered, and the Norway debate, which was just a debate, of course. There was some doubt about that in the minds of those on the Opposition Front Bench, so let me remind them that the debate took place several weeks after the last British soldier and sailor had been withdrawn from Narvik. There is no doubt that that consideration has been a constant principle, and it should remain one.

Secondly, there is the practical issue of interrupting operations on the ground by having to question soldiers, sailors and airmen who are currently involved in the campaign. That is not an overwhelming consideration, but it is a real one. It is not true that if we had such an inquiry, we would not need to question those engaged in operations in Iraq. Very much to the contrary: General Rollo, who is currently the deputy commander of coalition forces in Iraq, served in Iraq—in a two-star role, if I recall—a few years ago. He is exactly the sort of person who most certainly would need to be summoned back to such an inquiry. What an extraordinarily irresponsible thing it would be to summon the deputy commanding officer in the middle of a campaign to be interrogated by the Privy Council, presumably in public.

The third reason has not been raised this evening, but it is possibly the most overwhelming one of all. If we were to have an honest public inquiry, and if we were to say that the electorate and the public had a right to know all the detail and that the truth would all come out—that is the only honest basis on which to have an inquiry, and I hope to God that we would never have a public inquiry in this country that was anything other than honest—we would have to go into all the issues that determine the success, the limited success, the failure or otherwise of the operation in Iraq. That includes matters such as logistics, capabilities and tactics, as well as intelligence, which is vital in any counter-insurgency or counter-terrorist campaign.

Are we going to have a public inquiry telling al-Qaeda and all the militia in Iraq how good or how bad our intelligence is, has been or may continue to be? Do we want to tell them the breakdown of our intelligence among signals intelligence, visual surveillance and human intelligence? Do we want to tell them how good our infiltration of terrorist or insurgent operations might be or how good we estimate their infiltration of the Iraq defence forces or police has been? Are we really going to go into those matters?

Are even those on the Front Bench of the modern Conservative party, in its appalling state of mind—in its complete rejection of any sense of responsible government and its willingness to try to make political capital irrespective of the importance or the sanctity of the issues involved—seriously going to tell the House tonight that we should go into all those issues in public now, thereby giving comfort and support to our enemies who desire the death of our servicemen and women who are deployed in theatre? I trust that the whole House will give a resounding negative answer to that question.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. Before I call the next speaker, may I tell hon. Members that we are planning to start the wind-ups at half-past 9? Three

speakers are seeking to catch my eye, and I would be extremely grateful if they would tailor their contributions to that time scale.

9.4 pm

Angus Robertson (Moray) (SNP): My goodness, we know how threadbare the Government's case is on Iraq when the only Back-Bench speaker who has resolutely and staunchly supported the Government Front-Bench position is a Conservative party switcher who has changed sides in the House—that famous socialist, the hon. Member for Grantham and Stamford (Mr. Davies).

I would like to highlight two other speakers, however. Most of us who have taken the time to be in the Chamber throughout the day cannot but have been moved in no small order by the contributions of the hon. Members for Stockton, North (Frank Cook) and for Reigate (Mr. Blunt). We heard from the hon. Member for Stockton, North of the personal challenge of being spoken to by his Prime Minister and of being appealed to over his own conscience to back his own Government. That is the most difficult situation for any politician in any political party, and it took some guts for him to come to the House and say that he had been wrong. I respect him immensely for that. The hon. Member for Reigate described similar experiences in wrestling with his conscience.

I want to start by praising all those in the service community who serve in our name. I represent more servicemen and women than any other Member of Parliament from Scotland, and I do so with great pride, regardless of where those personnel come from. Members of the House will recognise that I would wish to organise Scotland's defence in line with that of all normal, independent countries. All those people have served and put their lives on the line, whether they are from Scotland, England, Wales or Northern Ireland, and I do not forget those from other nations, including Fiji, South Africa and the Irish Republic, who have died in our name.

It is worth putting it on the record that the Scottish National party and Plaid Cymru were opposed to the war from the start, and it is worth remembering that we have been calling for an inquiry from the start. We have used the limited time that we have at our disposal in the House of Commons to hold a debate on 9 March 2004 on publication of the Attorney-General's advice. My colleague, the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd), led persuasively in that debate. We were then the first political party to offer our own time in the cause of pursuing an inquiry, which we did on 31 October 2006. Interestingly, the wording of the motion on that occasion was drawn together by Members on both sides of the House in order to ensure maximum support.

Mr. Quentin Davies: Will the hon. Gentleman give way?

Angus Robertson: I want to make some progress in order to give other Members time to speak. I will therefore decline the hon. Gentleman's intervention. I hope that he will understand.

Now, on this, the third opportunity, I hope that many Labour Members will, for the first time, vote for an inquiry.

Jeremy Corbyn: Will the hon. Gentleman give way?

Angus Robertson: I will give way, as the hon. Gentleman might not get the chance to speak.

Jeremy Corbyn: I thank the hon. Gentleman for giving way. I am a bit of a recidivist on this, so I will once again be voting for an inquiry. Should we not be successful tonight, however, will he confirm that this issue will be returned to, in the spirit of Members of all parties who are in favour of an inquiry being signatories to the motion?

Angus Robertson: I am happy to confirm that the Scottish National party will continue to co-operate with members of all parties and none on this issue. We will look at using our parliamentary time if we need to bring this matter back.

I want briefly to go through the case for an inquiry. I believe that we need one because we need to learn the lessons of why we went to war in the first place. That is an obvious point, both domestically and internationally, for all of us who support the international community and the institution of the United Nations. We also need to learn the lessons regarding rebuilding. This is work in progress; it is ongoing. There are lessons to be learned. Surely that is important for the people of Iraq, so if we are going to learn lessons that are important for the people of Iraq, please let us get on with it. Many of them live in the most extreme circumstances, and we need to learn those lessons as soon as possible in order to assist those people. We also need to learn the military lessons, because our service personnel and those from other countries are there, whether or not we supported their presence in the first place. Surely learning lessons would help our troops in the field.

The case against an inquiry has possibly been the most unconvincing case that I have heard in my time in the House of Commons. I usually find the Foreign Secretary, who is no longer in his place, extremely persuasive. He is a good and engaging speaker, but today he was sent out to bat with a broken bat—*[Interruption.]* And on a sticky wicket. He was unconvincing; he did not convince even Government Members on the issue.

Some people have suggested that having an inquiry would undermine the efforts of our service community while on operations. Goodness me, that has not prevented the US from having a host of inquiries. If that was true for the US, surely it is true for us. Neither has such a problem stopped the UK in the past, as we have heard a number of examples showing precedent whereby inquiries have been allowed to take place. If it is to be argued that we should not have inquiries in times of conflict, let me remind those who have not been to the Imperial War museum that one of the first items one sees there underlines the fact that there has been only one year since 1945 when the UK has not had service personnel in combat situations. The argument put forward by a few Government Members as to why we should not have an inquiry now or in the immediate future is, frankly, given that troops serving in our name are in permanent conflict situations, an argument for never having an inquiry.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Will the hon. Gentleman give way?

Angus Robertson: I would be delighted to do so.

Jim Sheridan: In expressing his concern for British troops, will the hon. Gentleman take the opportunity to remind the House that senior members of his party refer to the Union Jack as the butcher's apron and that only today active members of his party were looking forward to the day when they could burn the Union Jack in Scotland?

Angus Robertson: The hon. Gentleman has been in the Chamber for only the smallest part of our proceedings today, but if that is the only contribution he can make, it speaks for itself. It is sad and misguided.

Let me return to the points made by the Foreign Secretary. We heard two very important concessions from the Government Front Bench. The first was that the President of the United States was wrong and that mission has not been accomplished. It is important that the record shows that. The Foreign Secretary also confirmed that the four previous inquiries were limited; in the past, the Government have argued the exact opposite—that they have covered all the bases—so we have had an interesting change in the Government's position. They have stood their own warped logic on this question on its head this evening. The case for war and the continuing disaster that has engulfed Iraq has been exposed for the sham that it is.

I would like to explain why, five years on from the start of the Iraq war, there is one new reason for holding an inquiry. It concerns our casualties and how we can avoid them. Many of us in different parts of the UK have had bad experiences, suffering heavy casualties in previous conflicts. Going back to world war one, Professor Niall Ferguson pointed out in "The Pity of War" that, relative to population, Scotland suffered the third highest casualties of any country; it came after Serbia and Turkey. As to the number killed as a proportion of the total number of troops mobilised, Scotland provided 26.4 per cent., while the UK average was 11.8 per cent. We know that in the second world war, 50,000 names of Scottish service personnel out of a UK total of 388,000 were added to the rolls of honour for having died in conflict. On the basis of the writings of Trevor Royle, probably Scotland's best known military authority, we also know that a quarter of all UK service personnel killed in action in the Korean war never came home to Scotland.

Some of those conflicts, and certainly the second world war, were just wars, and perhaps the fact that we lost more people than did other nations was the price that had to be paid. Five years into the Iraq war, however, the statistics on deaths from various nations greatly concerns me. We find that of the 23 coalition nations, the United States leads, which is unsurprising, given the number of its troops there. The next nation on loss of troops relative to population is Wales, and the next after that is Scotland. Some 38 per cent. behind is England. The list goes on. On these islands, we have lost more lives than have many other countries—some larger than our own, but almost all larger than Scotland or Wales.

On one level, those statistics do not matter to mothers and fathers—wherever they are, on these islands or elsewhere—who have lost their loved ones. Every loss is a tragic loss. But the fact remains that the number of Scottish military casualties is higher than the number of casualties in almost every other coalition country, and I want to know why that is. I do not know why it is, and I think that we deserve an answer.

Mr. Keetch: I apologise for missing the first minute of the hon. Gentleman's speech. I hope he is not taking the path that I think he is taking. Many people who join the armed forces join not as Scots, Englishmen, Welshmen or Ulstermen, but to fight for a regiment. Entry to many regiments, including one closely associated with my constituency, means becoming a member of the armed forces. Whether the entrant is English, Scots, Northern Irish or even Commonwealth is irrelevant. I hope the hon. Gentleman recognises that.

Angus Robertson: Although he was sitting in front of me, the hon. Gentleman obviously did not listen to what I said just a moment ago. I said that, in a sense, it did not matter where any casualties came from, and I paid tribute to all personnel. Nevertheless, just as it was right for someone to ask at the beginning of the last century why the establishment of "pals" regiments was not appropriate, it is right now to ask why the rate of casualties suffered in Iraq, as in previous conflicts, is heavily skewed.

I do not know the answer to that question, but I think it worthy of answer, and worthy of answer in an inquiry. Perhaps the Minister can give us the answer this evening. Why have we suffered so many casualties? I am certain that it has nothing to do with the bravery of the troops in question or their leadership on the ground, and I do not think that they were any more or less brave than coalition soldiers from any other country; but the fact remains that our casualty rates are substantially higher, and I think we deserve to know why.

As for the wider question of an inquiry, I have no doubt that, as others have said, the real reason why the Government are not acceding to the request for one this evening is purely to do with the electoral cycle. The Government do not want to go into the next general election after being exposed over the worst foreign policy disaster in which the United Kingdom has involved itself in the last 100 years. It has been a disaster for our service personnel, who have served bravely in our name, and for hundreds of thousands of people in Iraq, and it has destabilised the world.

The current Prime Minister was intimately involved. He sat at the Cabinet table at the right hand of Tony Blair. Not only did he agree to this military conflict; he has signed the cheques for it from the start, and any inquiry would show that to be the case. But for all that, and all that, it is not the reason for having an inquiry. The reason is that after five years—longer than the duration of the first world war and than the United States' involvement in the second—we deserve answers to many, many questions, and an inquiry of the kind proposed has long been needed. I hope that Members in all parts of the House agree that it is right for it to take place now.

9.18 pm

Alan Simpson (Nottingham, South) (Lab): A number of right hon. and hon. Members were not in the House on 18 March 2003, when we were able to debate an amendment that would have meant resolving that the case for a war on Iraq had not yet been established. In retrospect, I suspect that even more Members wish that they had not been in the House at that time, because many of them were taken in by the arguments with which they were being bombarded by the Government—and the Prime Minister in particular—about the inevitability of a case for war.

Debates among Labour Members in the Tea Room and in the Corridors of the House legitimately addressed many of the claims that were being made about the necessity for a war: the threat to Britain of a 45-minute strike from Iraq, the weapons of mass destruction, the threat that Iraq posed to the United Kingdom, the importation of uranium cake, and the prospect of a restarted nuclear programme and a concealed chemical weapons programme. All those issues were of legitimate concern to Labour Members, yet they were consistently shrouded in claims that have proved to be utterly groundless, and which at the time must have been known to be untrue.

The question is: to whom do we owe an inquiry? There is a long list of people. We owe it to the families of the 175 British soldiers who have died in Iraq. We owe it to the 4,000 troops who have been injured, and their families. We owe it to the military generals who came to the House before the war and expressed to Members of Parliament their concerns about the legality of going into Iraq and the logistics of getting out. We also owe it to the families of the anything between 250,000 and 500,000 Iraqis who have died as a result of the war, and to the 2 million Iraqis who are now refugees, primarily in countries surrounding Iraq. But most of all we owe it to ourselves, because although several million people in Britain were opposed to the war on any terms, tens of millions made the same judgment, which was that, with reluctance, they believed what the Government were saying because the Prime Minister had consistently said, "If you only knew what I know from the intelligence briefings, you would understand why there is a compelling case for a war." Those tens of millions of people have a right to say to us, "So now that we know there was not a shred of truth in that, where do you stand on insisting that you hold yourselves accountable so that we learn the lessons from the last war folly in order that you do not mislead us into the next war folly?"

I want to remind Labour Members that, in the days before that debate, those of us who formed Labour Against the War took the liberty of circulating to every Labour Member our counter-dossier to the dodgy dossier that was to come out a day later. We did so with great trepidation, because all of us were hugely fearful that we might have somehow missed something that the weapons inspectors or the International Atomic Energy Agency had said that was not part of the international evidence base of the case against a war, and that at the last minute the Government would pull out a smoking gun and there would be something in their report. It was therefore with a sense of perverse relief that we read the dodgy dossier on the morning of its release and realised that there was nothing there. We circulated all that evidence and those arguments to our colleagues at the time, and we have to take responsibility for the decisions we made in which we knowingly chose not to believe evidence that was internationally available to us; we owe it to ourselves to ask how we were misled.

There are different issues in terms of the Conservatives' position. I have heard it argued that the objections to having this inquiry now are threefold. The first of them is that it would be a gift to the friends of al-Qaeda. The answer to that is that the greatest gift to al-Qaeda was the war itself. The second objection is that an inquiry would endanger our troops. The reality is that 4,000 British troops are now stationed in a base, 8 miles outside Basra at the airport: it is a bunker. They do not do any training outside the base; people have to go in. The idea that more missiles will be fired at the base because there is an inquiry seems ludicrous.

If there is an issue to do with opportunism, we must address it. That is my principal reason for voting for the motion tonight—I want to put the Conservatives on the spot. In the months leading up to the war, I toured the television stations arguing the case against it, but invariably I was preceded or followed by Conservative Front-Bench spokesmen who said, "We would declare our allegiance to the US war initiative a week before Labour. So it is not a question about whether there is evidence. We would prove our credentials earlier than you guys would."

I want to put the Conservatives on the block over this inquiry. People who ask what led us into that war need only look at the voting record from the debate on 18 March 2003 to find out. Some 245 Labour Members voted for the war—the Government were provided with a majority of 179—but 140 Conservatives also did so. *[Interruption.]* Some 16 extremely honourable Conservative Members voted against, but we ended up in the war because the principal Opposition refused to be an Opposition. Their loyalty was to the President of the United States and to being on the front line, or to having other people there, a week before Labour. So let us put the Conservatives on the block.

I welcome the prospect of the right hon. Member for Richmond, Yorks (Mr. Hague) being able to give evidence to an inquiry. I wish he could give evidence in his own defence before an inquiry at The Hague, because those who knowingly voted for that war and continue to try to justify that illegal act ought to be required to answer before an international criminal court. That is not within our jurisdiction, but being able to set up an inquiry of our own is. We should not be afraid to say that in a catastrophic experience for the British Government we have led ourselves into a disastrous, dishonest, destabilising and downright illegal war. We owe it to our credibility with our own people and our own armed forces to address the questions of why and at what point people signed up to a war that was a betrayal of the interest of the UK rather than an honouring of it.

9.27 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): It will take me just three minutes to put together what I would like to say. I am one of those people who was not elected when the debate on Iraq first took place. I

[Mr. Tobias Ellwood]

made it clear that I was against the war at that stage, but I am more concerned about what happened in the aftermath of the decision to go to war—the peacekeeping that took place. It is why I strongly believe that it is time for a review.

The fifth anniversary of the invasion of Iraq is a useful time to take stock of what is going on there. This weekend's attacks left 47 people dead, and it is clear that that is a typical weekend death count. We do not see the headlines as much as we used to, because not so many British deaths are taking place, but Basra is involved in a turf war and the Anbar province has been ethnically cleansed almost across the board. In Baghdad, where the surge has had an impact, again areas are being cleared of one type of population or another, unemployment is rife, electricity is intermittent and the queues for petrol remain long. More than 4,000 US soldiers have died, as have 175 from the British side, including 11 from my regiment, so now is the time to ask whether we can call this a success story.

The counter-argument is that we got rid of a tyrant, but as my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind) pointed out, we could have used the military in many other different capacities to end up with a better result. The justification for war moved from weapons of mass destruction to regime change, and intelligence was cherry-picked to make a case. As happens with these things, details are now emerging to suggest that the WMD argument came from a spy codenamed Curveball, who was involved with German federal intelligence, and the Americans never had an opportunity to speak to him directly.

This has been a fascinating debate. It has focused a lot on what has happened to the justification for going to war—but we have made a complete mess of the peace process. We could have done a lot better in the direct aftermath—from the days when President Bush stood on his ship declaring that the mission was accomplished—because that was when the hard work should have begun. There was clearly no plan. Even Colin Powell felt embarrassed having to justify the invasion when he went to the United Nations. The consequence is that we are living in Iraq today and our military are picking up a lot of the criticism, if I can put it that way, for the fact that international development agencies could not take advantage of the fragile peace when we moved in after the invasion. A lot of work needs to be done. There are many questions outstanding, and I believe that an inquiry is well overdue.

9.30 pm

Mr. David Lidington (Aylesbury) (Con): This has been a significant debate, in terms both of the passion and quality of the speeches by Members from all parties and of the sheer flimsiness of the arguments advanced by Ministers in defence of the Government's position.

A couple of speeches will stay in my mind. The historical knowledge of my hon. Friend the Member for Louth and Horncastle (Sir Peter Tapsell) and his references to the Ems telegram, Cavour and successive Iraqi leaders certainly set the debate in context. I confess that I was somewhat entertained when I listened to the hon. Member for Grantham and Stamford (Mr. Davies) give the House a lecture on the importance of constant principle in the context of politics today.

Mr. Quentin Davies: Of course, I have been extraordinarily constant on this issue. I publicly dissociated myself from the Conservative party when it first supported the Scottish National party's proposal for an inquiry. I explained back in 2006 why I thought it was an extraordinarily irresponsible idea. I did exactly the same last year.

Mr. Lidington: The hon. Gentleman has been constant on this issue; I doubt whether many of his constituents would believe that he had been consistent in many others.

We have heard agreement in the debate, the common ground being that we should have an inquiry. The argument has been over its timing and, to some extent, its scope. The Chairman of the Foreign Affairs Committee, the hon. Member for Ilford, South (Mike Gapes), concentrated on its scope. I want to reassure him that, as the hon. Member for Moray (Angus Robertson) said in his speech, the motion was deliberately chosen. It follows the terms of a Scottish Nationalist and Plaid Cymru motion that was debated in the House in 2006. That wording was the outcome of cross-party discussions, which included Labour Members.

Our purpose in choosing that motion rather than one that could easily have been phrased to score party political points was to try to unite as many Members as possible throughout the House in support of a measure that we believe it is in our national interest to support. Its scope is wide, rather than as narrow as the hon. Member for Ilford, South said. I draw his attention to the words in the motion, particularly those that state that an inquiry would have power

"to review the way in which the responsibilities of Government were discharged in relation to Iraq, and all matters relevant thereto".

It is open under our proposal for a committee of inquiry to search as far back in history as the hon. Gentleman proposed, or even further, if Privy Counsellors on that committee so decided.

The thrust of the debate has been about the timing of a proposed inquiry. The Foreign Secretary, to his credit, laid at least one argument to rest when he said that the morale of the armed forces was not an issue, and would not be harmed if an inquiry were to take place now. The argument was rather that holding an inquiry now would interfere with what he described as important operations under way in Iraq. In effect, he was saying that the effectiveness of the military could be harmed if we were to press ahead with the inquiry now rather than delaying it.

The Foreign Secretary told us about significant actions taking place in Basra today, but those actions do not involve British troops, except possibly in a supporting or specialist role. In a written answer given to my right hon. Friend the Member for Richmond, Yorks (Mr. Hague), the Secretary of State for Defence said:

"UK Forces have not received any requests from the Iraqi authorities to re-intervene in Muthanna, Dhi Qar or Basra since the handover of security responsibility to the Iraqis in these provinces."

He went on to say that

"we have provided specialist support to operations led by the Iraqi security forces on a number of occasions."—[*Official Report*, 10 March 2008; Vol. 473, c. 14W.]

Minister after Minister, from the Ministry of Defence and from the Foreign Office, has hailed the changes that have taken place in the last six to nine months as evidence that responsibility for security and the lead role in Iraq is being progressively handed over to the Iraqis, with British forces taking a much more limited role. However, at the same time, Ministers appear to argue that that role—which includes training, securing supply routes and policing the Iran-Iraq border, as the Foreign Secretary described—is still such that an inquiry should not take place until those duties have been completed, and, logically, until the last serviceman or woman has been withdrawn from Iraq.

Mr. MacNeil: Does the hon. Gentleman agree that if we consider the contributions that have been made to the debate, and if we took a poll of those who contributed or intervened, we would—by a majority of probably four to one—have an inquiry starting tomorrow?

Mr. Lidington: I agree completely. The weakness of the Government's case can be analysed in this way. First, the case that an inquiry would harm the ability of our forces to carry out those duties has so far rested almost entirely on assertion by Ministers, rather than on evidence. The Foreign Secretary was asked by the hon. and learned Member for Medway (Mr. Marshall-Andrews) whether any military commanders, past or present, had lobbied against an inquiry being held now or had counselled delay. The Foreign Secretary replied straightforwardly that none had made any such objection. Indeed, senior former commanders—such as Lord Inge, Lord Guthrie and Sir Mike Jackson—have supported calls for an inquiry.

The suggestion—which, in fairness, only the hon. Member for Grantham and Stamford made—that we would somehow face the prospect of rank and file servicemen and women being hauled back from Basra airbase to London to be quizzed by the great and good in a Privy Council inquiry, is nothing short of bizarre. It is a feeble argument on which we do not need to linger.

The Government then resort to saying that it is not only the soldiers about whom they are concerned. The fear is, the Foreign Secretary said, that senior Ministers and diplomats will be distracted from concentrating on their duties on Iraq. The Foreign Secretary echoed words previously spoken by the Prime Minister, as my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) pointed out. He asked who these people are who are so consumed now by duties relating specifically to Iraq that they cannot give evidence about events that took place, for the most part, between 2002 and 2004. Many, probably most, of those who were in senior positions in those years will now have moved on. In fact, we can measure their career progress by consulting the publishing schedules for memoirs and the television schedules for interviews.

The idea that senior Ministers or officials will ever reach that miraculous day where their diaries are clear and they can fill in the empty hours by preparing evidence to submit to the inquiry is fanciful in the extreme. And yet the Foreign Secretary and the Prime Minister have said that fear of distracting such people is a key part of their case for refusing to have an inquiry now. Well, look at what has happened in the United States. It has suffered far greater casualties, and continues to commit a far larger number of troops to Iraq than we do. It has had five separate inquiries, and senior military, diplomatic and political leaders have given up their time and energy to respond to those inquiries. It is to the credit of democracy in the US that both the Bush Administration and both sides in Congress recognise the importance of holding themselves accountable to the American people for the decisions that they have taken, and of arguing their case openly on the basis of evidence.

Then the Government say that we cannot have an inquiry because of the state of Iraqi politics, and that we have to wait until Iraq is a stable country. The mixture of disbelief and ridicule with which my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind) greeted that element of the Government's argument did it perfect justice. Does anybody seriously believe that decisions by Iraqi leaders about petroleum revenue sharing or forming a stable coalition Government, or the outcome of Iraqi provincial and local elections, will be influenced one jot by whether or when we hold a Privy Council inquiry in London about how the decision to go to war came to be taken? The idea that Iraq's leaders are sitting inside the green zone scanning *Hansard* online, or waiting for minutes of a Privy Council inquiry to appear, is just ludicrous.

The Foreign Secretary shot down the hon. Member for High Peak (Tom Levitt) when he tried to ramp up that argument in an intervention. The words slipped out of the Foreign Secretary's mouth—and were true—that the Iraqi Government have more important things on their mind.

The hon. Member for Stockton, North (Frank Cook), argued that an inquiry would give encouragement to al-Qaeda and other terrorists. Terrorists need no excuse for their campaigns of slaughter. If they did not have Iraq, they would have something else. I do not believe for a moment that they would be swayed one way or the other by the existence of an inquiry. The hon. Gentleman also mentioned 7/7 and the risk that an inquiry could feed extremism in our own country. He is now returning to his place, and I say to him that on the basis of my constituency experience, it is the absence of an inquiry and the impression of secrecy that allows conspiracy theories to run rife and plays into the hands of the extremists whom both he and I wish to see defeated.

Many Members have spoken about the importance of an inquiry to learning lessons for the future. My hon. Friend the Member for Reigate (Mr. Blunt) asked why we could not learn from Iraq and apply in Afghanistan the lessons about the failure of the coalition in Iraq to recruit, train and supervise an effective police force. A number of my hon. Friends, including my hon. Friend the Member for Newark (Patrick Mercer) in an intervention and my hon. Friend the Member for Bournemouth, East (Mr. Ellwood), talked about the lack of connection between the military moving in and securing territory, and the relief and reconstruction effort moving in so that ordinary Iraqis or Afghans can see greater security

[Mr. Lidington]

and a benefit to the quality of their everyday lives from the intervention of western forces.

Those lessons need to be learned, but there is a further important reason why we should have an inquiry without delay. The hon. Member for Hereford (Mr. Keetch), in a passionate speech, spoke about how future Governments might one day wish to seek agreement from Parliament to take this country to war again. We cannot predict now the circumstances of such decisions, but I fear that one result of the decisions on Iraq has been seriously to harm public confidence in this country about the capacity of the British Government to take such decisions correctly and explain their reasoning honestly to Parliament and the people.

I want to believe that the Government of my country, whichever party happens to be in government at any one time, measure the advice given to them by their professionals in the diplomatic service, the Ministry of Defence and the armed forces. I want to be confident that the Prime Minister and the full Cabinet have access to all the information, including the dissenting opinions, available in Whitehall and from outside advisers. I also want to be confident that the Government will be straight with Parliament and the public about the decisions that they recommend on the nation's behalf.

The debate has shown that the Government are bereft of any plausible reason to resist an inquiry. It is in our national and democratic interest to press ahead with one, and I hope that hon. Members of all parties will feel able to support the motion this evening.

9.45 pm

The Minister for the Armed Forces (Mr. Bob Ainsworth): We have had a good and passionate debate. It has covered well trodden ground, and I contend that the arguments for an inquiry have contained little that is new.

Five years on from the decision to invade Iraq, our armed forces are still there. They are helping the Iraqis to rebuild their country on a foundation of democratic institutions, after decades of the most appalling tyranny. We are involved in helping with Iraq's economy and infrastructure, and with basic services such as health and education. We are also helping with security—the essential prerequisite to progress in those other areas.

Better security is the reason why Iraqi security forces are deployed right now in Basra city on an Iraqi military operation to improve Iraqi security. The operation has been initiated at a time of the Iraqis' choosing, although we continue to provide the specialist support that they may need. It is really encouraging that the Iraqi security forces are both leading and conducting the operation, as it shows that the transition of responsibility for security is working, with Iraqis implementing Iraqi solutions to Iraqi problems. The operation also shows that the Iraqis increasingly have the will, capacity and leadership to take on the irreconcilable militia elements in the south.

Basra remains of vital economic importance to Iraq. Historically, it was the country's commercial centre and a major gateway for trade, with 80 per cent. of the country's oil coming out through that city. Today's events there only underline the need to focus on the requirements of the operational theatre.

My right hon. Friend the Prime Minister has said that an inquiry into the Iraq war will be necessary. There are always lessons to learn, and it is clear that there will be important practical lessons about post-war planning. We must examine them if we are to maintain confidence about matters as important as any future military interventions.

The question that divides us is when an inquiry should take place. The right hon. Member for Richmond, Yorks (Mr. Hague) sees no difficulty with holding one now. He said that there was no need to wait until our involvement was concluded, and he does not accept that an inquiry would be a distraction from the job at hand. He believes that an inquiry can be held now—with witnesses summoned, deployed equipment scrutinised, and intelligence and policy examined—but that none of that will have a detrimental effect on the ongoing operation.

My right hon. Friend the Foreign Secretary set out the four points on which the right time to hold an inquiry hinges. He also demonstrated that there is no precedent for conducting an inquiry while troops are still deployed. The hon. Member for Mid-Norfolk (Mr. Simpson) came as close as anyone did to punching a hole in my right hon. Friend's defences when he said that there was indeed a precedent—namely, the inquiry that was held while the Mesopotamia operation of 1916 was ongoing. I have a great deal of respect for his historical knowledge, but let me tell him that we surrendered in Mesopotamia on 29 April 1916, that the commission was set up on 17 August 1916, and that we re-engaged—*[Interruption.]* Hold on! We re-engaged in December 1916. Let me tell him also that when the inquiry was set up, it said of its terms of reference:

> "We believe—and we have acted on that belief—that our main duties were to enquire into the operations antecedent to our appointment, and that to investigate into and report upon pending or present operations might seriously hamper the action of those now in charge of the campaign."

I am afraid that the hon. Gentleman, who came closer to winning his argument than anybody else, simply appears to be wrong on that point.

Mr. Keith Simpson: I am grateful to the Minister, a member of the parliamentary breakfast club. I thank him very much, because he has just proved my point. The campaign in Mesopotamia went on from late 1914 all the way through until 1918. The report looked into the disasters that took place in Mesopotamia, sadly, before the end of 1916, so that lessons could be drawn and learned for the future campaign. Game, set and match; thank you, Minister.

Mr. Ainsworth: And the commission said, in terms, that it felt it would be wrong for it to look into "current operations". The commission was looking into operations antecedent to its establishment.

Sir Peter Tapsell *rose—*

Mr. Ainsworth: The hon. Gentleman was probably there, but I will not give way to him. [HON. MEMBERS: "Give way."] Let me make some progress. *[Interruption.]*

Mr. Speaker: Order. We must have order. Will the right hon. Gentleman give way to the hon. Member for Louth and Horncastle (Sir Peter Tapsell)?

Mr. Ainsworth: No. *[Interruption.]*

Mr. Speaker: Order. The hon. Member for Louth and Horncastle knows how generous I am to him, but the Minister will not give way.

Sir Peter Tapsell *rose—*

Mr. Ainsworth: No, I am not giving way. I will give way to the hon. Gentleman in a short while, so that he can extensively quote himself again.

The hon. Member for Mid-Norfolk demonstrated that there was no precedent for conducting an inquiry while our troops were still deployed. The principle must surely be that while our men and women in uniform remain in theatre, we must prioritise their operations—or are we too impatient to put their work first? I know what I intend to put first.

Our priority in Iraq is to see a fully functioning democratic state—a state that is stable, that serves the interests of all the people of Iraq, that has a healthy economy, and that provides effective services. Those essential parts of Iraq's future will develop only in a secure environment. That is why British armed forces are now focused on training and mentoring the Iraqi security forces. Those facts are not disputed; it is only the events and decisions that caused them that are disputed. Yes, we will need to look back at those events and decisions, but not now.

Mr. Leigh *rose—*

Sammy Wilson *rose—*

Mr. Ainsworth: I will give way soon. About 4,000 members of the British armed forces are currently based in southern Iraq, and while it is true that there has been progress in the last year, much still needs to be done in that theatre.

Mr. MacNeil *rose—*

Sammy Wilson *rose—*

Mr. Ainsworth: I will give way to hon. Gentlemen in a minute.

The right hon. Member for Richmond, Yorks, with all his usual eloquence, tried to suggest that the basis of his proposal was a bipartisan, fact-finding desire. The hon. Member for Kingston and Surbiton (Mr. Davey) was the first to expose the real reasons, as he stripped away the notion, carefully presented by the right hon. Gentleman, that it is about some non-partisan fact-finding proposal. He revealed that it is about political exposure and attack, and that that desire overrides all consideration of the fact that our 4,000 people are still involved and in harm's way while they conduct their task.

The hon. Member for Louth and Horncastle (Sir Peter Tapsell) said that we do not need an inquiry, because we know all there is to know about what went wrong. All we need to do, he suggested, is expose the then Prime Minister, to use his terms, "as the scoundrel that he is". That is what it is about, and I am happy to give way to the hon. Gentleman. I see that he does not wish to intervene.

The right hon. and learned Member for Folkestone and Hythe (Mr. Howard) said that we need to get on with this to expose the Labour party before the next election.

Mr. Howard: What I said was that that was the only reason why the Government were not prepared to hold an inquiry now. They do not want an inquiry to report before the general election.

Mr. Ainsworth: The right hon. and learned Gentleman gave his reasons for wanting an inquiry, and they were pretty clear.

My hon. and learned Friend the Member for Medway (Mr. Marshall-Andrews) supported the case for an inquiry. He said that he does not want to learn lessons so that mistakes are not repeated. He said that he wanted to look at those responsible, and he wanted to ensure that they were brought to book. The hon. Member for Hereford (Mr. Keetch) wanted to examine whether the war was a legal war—all of that while our forces are still involved in Iraq.

Mr. Marshall-Andrews: I did indeed say that I wanted an inquiry to reveal who was responsible for what has happened in Iraq, and the disasters that have followed. If, as part of that, the inquiry reveals the previous Prime Minister to be a scoundrel in what he said in the House, what is wrong with that?

Mr. Ainsworth: The hon. Gentleman said what he said. He said that he did not want an inquiry to learn the lessons so that mistakes would not be repeated. He wanted to expose those who were responsible and ensure that they were brought to book.

We have responsibilities to the Iraqi Government and to the Iraqi people—to the brave Iraqis who have fought alongside us to establish security and progress. We have responsibilities to our allies but, most of all, we have responsibilities to our own people. Although I have heard protestations that an inquiry called now will do no harm, I have heard nothing that persuades me that it will assist our people to do their job in any way. We are committed to remaining in Iraq for as long as is needed and wanted by the democratic Government of Iraq. We have obligations under the terms of the UN mandate, renewed at the end of last year. Those who have responsibility to deliver improvements in security in Iraq want us to stay, and value our support and assistance. We do those things only through the dedication, bravery and hard work of those who carry out our policies in Iraq. Al-Qaeda in Iraq is not going to be conducting an inquiry into its involvement in Iraq; neither are the militias in the south. Those who are setting up rocket-rails to bomb our troops in the COB—the contingency operating base—will not be conducting an inquiry in Iraq; and neither should we be doing so at this time.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 271, Noes 299.

Division No. 133] **[9.59 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cohen, Harry
Corbyn, Jeremy
Cox, Mr. Geoffrey
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Durkan, Mark
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Fisher, Mark
Flynn, Paul
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Hopkins, Kelvin
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Jones, Lynne
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Marshall-Andrews, Mr. Robert
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McDonnell, Dr. Alasdair
McDonnell, John
McGrady, Mr. Eddie
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penrose, John
Pickles, Mr. Eric
Prentice, Mr. Gordon
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Riordan, Mrs. Linda
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Short, rh Clare
Simmonds, Mark
Simpson, Alan
Simpson, David
Simpson, Mr. Keith
Soames, Mr. Nicholas
Soulsby, Sir Peter
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Wareing, Mr. Robert N.
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy

Wishart, Pete
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
James Duddridge and Jeremy Wright

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Snelgrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari

Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Alison Seabeck and Mr. Dave Watts

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments):—*

The House divided: Ayes 299, Noes 259.

Division No. 134] [10.17 pm

AYES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken

Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Snelgrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Alison Seabeck and Mr. Dave Watts

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cohen, Harry
Corbyn, Jeremy
Cox, Mr. Geoffrey
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Durkan, Mark
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Christopher
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Hopkins, Kelvin
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Marshall-Andrews, Mr. Robert
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Riordan, Mrs. Linda
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard

Simmonds, Mark
Simpson, Alan
Simpson, David
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Wareing, Mr. Robert N.
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Wishart, Pete
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Jeremy Wright and
James Duddridge

Question accordingly agreed to.

MR. SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House notes the Resolutions of this House of 31st October 2006 and 11th June 2007 on an Iraq inquiry; recognises that this House has already twice voted against holding an inquiry at these times; further recognises that a time will come when an inquiry is appropriate; but declines to make a proposal for a further inquiry at this time, whilst important operations are underway in Iraq to support the people and government of Iraq.

Local Government Finance

10.30 pm

The Minister of State, Department for Transport (Ms Rosie Winterton): I beg to move,

That the Local Government Finance Special Grant Report (No. 129) on the grant to be paid towards the cost of implementing the new statutory minimum bus travel concession in England (House of Commons Paper No. 256), which was laid before this House on 19th February, be approved.

The report sets out the extra funding that the Government are making available to local government in England to implement the national concessionary fares scheme—a scheme that means that 11 million people over 60, and eligible disabled people, will be entitled to free bus travel wherever they are in England. Access to effective public transport makes a real difference to many people's lives. It plays a key role in boosting the economy, reducing congestion, tackling climate change, promoting social inclusion and improving our quality of life.

Buses are the most widely used form of public transport in this country. More than two thirds of all public transport journeys are made on them, and after years of decline the number of bus journeys is now on the increase. There were more than 4 billion such journeys in the UK in 2006-07. Clearly, buses are becoming more and more attractive as a means of travel. They are more accessible for disabled passengers than ever before and there has been good progress in improving the quality of buses, with the age of vehicles decreasing over the last 10 years. The flexibility of bus networks means that they can provide a genuine alternative to the car, not only improving social inclusion, but helping to tackle congestion and contributing to meeting our goals on climate change.

The Government recognise that buses are particularly important for some of the most vulnerable people in our society. They often provide a vital lifeline to services such as shops, leisure facilities and hospitals, and they are an important connection to the community. For many older and disabled people, buses provide a vital link to the places they want to go and the people they want to see. The Government are fully aware of that, and I am proud of our record in helping more and more older and disabled people to use buses. In 2000, we acted to ensure that, for the first time, older and disabled people in England were guaranteed half-price bus travel within their local authority area.

Tom Levitt (High Peak) (Lab): I would like to put on the record my appreciation for the assistance that my right hon. Friend gave us to make sure that the community transport dial-a-ride scheme in Derbyshire would be advised that it fell within the concessionary scheme, thus ensuring that the services she described will remain available in a sparsely populated rural area. She will be pleased to know that all of the other major parts of the old Derbyshire Gold scheme have now been negotiated and will go on as part of the Derbyshire Gold card.

Ms Winterton: I know that my hon. Friend campaigned extremely hard on that issue, and that he worked closely with community transport members in his area. I know that he is interested in looking at how the Local Transport Bill, which the House will debate tomorrow, could

contribute to the enhancement of community transport. I thank him for bringing that matter to my attention, and I am glad that I was able to confirm the fact that the Local Transport Bill will assist in this area. He is right; the scheme has proved extremely popular among disabled people and older people. In 2000, we ensured that older and disabled people would have guaranteed half-price bus travel. It proved extremely popular, but we did not want to stop there.

During his time as Chancellor of the Exchequer, my right hon. Friend the Prime Minister acknowledged the importance of concessionary travel and its potential for enhancing people's quality of life. That is why, in April 2006, we improved the statutory minimum concession from half-price travel to free local travel for those eligible and we provided £350 million through the rate support grant in 2006-07, rising to £367.5 million in 2007-08 and £377 million in 2008-09. Once again, however, we wanted to go further—and we wanted people over 60 and disabled people to be able to go further, too.

Mr. Simon Burns (West Chelmsford) (Con): The Minister has given us the figures on how much the Government will give local authorities towards the cost of the scheme, but will she also share with the House the total rounded figure that the independent consultant said would be the overall cost of fully funding the scheme?

Ms Winterton: Actually, those are not the figures for the new scheme. I have provided information on the amounts of money already in the system; I shall come on later to the extra money that will be made available. To provide one example, in the hon. Gentleman's local authority, it will mean a 30 per cent. increase over the last financial year.

Mr. Burns: When the Minister reaches that point and provides those figures, will she also provide the total amount that the Government's independent assessor calculated as the cost of fully funding the scheme? It amuses me to hear the right hon. Lady saying that my local authority area is getting a 30 per cent. increase in funding—and we are not going to complain about that. However, what she fails to say is that her own independent assessor estimated the total cost of fully funding the scheme in my area at £1.1 million, yet the Government have given Chelmsford borough council only £413,000, which means a shortfall of £738,000.

Ms Winterton: I am not sure that the hon. Gentleman is entirely clear about the calculation of the reimbursement system costs. Consultants are employed by local authorities and work with them on estimating the reimbursement amounts that should go to the bus operators. It is quite a complicated system of assessment; which is why the consultants are employed in the first place. As I have said, however, in the hon. Gentleman's local area, a 30 per cent. increase in funding—in comparison with the previous financial year—will be available to his local authority from April. As I shall explain more fully later, we believe that that is a very generous settlement.

Paul Holmes (Chesterfield) (LD) *rose—*

Ms Winterton: I shall give way in a few seconds.

We wanted to go further, as I said earlier, because we recognise that the places where people need to travel often have little to do with the sometimes arbitrary boundaries of the local authority in which they live.

Paul Holmes *rose—*

Mr. Mark Harper (Forest of Dean) (Con) *rose—*

Ms Winterton: I give way first to the hon. Member for Chesterfield (Paul Holmes).

Paul Holmes: I am grateful, but may I provide the Minister with a slightly less rosy view of what is happening in Derbyshire than was given by the hon. Member for High Peak (Tom Levitt)? There is a total of 10 councils in Derbyshire and they are variously run by all three political parties. The figures I am providing are the latest ones from this morning, as discussed in the Chesterfield borough council's cabinet. Collectively, the 10 councils say that, across Derbyshire, the cost of the scheme is £15.5 million, but because of Government underfunding, the councils collectively have to put in £2.6 million. That applies to Labour-run councils like Bolsover, which says that it is £96,000 short, as well as to the Lib Dem-run council in Chesterfield, which says that it is £164,000 short.

Ms Winterton: As the hon. Gentleman may know, I have had discussions about the situation in Derbyshire, not least because of the interest shown by my hon. Friend the Member for High Peak (Tom Levitt). I am sure the hon. Gentleman is aware that there have been enhancements to the national scheme. There is the gold card, for instance, and concessionary amounts have been paid to Community Transport. That is absolutely fine, and it will continue if it is what local authorities want. What I am discussing, however, is funding for the national concessionary scheme. For Chesterfield, it means a 32 per cent. increase over and above what it spent in the last financial year, which is about 3 per cent. more than the average that most councils are receiving.

In Derbyshire, a county-wide scheme is already operating. In other areas an additional amount will be spent in the next year to cover journeys in and out of the county, but in Derbyshire that is covered by what it has been doing over the past year, which makes the 32 per cent. increase even more generous than it would be in a different area. About 4 per cent. of people tend to travel outside their county area. Chesterfield borough council will have £416,000 extra, which means that if £1 is spent per journey, 416,000 extra journeys will have to be accounted for in the area.

Mr. Harper: The Minister used the word "national". When the Prime Minister, then Chancellor of the Exchequer, announced the scheme, many of my constituents thought that "national" meant "the United Kingdom". As the Minister will know, because I have questioned her on the subject before, my constituency borders Wales, and it is not possible to travel from it to Wales if it is necessary to change buses. It breaks up the journey, and for many of my constituents that makes the scheme effectively worthless. *[Interruption.]* Someone who wants to travel from Lydney to Chepstow and then to the hospital in Newport cannot use the scheme at all.

Ms Winterton: I doubt that the hon. Gentleman's constituents would consider a 41 per cent. grant increase worthless. I should be interested to know how much he thinks Conservative Front Benchers believe should be spent on the scheme if they do not think that 41 per cent. is enough for his constituents. He will probably want to ask them that question.

As the hon. Gentleman said, there are some cross-border buses, and there has been a local agreement on funding for them. We have had some initial discussions with the devolved Administrations, but we want to bed down the arrangements in England separately before considering the financial implications of extending them to Scotland and Wales, which would be fairly severe. The hon. Gentleman may wish to ask his Front-Bench colleagues whether they would use finances that may or may not be available to them for that purpose, but our priority is to ensure that the English system works well. Cross-border services can of course continue, but the financial implications of extending them further are, as I have said, considerable.

Several hon. Members *rose—*

Ms Winterton: Because we are dealing with this subject, I will give way to the right hon. Member for Berwick-upon-Tweed (Mr. Beith), but then I must make some progress.

Mr. Alan Beith (Berwick-upon-Tweed) (LD): It is clear from answers already given to me by the Minister and the Secretary of State that the Government have not done much work yet on the costs of reciprocal arrangements between England and Scotland and Wales. Ought not that work to begin? It is not at all clear that such large costs are necessary. To most of our constituents, who believe in the Union of England, Scotland and Wales, this seems an arbitrary limitation on the ability that people in other parts of the country have to use their passes across borders.

Ms Winterton: I know that the right hon. Gentleman has been concerned about this, as he raised it at Transport questions a couple of months ago. As I have said, we want to ensure that the system to deliver this settlement is in place. At some point, we might want to go further than that, but the priority is to make sure that the settlements that we have announced so far are implemented and that the scheme is up and running before we go further.

Mr. Michael Jack (Fylde) (Con): I acknowledge that the borough of Fylde has received an additional £270,000 this year, but what assurances can the Minister give me about a small coastal borough such as mine, which may have this scheme used disproportionately because of tourism in our area? What can she do to monitor how the formula operates, in case under the current arrangements it does not recognise disproportionate use for tourist purposes?

Ms Winterton: I thank the right hon. Gentleman for acknowledging that there has been an increase in the allocation for his area, which ranges from 19 per cent. to 31 per cent. for the respective authorities—that is the increase Fylde has had. I shall discuss later how we made the calculations as that is an important point, but I assure the right hon. Gentleman that matters such as visitor numbers were taken into account in order to try to reflect the points that people in coastal towns have made.

In 2006, my right hon. Friend the Prime Minister announced that, for the first time, about 11 million older and disabled people would be able to use off-peak local buses free of charge anywhere in England from April 2008. That will deliver the freedom to travel across district or county boundaries to nearby shops, to access health care, and to visit friends and relatives. It will mean that there is free travel when visiting any part of England.

To refer to the point of the hon. Member for West Chelmsford (Mr. Burns), through the report before us tonight we are providing an additional £212 million to local government in 2008-09, rising to £217 million in 2009-10 and £223 million in 2010-11. Taking into account money received through the revenue support grant, including the extra added from 2006 and the special grant for this latest extension, the total value of funding for concessionary travel is now about £1 billion a year.

To date, all of the funding to travel concession authorities for reimbursing operators has been routed through the formula grant part of the wider local government finance settlement. As the report before the House makes clear, the figure of £212 million for this year—rising in the manner I have stated—is based on generous assumptions about pass take-up, fares and journey rates. This £212 million of funding is solely to cover the extra costs of the new concession. It does not cover the cost of the existing free local travel concession, the funding for which will continue to be provided through the formula grant. It also does not cover any discretionary concessions that authorities may choose to offer. Those must continue to be funded from authorities' own resources in exactly the same way as in the past. The new concession does not prevent local authorities from continuing to fund discretionary concessionary travel if they wish to do so.

David Howarth (Cambridge) (LD): I appreciate that the new money is simply allocated to deal with the additional costs of the new scheme, but Cambridge city council believes that the scheme will cost it £400,000 a year more than the Government are granting from this new money. Does the Minister accept that although that is a small sum for the Government, for a council such as Cambridge it is the equivalent of the entire increase in this year's council tax? The sum is calculated on the basis of a 13-element flow diagram. Surely the Government must recognise that it might be wrong in some individual cases.

Ms Winterton: The hon. Gentleman's authority is receiving a 60 per cent. increase compared with what it spent in the past financial year. Some Labour Members would feel slightly jealous about that.

David Howarth: The right hon. Lady repeatedly talks about percentage increases in funding, yet she omits to mention the percentage increases in costs. The whole point that the Liberal Democrats are trying to make is that the percentage increases in costs for some authorities clearly outweigh the increases in grant aid

being offered. If this was only a matter of increasing funding, it would not be a problem. The problem is on the cost side.

Ms Winterton: Our rough estimate is that the extra journeys would cost £1 per journey. In the hon. Gentleman's constituency, the money would account for about 645,000 extra journeys made by over-60s and eligible disabled people who decide to use buses to come into the area.

David Howarth *rose—*

Ms Winterton: I am not going to let the hon. Gentleman in again, because I am sure that he might wish to contribute to the debate itself rather than through a series of interventions—he probably wants to make his own speech. May I reiterate that he must bear in mind the 60 per cent. increase on what was spent in the past financial year?

Let me deal with how we decided to distribute the extra funding. My Department worked closely with stakeholders. From our discussions, it became clear that local authorities wanted the additional funding to be provided by way of a special grant. We accepted that recommendation and listened to what local authorities had to say about it. We then consulted widely on the distribution mechanism for the special grant. Our consultation paper offered a number of different formula options for distributing the grant based on combinations of existing data likely to be linked to the eventual costs of the new concession. As I have said, we are talking about things such as visitor numbers, bus patronage and eligible population.

We then consulted further on four options, asking local authorities which they preferred. Our proposed distribution is based on the most popular of those options, changed to take account of some of the information received and views expressed during the consultation.

Annette Brooke (Mid-Dorset and North Poole) (LD): All three of the relevant authorities in my constituency are predicting a massive shortfall. For example, Purbeck district council, which is a small authority that has a total budget of only £6 million, predicts a shortfall of £123,000. That makes me wonder whether the Government's anticipation of the extra visitor numbers to a wonderful tourist area such as the one that I am proud to represent is the same as the predictions made locally. My three councils are all predicting massive shortfalls.

Ms Winterton: Actually, a lot of the figures that we use are based on figures provided by local authorities. We do not make them up—we use the data that are available. In the hon. Lady's constituency, the increase ranges from 31 per cent. to 40 per cent, which is considerable. In the Poole area, the special grant allocation is £596,000, which equates to approximately 596,000 extra journeys that might be expected in the area. It is important to recognise that that is a generous concession.

Mr. Mark Todd (South Derbyshire) (Lab): I thank my right hon. Friend for giving way, and repeat the congratulations of my hon. Friend the Member for High Peak (Tom Levitt) on the flexibility she has shown about the issues raised in Derbyshire. In weighing up the increase given to Derbyshire, did she take into account the arbitration dispute with the bus companies based on the previous scheme, which is still in place this year? I believe that the arbitrator has found in favour of the companies and therefore substantially increased the cost that local authorities will have to pay. Has she taken that into account in the awards that have been given?

Ms Winterton: My hon. Friend is absolutely right. There have been instances where the bus operators have challenged the amount that they receive through the reimbursement system. Overall, in terms of the appeals that have been heard, some £6 million has been granted through the appeals system although some £28 million had been asked for by operators. Overall, £6.5 million is a fairly small amount, compared with the £1 billion that is spent on concessionary fares.

If my hon. Friend is asking whether we took into account appeals that are taking place, the answer is no. We had a formula that was based, as I have said, on bus patronage, eligible population and visitor numbers. It is then up to local authorities to handle matters through the reimbursement scheme, under which the bus operator should be no better or no worse off—that is the point of the scheme. That is how the appeal system works. It is important that we have an appeal system, but we consulted with local authorities on what we thought and gave them a number of options based on a host of different ways of calculating the formula. We then based the award on that. In my hon. Friend's area, the increase is about 21 per cent., but overall in the Derbyshire scheme there is agreement that we can move forward on the terms that we had before.

Several hon. Members *rose—*

Ms Winterton: I shall now wind up, but I shall take one more intervention if my hon. Friend the Member for Carlisle (Mr. Martlew) wants—

Mr. Eric Martlew (Carlisle) (Lab): No, no.

Ms Winterton: In that case, I shall take an intervention from the hon. Member for Teignbridge (Richard Younger-Ross).

Richard Younger-Ross (Teignbridge) (LD): I thank the right hon. Lady for giving way—in fact, I thank the hon. Member for Carlisle (Mr. Martlew) for not intervening. The Minister has been very generous and I know that she has spent a long time listening to local authorities and Members making representations. Does she accept that there is real fear among local authorities that the figures might be wrong? I hope that the authorities are wrong and that the Minister is right. If it turns out that the authorities are right and there is massive use of the provision—even though that would be a great success—that results in their ending up with great deficits, what mechanisms will be put in place to ensure that they are reimbursed not in three years' time but in at least one year's time?

Ms Winterton: I met the hon. Gentleman and representatives of his council, as did my hon. Friend the Minister for Local Government, to discuss the issue. In the hon. Gentleman's area, the increase on what was

[Ms Rosie Winterton]

spent in the previous financial year is 31 per cent. There is a particular problem in his area because some of the councils have opted out of the county scheme, and he was concerned about that. However, we have to balance that with the certainty that we are able to give with a three-year settlement, and we believe that it is very generous.

The fact is that most councils will receive around a 30 per cent. increase on average. The mechanism will be available in the future so that the funding can move from district councils to county level. In some areas, representations have been made about that, and we retain an open mind on some of the issues. However, it is important that councils have some certainty over the three-year period as to exactly what their funding will be. We need to get the balance right between the two.

The formula that we eventually arrived at distributes the funding on the basis of eligible local population, visitor numbers, retail floor space and current bus use. As such, we believe that it takes account of likely demand in areas such as coastal towns, urban centres and other places likely to experience an increase in bus journeys. Using that formula, we have drawn up the funding allocations for each of the travel concession authorities in England, as contained in the report today. As I have said, the average increase for local authorities is 29 per cent. above the figures for the last financial year.

The national concessionary fares scheme has been widely welcomed by older and disabled people. It gives a new freedom to millions of people and it is a very good scheme. The formula is generous in how it distributes money between local authorities to fund the scheme and I commend the report to the House.

11.2 pm

Stephen Hammond (Wimbledon) (Con): The motion before us tonight is to approve the local government finance special grant for the new concessionary bus regime—the new regime—and does not include any moneys for any other regime. It is the new regime that will come into operation on 1 April on the basis of the regime passed by the House in the Concessionary Bus Travel Act 2007 last summer. That extended the free off-peak concession to national travel, starting at 9.30 am for all those aged over 60 or disabled.

As the Minister said, the grant is not to do with what was already in place in terms of local concessionary travel, under which arrangements local authorities could offer a more generous scheme. Indeed, they still have the right to do so. However, the thrust of the debate tonight—the Minister has already made her case by saying that the settlement is generous—is not about what the Government have provided, as that is fine, but about the fact that the Government made a commitment to local authorities that they would fully fund the extended regime. The question is whether the Government have fulfilled that commitment, and I suspect that the answer, from the Opposition Benches, will be that, generous though the Government believe 29 per cent. to be, it does not represent the cost implications of the extension to a national free scheme. Therefore, the Government cannot be said to have fulfilled their commitment.

Mr. Martlew: Would the Conservatives provide more money for this scheme?

Stephen Hammond: That is not the point. I am happy to talk about the Opposition's plans, but I and the Liberal Democrats pointed out over several sittings of the Committee considering the Concessionary Bus Travel Bill that neither the amount of money on offer nor the funding formula were likely to be sufficient to meet the Government's commitment to fund the new regime in full. The short answer to the hon. Gentleman is that the debate will show that the Government have not met the commitment that they made.

At the outset, I can tell the House that we shall not vote against the motion. However, it is important that the Government understand that the criticisms and concerns raised during the passage through the House of the Concessionary Bus Travel Bill should not be forgotten. We have repeated those concerns and criticisms in questions on the Floor of the House, and local authorities have voiced the same message.

We have always made it clear that we are in favour of the principle of concessionary travel for elderly and disabled people. Just as much as the Minister, we recognise that the ability to travel is especially important, but we cannot support legislation that appears to be both ill thought out and insufficiently funded. The Government promised that the scheme would be fully funded—but tell that to the local authorities that will no longer be able to subsidise certain bus routes, or which are being forced to cut other services as a direct result of the settlement that they are receiving, or those left with no option but to raise council tax as a result of the new regime.

The Government promised that the scheme would be fully funded—but tell that to the bus operators who will be forced to cut frequencies, or who have indicated that they expect that they will be withdrawing services this time next year, or whose businesses will be threatened by the financial uncertainty inherent in the reimbursement system.

Mr. Philip Hollobone (Kettering) (Con): What is my hon. Friend's view about how the system has been set up? There are 324 different travel concession authorities based on district councils, and bus operators have lodged more than 100 appeals to the Secretary of State. Does my hon. Friend believe that there should have been fewer travel concession authorities, perhaps on a county-wide basis? Would that not smooth the differentials that are going to occur?

Stephen Hammond: My hon. Friend makes an exceedingly good point. We have not suggested that the Government base the reimbursement authorities on different areas. The scheme offers national travel on a local basis. Both in Committee and on the Floor of the House, we have always said that the greater the number of local reimbursement authorities, the more complex the reimbursement procedures will be. Many people have spoken about hotspots and honeypots in respect of funding, and the problems with the scheme are evident in many of the responses that are being received.

Tom Levitt: The hon. Gentleman will have heard that the Government will pay Cambridge local authority an extra £645,000, which is equivalent to an extra 600,000

journeys by qualifying elderly and disabled people. Is he saying that that figure for extra journeys is an underestimate? If he is not going to use the figures provided by local authorities, what figures does he intend to use?

Stephen Hammond: On the basis of the responses that I have received from local authorities, I am not convinced that £645,000 equals 600,000 journeys. Many authorities believe that journey costs have been underestimated, and therefore that the number of journeys covered by the money being made available has been overestimated.

David Howarth: It might help the hon. Gentleman to know that bus fares in the east of England are the second highest in the country. The average fare is £1.60, rather than £1. Another part of the problem is that we are not comparing like with like. The new rule is that the authority that pays for the journey is the authority in which the bus journey begins, not the authority of residence of the person making the journey. As a result, authorities will now be liable for journeys that already take place, but for which they do not currently pay.

Stephen Hammond: The hon. Gentleman makes a good point about an inherent aspect of the scheme—a point that has been made several times in debate.

Mr. Martlew: The hon. Member for Kettering (Mr. Hollobone) suggested that the Conservatives would take the responsibility for the concessionary fare away from the districts and give it to the county. Is that the policy of the Conservative party?

Stephen Hammond: My hon. Friend the Member for Kettering suggested that it might be simpler to do so in terms of reimbursement. What I said in response, as the hon. Gentleman will know, is that the current structure was always likely to be inherently difficult to administer, and to cause problems when it came to ensuring that the funding followed the journey, as the hon. Member for Cambridge (David Howarth) pointed out. It is clear that there are a number of ways in which local authorities and districts run the schemes, and we have not said that we would change that. We have pointed out that the way in which the Government chose to structure the reimbursement made it highly likely that there would be problems with ensuring that revenue followed the journey, and clearly those problems are occurring.

The Local Government Association has commented on the pressure on some local authorities. It says:

"Since the 2006 extension to the concessionary fares, councils report rises of over 150 per cent…to operators".

It also says that

"the government should keep under review"

what

"amount…in 2008/09…is sufficient",

and:

"Councils are reporting difficulties in estimating the precise cost in the run-up to April 1st."

Richard Younger-Ross: Earlier, the Minister said from a sedentary position that that point was covered by county-wide schemes. Does the hon. Gentleman accept that county-wide schemes might cover part of those costs, but not all of them? In particular, in tourist areas—cities such as Cambridge or seaside resorts—there is a regular annual or monthly input of people who are not covered by those calculations.

Stephen Hammond: I thank the hon. Gentleman for making that point. My hon. Friend the Member for Kettering effectively made that same point, and in response I said that in these debates, we have recognised hotspots and honeypots. Those are exactly the places where people who are not resident in the area may well use buses.

The Minister talked about the percentage of extra money that was being funded by the Government, but as several hon. Members said in interventions, that does not recognise the extra cost of concessionary fares or the formula estimating the number of journeys. Also, she said that current usage would be our indicator for future usage, but because of a number of issues such as the hotspot issue, that is unlikely to be a good indicator.

A number of councils across the country have talked about the budget deficits that they will experience in 2008-09 as a result of the problems. The Minister mentioned extra moneys, but let me talk about the local councils that have provided me with data relating to budget deficits that will be created. The Basildon authority has given a £500,000 figure. Blackpool has talked about £200,000. Brighton and Hove is talking about a sum of about £1.7 million. The hon. Member for Carlisle (Mr. Martlew) has told us that Carlisle expects a budget deficit of £270,000. The local authority of my hon. Friend the Member for West Chelmsford (Mr. Burns) has indicated that it is likely to have a budget deficit of at least £500,000. Hastings has given a £200,000 figure. I could go on, mentioning places across the country.

When the Bill introducing the scheme passed through Parliament last year, time and again my colleagues and I expressed serious concerns about the funding system and whether the Government would put enough money into the system to fund what they were proposing. At the time, I tabled an amendment calling for a review of the funding mechanism, which would allow the Government to establish the costs borne by operators and authorities. Such a review would allow the Government to see whether the moneys that they were putting into the scheme were adequate for the new extension; to ensure that the distribution of those moneys went to the right place; to achieve efficiency and savings; and to re-examine whether the "no better off, no worse off" principle was being followed. The short answer is that the amendment was defeated by the Government, and no one knows whether the funding provided by the Government for concessionary travel is sufficient. Had the amendment been accepted, we would not be seeing some of the chaos that we see today, and a proper review could be performed with the aim of evening out those unforeseen inconsistencies.

The Government have talked about providing £212 million extra this year; £217 million in 2009-10; and £223 million the following year. That might be enough, but it may not be. The Minister said that it was extra money. It is not: it is the money that was going to be necessary on top of what was already available for

[Stephen Hammond]

concessionary funding to implement the Government's new scheme. Last year, when the Bill was in Committee, the then Minister was talking not about £212 million, but about £250 million. As for the £1 billion that the Minister has discussed again tonight, £400,000 of that is somewhere in the rates support system, and it is extremely difficult to trace whether the Government have really provided that sum, and whether it is reaching the places it should reach.

The moneys that the Government are providing may be enough, but from the experience of local authorities, that certainly does not appear to be the case. For the past couple of years, bus operator inflation, as recognised by all transport bodies, has been closer to 9 per cent. than to the consumer prices index of, 3 per cent. The Government have proposed increases for the next two years of 2.3 and 2.7 per cent. Even if they think that the £212 million this year is enough, the position is not encouraging for the next two years. They must recognise that, up and down the country, local authorities face huge gaps in their funding. There may well be some generous funding, as the Minister said, but if it does not meet costs, there will be problems for local authorities.

Barnsley metropolitan borough council, for example, said:

"I do feel our authority is receiving inadequate compensation"

Basildon council said, "We are seriously underfunded". Bournemouth council said that

"this government grabs the headlines giving out concessionary fares"

while

"leaving councils to pick up the mess and move on"

Carlisle council said:

"This situation is not financially sustainable."

I could go on, right the way through the alphabet, but I will not do so, because I know that colleagues want to make a contribution to our debate. However, the Government are clearly not listening to local authorities. When the consultation on the distribution method for the special grant was analysed, the Department for Transport reported that

"the main concern raised by many was that the additional money allocated by Government would not be sufficient to pay for the extra cost of the new all-England concession."

Since then, countless local authorities have made representations to the Government and to many others, but to little avail. Council planners' confusion has been exacerbated by poor, overdue Government guidance. Indicative of that is the fact that the DFT required councils to publish draft scheme details and reimbursement guidance before 1 December last year, but it published its guidelines for doing so only in January 2008. The expected delays in the deployment of smartcard technology are further evidence that while the Government expect councils to cope with short lead times, they cannot do so themselves.

At Christmas, parents spend their hard-earned cash on presents for their children, and it is Father Christmas who tends to get all the credit. The Minister says that the Government should have all the credit for giving pensioners and disabled people free bus travel, but they ignore the fact that local authorities throughout the country will have to pay for it. The Government are trying to be Father Christmas, and the local authorities will be the out-of-pocket parents.

Concessionary bus travel is a positive thing and due credit should be given to the Government for introducing it. However, they cannot grab all the congratulatory headlines, for as we shall see in the debate, it is clear that they have not met their commitment to fully fund the extension to a national concessionary travel scheme, and it is still not clear whether they have provided sufficient funding for the local concessionary travel scheme. It is clear that the local authorities and the bus operators are suffering financial shortages as a result of the extension that will come into operation. The concern must be that the travelling public and exactly those groups that the Bill is designed to help will be hardest hit by the funding.

Although we will not vote against the motion tonight, I hope that the Government will recognise that they have not met their commitment to fully fund the scheme. I hope that they will accept that an immediate review of the funding is needed and will reach an agreement to do so with local authorities and operators. I urge the Government to confirm that they will do that, for if they do not, there can be no certainty that the scheme will be a success, or that throughout the country in three years the scheme will be able to help many of the routes or the people whom it was designed to help.

11.21 pm

Norman Baker (Lewes) (LD): I welcome this important debate and thank the Government for making time available for it. I agree with the Minister, who said that the scheme is welcome. It will tackle social exclusion, help the environment and enable people who would otherwise be in their houses to get out and travel. All those outcomes are good. I do not subscribe to Mrs. Thatcher's view that anyone over 30 who uses a bus is a failure, as she said on one occasion. I am happy that people over 60 use buses, as do people of my age.

The Government have managed to reverse the decline in bus usage, as the Minister said. That, too, is welcome. Bus journeys declined from 9 billion journeys a year in the 1970s to 5 billion in 2005-06—a cut of almost a half. The concessionary fares scheme will enable that to be reversed. All that is good, but the problem for the Government is a problem of success. Large numbers of people will use buses—far more than the Government imagined—and local authorities will have to pick up the bill because the increase in funding that the Government have made available, significant and welcome though that is, is not equivalent to the costs that local authorities will have to pay. There is a shortfall.

I should tell the Minister that I conducted a survey of what she calls travel concession authorities. Well over half of those responded to my survey. Of those, almost half of the councils said that they were underfunded. The hardest hit councils were underfunded by £1.7 million. Those were Brighton and Hove, and Nottingham. That is equivalent to council tax rises of £40 per family. Many councils reported problems, as we have heard from hon. Members intervening on the Minister and from the Conservative Front-Bench team.

Mr. Martlew: The hon. Gentleman is generous in giving way. He said that about 50 per cent. of the councils responded. Does he think that the other 50 per cent. are doing well out of the scheme, and wanted to keep quiet about it?

Norman Baker: For the record, what I said was that more than 50 per cent. of councils responded, and almost half of those said that they were underfunded. It is perfectly possible that within the allocation given by the Government, some authorities are doing very well, indeed, and keeping quiet about it. That is perfectly true. I believe that overall the scheme is probably underfunded by about £60 million. It should be around £270,000 million. Some authorities are doing very well from the allocation, but many are doing very badly indeed. It is crucial that the Minister reconfigure the scheme in the light of experience and take account of factors which, with the best will in the world, she may not have been aware of when the scheme was put together. She and her officials have probably done their best, but the reality on the ground is that local councils up and down the country are telling us that the scheme is underfunded for them. They cannot all be wrong. We have heard the list from the hon. Member for Wimbledon (Stephen Hammond).

Mark Hunter (Cheadle) (LD) *rose—*

Norman Baker: We shall hear of more now, I suspect.

Mark Hunter: Does my hon. Friend accept that one of the key issues is that the Government have failed to forecast the take-up of the scheme accurately? That is the real crux of the matter. In many places it is manifested by the funding shortfall about which we have heard so much already—not only that, but in areas such as Greater Manchester, which covers my constituency of Cheadle, there is the key problem of the authorities not being able to deal with the applications in time. That has led to lots of constituents telling their MPs that there have been unacceptable delays in the processing of the applications. The Greater Manchester transport authority has now said that it will make the current passes valid for an extra six months, until September this year. Frankly, that will get people from one side of Manchester to the other—not to destinations further afield, although that was one of the principal points of the scheme in the first place.

Norman Baker: My hon. Friend is right: the problem is one of success. The Government have had a huge policy success: people out there love the concessionary bus fares and want to take up the free passes. As a consequence, local authorities are having difficulty coping with the sheer volume, and find great shortages of funding.

The Government have miscalculated the allocation to local councils. They may have made their best guess, but that is clearly well out. To compound the matter, they have arranged a three-year formula. That is a good idea when matters have settled down, but to base such a formula on an outcome that the Government cannot possibly predict accurately will in the short term compound the problems of the authorities that will be underfunded.

Julia Goldsworthy (Falmouth and Camborne) (LD): Does my hon. Friend think that the Minister would acknowledge that another problem of the formula is the fact that it does not take into account the number of routes available, although it may take the demographics and potential number of visitors into account? Truro is a hub for many visitors from my constituency, who will park and ride into the town to use the bus scheme, because the routes are available there. That, in turn, gives the local authority additional costs.

Norman Baker: My hon. Friend has made a good point. There are a number of kinks in the system, and they will manifest themselves only as the scheme gets under way. That is happening as local authorities make proper assessments. No one blames the Government for making their best guess, but I am telling the Minister that it is an underestimate by some distance, and there is misallocation between authorities.

Earlier, my hon. Friend the Member for Teignbridge (Richard Younger-Ross) intervened to ask what the Government would do if it turned out that their best guess was wrong, and the local authorities' predictions were accurate. We have not had an answer to that. The Government need to accept that there has been a problem and correct it at the earliest opportunity.

Mr. Adrian Sanders (Torbay) (LD): Are there any common factors among the authorities that told my hon. Friend that they were underfunded? From what the hon. Member for Wimbledon (Stephen Hammond) said, it seems that a disproportionate number of seaside resorts are involved. Areas that attract tourists could end up carrying the biggest proportion of the underfunding.

Norman Baker: My hon. Friend is absolutely right. The areas tend to be very attractive: Lib Dem constituencies, for example, are badly affected. Undoubtedly, areas such as seaside resorts and historic towns are affected.

The Minister talked about the funding mechanisms that she was employing. She wrote in a letter to me:

"The Department's recent consultation on the funding distribution offered four formula options based on data that is likely to be closely related to the key drivers of the extra cost...Our proposed distribution formula is based on the most popular option in the consultation responses."

She used that latter phrase again tonight. With due respect, I suggest to her that it was not the most popular option but the least unpopular option with which local authorities were faced.

Surely the only accurate way of addressing the issue is to recognise the actual costs incurred by local authorities in the scheme that is now to come into force, and ensure that there is a reimbursement process to iron out some of the difficulties. Without that, many local authorities will be well out of pocket—and that situation will be compounded for three years, which would be wrong.

Mr. Hollobone: I am listening to the hon. Gentleman with great interest. What is the Liberal Democrat policy on the idea of having fewer travel concession authorities and aligning transport authorities—for example, county councils—with travel concession authorities?

Norman Baker: That is rather a red herring. The transport concession authorities are now in place. Had the allocation been made accurately, and had some of the points made previously been listened to, we would not be in this position. Even if the Government have done the best that they can, they can still put things right. There is undoubtedly complexity in this arrangement, but it still could have been got right. That has not happened, and that is part of the problem.

My hon. Friend the Member for Torbay (Mr. Sanders) mentioned some of the areas that have lost out, which are indeed seaside resorts. Brighton and Hove is short by £1.7 million, Scarborough by £0.94 million, Southampton by £0.74 million, Southend-on-Sea by £0.7 million, Worthing by £0.6 million, and Torbay, his own authority, by £0.5 million. In other tourist areas, Harrogate is short by £0.77 million and City of York by £6.5 million. My own authority, Lewes district council, is £0.6 million short, and Chester city council is £0.4 million short. Shopping areas such as Nottingham, Chelmsford and Braintree are also well out of pocket. Local authorities all over the country are finding shortfalls, and the Government must answer the question about what they are going to do if those local authorities are proven right.

Let me deal with one or two other relevant issues. Many local authorities faced with unprecedented increases in budget demands will look to make savings, and unfortunately some will look to make savings in concessionary fares. One of the unforeseen consequences of the Government scheme is that local authorities are taking away discretionary concessions and ensuring that some who currently benefit from bus pass concessions will no longer do so. For example, there is a problem with travel between 9 o'clock and 9.30 in the morning. Many local authorities start their services at 9 o'clock in the morning, but are now moving to 9.30 in a desperate attempt to save some money. In Seaford, in my constituency, there is a bus every half hour. The 9.29 bus would previously have been available to constituents with a bus pass, but is now not available: they will have to get the 9.59 bus, half an hour later, which means, in many cases, that they will miss a doctor's appointment or whatever else they are doing in the middle of town. That is disadvantaging certain people who currently have access to bus pass arrangements.

Mr. Roger Williams (Brecon and Radnorshire) (LD): One of the aspects that my hon. Friend has not touched on is travel between the devolved nations and England. Let me point out the difficulty that some of my constituents experienced in travelling from Knighton in my constituency to Hereford, where there is a district general hospital and major shopping centre. They were able to make the trip from Knighton to Hereford, but had to change in Kington on the way back. The bus company refused to take their concessionary fare, so they were stuck in Kington—a very fine town, I might say. The explanation is that when all this settles down it will work, but in the meantime my constituents, who expect some co-ordination, are stuck in Kington.

Norman Baker: I hope that they are not all stuck there. My hon. Friend raises an important point about cross-border issues. He may know, as may the hon. Member for Forest of Dean (Mr. Harper), that residents in Brockweir, which lies on the English bank of the River Wye, are unable to use their concessionary passes on their only local bus service as it runs wholly within Wales, over the bridge from the village. That is an example of the nonsense thrown up by this scheme, which the Minister and her colleagues need to rectify. My right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith) also raised the consequences for cross-border services. He will know, as will the Minister, I hope, about Borders general hospital near Melrose. It is on the Scottish side of the border but is the nearest hospital for many people living in England. People who have to cross the border are disadvantaged by the way in which the scheme is operating. That is a key issue.

The position becomes worse when local transport authorities say that they cannot afford to run all the buses that are subsidised, which leads to the ludicrous situation whereby more and more people qualify for concessionary bus passes yet the number of buses that they can use is diminishing. They have the piece of paper entitling them to use a bus but there will not be a bus to use, because local authorities are forced into cutting services. That has not been factored into the equation. Neither has the fact that there will be successful appeals by bus companies. They are keen to make appeals, and of course they will test the water and try to get as much money as possible from local councils. It would be strange if they did not behave in that way.

The Minister said earlier that £6.5 million had been awarded to bus companies from successful appeals, and she took some comfort from the fact that they had applied for £28 million and received only a quarter of that amount. I have to say that it will not provide much comfort to the local authorities paying out the £6.5 million that the other £21.5 million was not granted through the appeal process. That is money that could not have been anticipated, but it has had to be spent by the local authorities. So a number of major problems have been thrown up by the scheme.

The Government have introduced a popular policy that has been well received by the population at large, but we are now seeing the problems that are resulting from its success. The Government cannot close their eyes and say that they have a fair solution that meets all the local demands, and that it is for the local authorities to sort the problems out. The Government have created a mess. I do not blame them for creating the mess, but it is a mess in financial terms, and the local authorities have been lumbered with tidying it up. The Government must recognise that many local authorities are now genuinely well out of pocket, and provide a guarantee that they will review the scheme not after three years but at the end of the first year. If the case can be made to stand up—as I believe it can—that a significant number of local authorities are well out of pocket, and that the overall settlement of £212 million is inadequate, the Minister should pledge to ensure that the scheme will be properly funded in future, and that the costs that local authorities are incurring will be reimbursed.

11.36 pm

Mr. Eric Martlew (Carlisle) (Lab): May I take it from that contribution that the Liberal Democrats' policy is to put more money in? At least we know where we are

with them. The hon. Member for Wimbledon (Stephen Hammond) refused to say that the Conservatives would do so, and refused to say that they would change the mechanism by which the money was given to the local authorities. I understand that he is in a difficult position.

Stephen Hammond: May I just correct the hon. Gentleman? The first part of his point was correct. I said that the Government were saying that they were fully funding the scheme, but that that did not appear to be so. I also said, however, that we would look at the funding formula.

Mr. Martlew: I accept that, but when the hon. Gentleman was asked whether he was in favour of dealing with the issue at county level instead of through the 342 different authorities, he had no answer.

Won't 1 April 2008 be a great day, when 11 million pensioners and disabled people will be able to cross borders and enjoy life more—*[Interruption.]* I voted for devolution, but I am not sure about those on the Opposition Benches. There are bound to be differences. The reality is that the scheme will be very popular in my constituency. I can see my constituents going to the Lake district, or perhaps to the Metro centre in Newcastle. I can see them catching the train to Blackpool, then using the buses in Blackpool. We have heard people going on about tourist areas, but those areas will be getting more custom, as people will be spending money in those constituencies. That should have been pointed out.

Mr. Sanders: There is one important point that seaside resorts have been extremely concerned about. They might get extra custom, but they will also incur additional costs that they cannot recoup from the visitor. That is a problem for every seaside resort.

Mr. Martlew: Is the hon. Gentleman saying that people should stay away from his constituency? It sounds like that to me.

The reality is that the scheme will provide free travel for pensioners and the disabled, but £1 billion is going to the bus companies, and I worry about that. In my constituency, Stagecoach has cynically put up the single fare by 7.5 per cent. Many of us believe that that was done to offset the amount that it will lose through concessionary fares.

Norman Baker: Does the hon. Gentleman not recognise that that factor alone represents an increase for local authorities up and down the country, through the increase in bus fares, that cannot have been factored in by the Government?

Mr. Martlew: I actually think that there should be challenges to the bus companies. They are not supposed to make a profit from the concessionary fares, because under EU rules, that would be seen as state subsidy and would therefore not be allowed.

The main point that I want to make is that we need to move as quickly as possible from funding the scheme on a district basis to funding it on a county basis. We know that that cannot be done overnight, and we know the reason for that, but it has not been mentioned. A lot of district councils receive a lot more money than they spend on concessionary fares, and they spend it on other things. If we take that money away from those councils their MPs will start carping, and if we do it immediately, council tax will increase or services will be reduced. That is because some local authorities could have introduced concessionary fares, but decided to spend the money on other things. That must come to an end.

Carlisle has been mentioned. Carlisle city council has said that it is underfunded—but it would say that. It is controlled by the Tories and Lib Dems, and before the previous election it made a pledge that it would give free cross-border travel throughout the day, but then said, "We're going to cut it now—it's got to be the national scheme, starting at 9.30." That was fortunate, in a way, because the individual who used his vote to clinch that decision—there was only a majority of one—happens to be my Conservative opponent at the next election, and I do not think that the pensioners of Carlisle will forgive him for that.

Then there was a row among the Conservatives. They came back and said, "No, we're going to give it to the disabled now. They can have free travel all day, but the pensioners can't." I had an old lady ring me up and say, "I've got a pass here that they've sent me. I'm a pensioner and I'm disabled, but now I've got a letter saying I have to send the pass back, then they'll send me another one because I'm disabled." That is the sort of council that we have in Carlisle—a council that can't make decisions and breaks pledges. I make a prediction that the Conservatives will lose control of the city council at the local elections. Labour will control Carlisle because of that issue.

Julia Goldsworthy: Is the hon. Gentleman suggesting that it would be an improvement if the Government scheme ran from 9 o'clock in the morning, too?

Mr. Martlew: No, I am not suggesting that at all. I am suggesting that local authorities should keep their promises. I forgot to say that the other person who voted against the scheme was the Liberal Democrats' prospective candidate for Carlisle. We should have known that they would vote against it.

To be serious and to return to the major issue, if we are to have a truly nationwide scheme that does not have winners and losers, we need to move quickly to a county-wide basis. We have heard the arguments from Derbyshire and various other authorities; it could have been Somerset where it was argued that one of the authorities was no longer part of the loop. The scheme is not working, and we really need a system funded by the counties. If that happens—we will have to let councils have time to adjust—the Government will no longer have to put in any money at all, because the money is there, but in some cases has not gone to the right authorities. *[Interruption.]* That is true, and I have explained why. In the case of Carlisle, the money has gone to the local authority; it has just not been spending it.

Norman Baker: If the hon. Gentleman accepts that some money has been misallocated and gone to the wrong authorities—I agree with him on that—does he

[Norman Baker]

think it wrong for the Government to have a three-year funding arrangement? Should they not review it after a year?

Mr. Martlew: My view is that the hon. Gentleman should perhaps have listened more carefully. The system has to be put on a county-wide basis. It is no good adjusting the system in three years. We have to move to a totally different system. If we do that, we will have a better system, as well as larger authorities to negotiate with the likes of Stagecoach, First Group or National Express. The idea of my local authority arguing the case against Stagecoach frightens me, because to be honest I do not think that it is up to the job. We need large authorities to do that.

Let us return to the main point. The scheme is a great success. The Labour Government have promised to do this, and they are doing it. People will get the benefit in my constituency, and up and down the land, on 1 April this year. If it had been left up to the Opposition parties they would have talked about it forever, but they would never have found the money.

11.44 pm

Mr. Simon Burns (West Chelmsford) (Con): I do not intend to detain the House for long, but I want to raise one issue, and a spin-off problem. We have heard in the debate so far, particularly from the Opposition Benches, a common thread to many of the complaints: despite the majestic efforts of the Minister to spin the situation, it is not quite as rosy as she claims. The Government are not providing the full funding, despite the glowing percentage increases that she has cited. Of course it is possible to have glowing percentage increases if one does not take into account the other costs involved with a scheme. Moreover, what figures do those percentages relate to, and do they relate to the estimated cost of funding a scheme fully?

As I said to the Minister in an intervention, an independent study has been done by independent people on behalf of the Government, in conjunction with local authorities, to work out the cost of a fully funded scheme along the lines of what the Government have promised. Taking my local authority of Chelmsford borough council as an example, it was independently assessed that in order to fund the scheme fully the council would have to be given £1.1 million. The Government have actually provided £413,000 for the coming year, which leaves a shortfall of £738,000. That is a considerable amount of money. The borough council has to look for efficiency savings and switch around some of its priorities to help pay for the scheme, which it is determined to make a success for those who look forward to its starting on 1 April.

There is a second problem because of the underfunding. Under the ambit of the Government's proposals, the scheme has to start at 9.30 in the morning, but under Chelmsford borough council's scheme, the start time was 9 am. A responsible council cannot cut services dramatically in other areas due to the shortfall in funding, because that would cause significant problems, over and above efficiency savings. It will have to abide by the Government's guidelines of a 9.30 start, because it cannot find the money for a scheme that is based on the Government's scheme but that starts at 9 am. That will cause problems for a number of pensioners and disabled people in the Chelmsford borough council area who for a number of reasons have got used to using their bus passes from 9 o'clock; it may be convenient or necessary for them to travel at that time.

It is sad that there should be an element to this scheme, which is welcomed by everybody in this House in many ways, that spoils the overall effect. That has happened solely because the Government are not prepared to provide the full funding that independent assessors have said the scheme needs. I hope that the Minister will take the advice of a number of hon. Members in interventions and speeches today, and monitor the scheme from its start date of 1 April. A year may be too short a period of time for that—experience and time will tell. If the period in question is to be three years—a three-year period is not viable for the Minister and her Government, because they will not be in office to do this—I hope that the Government of the day are prepared to look at the scheme again to identify its strengths and weaknesses in order to address maintaining the strengths and buttressing the weaknesses.

11.49 pm

Mr. Mark Harper (Forest of Dean) (Con): Given the limited time available I shall focus on one issue and pick up the point I raised in my intervention on the Minister.

As one steps through the report, it is very clear that it is not a national scheme at all, but an England scheme. When the Prime Minister, then the Chancellor, promised the scheme, it was clearly spun and reported as a national scheme, so many of my constituents quite rightly thought that that meant they could travel anywhere in the UK. As has already been said by hon. Members with constituencies in Wales or near the Scottish borders, this has been a severe let-down. The impression was certainly given that the scheme would be UK-wide, but that has clearly not been delivered. All I ask for is a little honesty. Ministers should not use the word "national"; they should say only "England" to make it clear that the scheme allows people not to cross national borders but only local authority ones. Ministers should be honest about what exactly they are promising.

I said in my intervention that the scheme does not mean much to many of my constituents, and that is exactly right. If someone needs to travel across the border into Wales, the scheme will not help. A constituent who lives in Lydney can get the bus from there to Chepstow, but continuing will mean changing in Chepstow and paying for the rest of the journey. For many of my constituents, that will be the more significant part of the journey. Because of the geography, someone starting a journey from the southern end of my constituency and wanting to go back into England will have to pass through Wales. If that means changing buses, even though the start and end points of the trip are both in England, it will not be possible to claim for the cost of the whole journey. That is a ridiculous situation.

Someone starting in Lydney who has to catch a bus to Chepstow and then change, perhaps to go to Cribbs Causeway, which is also in England, will have to fund the bulk of the trip themselves. My constituents think

that that is simply bizarre. It is all very well saying that the local authority has the option to fund that part of the journey: of course it does, but it will cost money, and it means that the Government have made a promise but not funded it. Something else will have to give—either council tax will have to rise or other services will not be funded. The Minister should take that into account and work on it with her colleagues in the Welsh Assembly Government.

Let me take hon. Members through some of the questions that I have asked on this issue. When I challenged the then Secretary of State for Wales, the right hon. Member for Neath (Mr. Hain), by asking him whether he would work with his colleagues in the Welsh Assembly Government

"to take up that framework legislation to ensure that we can have seamless journeys across the English-Welsh border",

he replied:

"Indeed. I can assure the hon. Gentleman that Welsh Assembly Government Ministers will do that."—[*Official Report*, 17 January 2001; Vol. 455, c. 772.]

When I asked the then Transport Minister, the hon. Member for Lincoln (Gillian Merron), the same sort of question, she pointed out in a written parliamentary answer that the Concessionary Bus Travel Bill had a framework for working closely with the devolved Administrations and that all had "indicated support". She said—this was in May last year—that the Government and the devolved Administrations would have to work closely together. We do not seem to have made a great deal of progress since then.

When I questioned the present Minister in oral questions in December, she said that she wanted

"to see the scheme operating properly across the borders".—[*Official Report*, 4 December 2007; Vol. 468, c. 670.]

When I challenged the Minister responsible for Transport in the Welsh Assembly Government on that matter, however, he said that he wanted to see the scheme "settle down". That was not the Minister's position at the time, but I notice that the two have now got their act together and co-ordinated their responses, as the Minister is now saying that she wants the scheme to settle down.

I do not see why my constituents should have to cope with an unholy mess on 1 April as they discover that they cannot use the scheme for many of the journeys that they need to take—going to hospitals, doctors' surgeries, dentists and so forth. Why should they be denied that? Why should they have to wait for the scheme to "settle down" while the Westminster Government and the Welsh Assembly Government try to get their act together to ensure that the scheme will work across borders?

Mr. Beith: I remind the hon. Gentleman that the Government say that they have made no detailed assessment of the cost of introducing mutual recognition, yet they produced generalised financial arguments against it. Should they not at least be doing that work now?

Mr. Harper: Absolutely, and I am very grateful to the right hon. Gentleman for that point. The Minister suggested that mutual recognition would be very expensive. If we accept that that is the case, it follows that it would be very expensive for local authorities to fund mutual recognition across the borders. They cannot be expected to fund that from the limited resources available to them through the council tax. Many of their constituents are already hard pressed. If Ministers make generous promises, they should ensure that they fund them fully, as they have made clear throughout, but I do not think that they have done so, and they certainly have not done so in a way that allows my constituents to take advantage of a genuinely national scheme. This is an England-only scheme, and it needs to be looked at again.

11.55 pm

Ms Rosie Winterton: This has been a very interesting debate, although I am not sure that it has been particularly enlightening in respect of the position of the Opposition parties. The hon. Member for Wimbledon (Stephen Hammond) refused to say how much extra he thought should be invested in the concessionary fares scheme. He certainly did not tell us whether a Conservative manifesto would include a commitment to providing extra funds, and whether that had been cleared with the shadow Chancellor, the hon. Member for Tatton (Mr. Osborne). The hon. Member for Forest of Dean (Mr. Harper) wanted the scheme to be extended even further. It would be interesting to know whether the Conservative Front-Bench team intends to fund the extra costs of extending the scheme to Wales and Scotland.

Stephen Hammond: I know that the right hon. Lady is always fascinated by what our policies are, but I remind her that the debate was about her policies. I assume that her fascination is due to the fact that in two years' time she will be where I am now, and she is considering how she might oppose our policies.

Ms Winterton: Given all the unfunded schemes that the hon. Gentleman listed this evening, I think the electorate will recognise that without a Labour Government there would not be a national concessionary fares scheme, and there would not be nearly £1 billion going into it. The Conservative Government ran down bus services after deregulating the market. What we heard tonight were vague promises of unspecified future funding to which, as far as I know, the shadow Chancellor has not given the go-ahead. The same applies to the Liberal Democrats. The hon. Member for Lewes (Norman Baker) said that an extra £60 million was needed, and he too seemed to want to extend the system to Scotland and Wales. If that is a manifesto commitment from the Liberal Democrats, it would be interesting to know how their sums add up.

Norman Baker *rose*—

Ms Winterton: I have only three minutes left, and I want to mention the important points made by my hon. Friend the Member for Carlisle (Mr. Martlew), particularly his point about the boost to the economy given by people coming into an area. The Liberal Democrats, and perhaps other Opposition Members, appeared to be saying "Our town is closed to visitors." I am sure that the shopkeepers and restaurateurs in their areas will not be very pleased to hear that they do not welcome people from outside.

My hon. Friend mentioned the 7 per cent. fare increase imposed by one bus company. This is an issue

[Ms Rosie Winterton]

that some Members overlooked in their speeches. Local authorities must take into account not just one increase but the whole basket of fares in reaching agreement with bus operators on what constitutes a fair reimbursement.

The hon. Member for West Chelmsford (Mr. Burns) spoke of an "independent assessor". No independent assessor supplied an analysis to the Department for Transport. I believe that someone in the bus world has carried out assessments for bus operators, but that is entirely different from an independent assessment carried out for the Government. The hon. Gentleman may be confusing these arrangements with the appeals system.

The three-year settlement is very generous. I take on board some of the points that have been made about the possibility of county-wide settlements in the future, and we will keep that under review, but 11 million older and disabled people will benefit from this scheme. I think we should welcome it, and I commend the report to the House.

Question put and agreed to.

Resolved,

That the Local Government Finance Special Grant Report (No. 129) on the grant to be paid towards the cost of implementing the new statutory minimum bus travel concession in England (House of Commons Paper No. 256), which was laid before this House on 19th February, be approved.

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Alan Haselhurst): With permission, I shall put motions 4 to 11 together.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

SOCIAL SECURITY

That the draft Child Benefit Up-rating Order 2008, which was laid before this House on 6th February, be approved.

SOCIAL SECURITY, NORTHERN IRELAND

That the draft Guardian's Allowance Up-rating (Northern Ireland) Order 2008, which was laid before this House on 6th February, be approved.

SOCIAL SECURITY

That the draft Guardian's Allowance Up-rating Order 2008, which was laid before this House on 6th February, be approved.

TAX CREDITS

That the draft Tax Credits Up-rating Regulations 2008, which were laid before this House on 6th February, be approved.

PROCEEDS OF CRIME

That the draft Proceeds of Crime Act 2002 (Cash Searches: Code of Practice) Order 2008, which was laid before this House on 19th February, be approved.

That the draft Serious Crime Act 2007 (Amendment of the Proceeds of Crime Act 2002) Order 2008, which was laid before this House on 20th February, be approved.

That the draft Proceeds of Crime Act 2002 (Investigations in England, Wales and Northern Ireland: Code of Practice) Order 2008, which was laid before this House on 19th February, be approved.

OFFICIAL STATISTICS

That the draft Official Statistics Order 2008, which was laid before this House on 26th February, be approved.—*[Alison Seabeck.]*

Question agreed to.

COMMITTEES

Mr. Deputy Speaker: With the leave of the House, I will put motions 12 and 13 together.

Ordered,

CONSOLIDATION, &C., BILLS

That Mr Nick Clegg be discharged from the Joint Committee on Consolidation, &c., Bills, and Mr Alistair Carmichael be added.

FINANCE AND SERVICES

That Sir Alan Haselhurst be added to the Finance and Services Committee.—*[Rosemary McKenna, on behalf of the Committee of Selection.]*

War Widows' Pensions (Tina Thompson)

Motion made, and Question proposed, That this House do now adjourn.—*[Alison Seabeck.]*

12 am

Lynda Waltho (Stourbridge) (Lab): I wish to bring to the Minister's attention the case of my constituent, Tina Thompson, and her young son Aidan. Tina's husband and Aidan's father, Sergeant Michael Thompson, was a 38-year-old soldier with a 17-year career in the Army. His service included two tours of duty in Iraq, as well as Kosovo, Bosnia and Northern Ireland. He served with the Royal Logistics Corps.

Sergeant Thompson worked at the Joint Service Signal Unit—JSSU—in Ayia Nikolias in Cyprus, although the family was housed at Dhekelia garrison as there had been no suitable family accommodation at Ayia Nikolias at the time. The camps are 11 miles apart.

Sergeant Thompson used often to travel to work on his motorbike. The family was due to move to a house at Ayia Nikolias on 21 July. It was a move that the family never made in the end, because on 14 July 2005 he was killed in a road traffic accident by St. Raphael church on the Larnaca-Famagusta road on a fine day on a dry asphalt surface, when a Nissan pick-up truck signalled to turn right.

The driver stopped before turning right to allow another vehicle to pass from the opposite direction. When the road was clear, the driver began his manoeuvre to turn right at the same time as Sergeant Thompson began overtaking the pick-up from the right-hand side. His motorcycle collided with the pick-up's offside rear door and then offside front door. As a result of the collision he was thrown off the bike, on to the windscreen and finally under the truck. Sergeant Thompson received fatal injuries. The driver was finally prosecuted for driving without due care and attention in October 2007, and was found guilty and fined £600.

Most of us who value our armed services and the bond between our forces and ourselves would expect the widow and bereaved family to be treated with sympathy, understanding and compassion. From this point, however, sadly this has not been the case. As well as the inevitable trauma and grief that would follow a sudden and tragic accident such as this, my constituent Tina Thompson has been forced to fight tooth-and-nail to receive the full pension normally awarded to service personnel killed on duty.

Mrs. Thompson has said that

"the pain of losing my husband was incredible but fighting the Government for a small allowance to bring up our son is not something that I ever would have imagined having to go through."

I think most right-thinking people would echo those sentiments.

However, The Ministry of Defence has ruled that Mrs. Thompson and her son are entitled to only half the normal pension because Sergeant Thompson was on his way to work at the time of the accident and in its eyes not officially on duty nor responding to an emergency, although he was demonstrating his loyalty and attention to duty by leaving his home some hours before he would normally have needed to do so.

The Service Personnel and Veterans Agency refused to pay the full pension. Mrs. Thompson, in the midst of her grief, was forced to make an appeal against this decision and won a pension appeal tribunal ruling in her favour that she should receive the full pension.

Unaccountably, despite oft-expressed sentiments of the Ministry's support and admiration for service personnel, it appealed against the decision and Mrs. Thompson's pension was reduced by 50 per cent. She now received £388 a month, which I must repeat is a 50 per cent. reduction in that previously awarded. She made an appeal to the pensions commissioner against this decision last year, but it was unfortunately unsuccessful. To heap further insult on to injury, Mrs. Thompson was not officially informed of the final decision, but instead heard about it through her stepson on Christmas eve 2007. We are talking about more than two years of waiting and fighting for what most of us would have expected Mrs. Thompson was fully entitled to receive, and what we as a grateful nation would have seen to be a matter of natural justice.

Ever a fighter, Mrs. Thompson has again decided, with the assistance of the Royal British Legion, to fight on and to take the case to the Court of Appeal, although she could face a bill for legal costs of tens of thousands of pounds if the action fails. She has said:

"I am disappointed and really upset, it's heartbreaking and it's getting harder and harder to make ends meet...I always thought the MOD would be there to help families and people who have lost loved ones while they were serving their country."

She has also said:

"Most single parents find it a struggle and we have been left alone, the only help we have had has been from the British Legion."

Indeed, the Royal British Legion featured Mrs. Thompson and Aidan in its recent poppy appeal in November. To compound Mrs. Thompson's problems, on return from Cyprus, apart from assistance with the funeral, she has been without help from the Ministry of Defence or the Army. She says:

"I felt we had been abandoned. Out of sight, out of mind."

I would like the Minister to look into several points on her behalf. First, apart from one contact from a welfare officer in 2005, there has been no further assistance. Mrs. Thompson found for herself the Army inquiries and aftercare section, and she has had to initiate the contact herself. Secondly, it took almost two years for her to receive a copy of the police report into the accident and she had to obtain that for herself from a solicitor in Cyprus who is pursuing a civil claim for compensation from the other driver.

Thirdly, the black country coroner has requested details of the accident from the authorities so that he can conduct an inquest. However, the authorities in Cyprus are unable to release the relevant papers until the Attorney-General allows it—that is still outstanding. Finally Mrs. Thompson requires advice as to whether she is able to contest the police report, if she will be invited to the inquest, what actions the Army has taken or is taking against the third party, and what has happened to her husband's personal effects, especially the motorbike. Mrs. Thompson has been let down in her hour of need. Surely concern and compassion is called for when unexpected accidents such as this strike service personnel and their families. I put it directly to

[Lynda Waltho]

the Minister that if he has any ministerial discretion, surely this is a case crying out for it to be used.

In summary, Mrs Thompson lost her husband, her son will never know his father and her initial grief was compounded by the fact that she only received half of that to which she was entitled. Mrs. Thompson had the full amount of pension restored on appeal but has once again lost 50 per cent. of the pension to which she thought she was entitled and must now face the trauma and suspense of a further protracted legal battle for which she now may lose her home to pay the fees to receive what most of us would describe as her right.

Finally, the military covenant states:

"This mutual obligation...between the Nation, the Army and each individual soldier; an unbreakable common bond of identity, loyalty and responsibility which has sustained the Army throughout its history."

I stress the phrase "mutual obligation". Surely as a nation we are obliged to treat our service personnel and their relatives with respect and compassion. Alas, those sentiments appear to be sadly lacking in this case.

12.9 am

The Parliamentary Under-Secretary of State for Defence (Derek Twigg): I congratulate my hon. Friend the Member for Stourbridge (Lynda Waltho) on securing the time for this important debate and wish to place on record my appreciation for the support she gives to service personnel, and veterans and the interest that she takes generally in these issues. I know that she has a good relationship with her local veterans' organisations. I know that that is part of her general approach to supporting service personal.

The pensions and compensation awarded to sailors, soldiers and airmen and women who are injured in the service of their country, and to the families of those who sadly lose their lives, are an important topic. I am sure that the House will pay tribute to the sterling work of the armed forces and their courage, sacrifice and professionalism. Families, of course, play a vital role in supporting them, particularly through some difficult times.

The Government are fully committed to meeting their duty of care to serving personnel, veterans and families. That is recognised by many, including the Royal British Legion, which has acknowledged the number of improvements that we have made over recent years. We have, for example, seen a number of improvements in the programmes governing service pay, accommodation, health and welfare provisions, force protection and personal equipment. We recognise, however, that there is still scope for improvement and we continue to work on that, which is why we have announced a cross-Government personnel Command Paper, which is due to report this spring.

On 8 November 2007, the Government announced work to develop the first ever cross-Government strategy for supporting our service personnel, their families and veterans. The Command Paper will outline steps taken so far and future initiatives to enhance the Government's support. Work on the paper is being led by my right hon. Friend the Minister for the Armed Forces and will fully involve the service chiefs. We will also involve service and ex-service organisations. The intention is to ensure we have in place a framework of policies and practical services to meet the needs of our service personnel, veterans and their families.

I accept that things could be improved and that they have gone wrong in the past. We are working continually to improve the overall support that we give our service personnel, their families and veterans, because providing the correct level of support to bereaved families is a crucial part of supporting our armed forces. I was sorry to hear the issues raised by my hon. Friend this evening, and I assure her that I will get back to her on them and will find out what happened in this case.

The Ministry of Defence assists in a number of ways, including through the work of trained in-service visiting officers who are appointed to act as a liaison between the bereaved family and the services for as long as the family require it. Again, I am disappointed to hear that Mrs. Thompson has not heard anything since 2005.

Of course, the MOD has made a number of improvements to the support that it gives to bereaved families. The number of family members who receive travel and accommodation expenses to attend repatriation ceremonies has been increased from five to seven. Two family members are able to reclaim the costs of their attendance at pre-inquest hearings and funding is already provided for two family members who wish to attend the full inquest. A tax-free funeral grant is offered to families. If the family wishes to hold a service funeral, arrangements and funding are provided by the MOD. A further tax-free grant of £500 will be introduced for the next of kin to meet any personal costs that they might occur as a result of their bereavement.

My hon. Friend raised specifically the case of Mrs. Tina Thompson, to whom I offer my condolences, and I am sure that the rest of the House will join me in that. I cannot imagine what a traumatic and difficult time it has been for Mrs. Thompson since the loss of her husband due to his death in a motor accident in Cyprus in 2005. I pay tribute to him for his service in a number of military theatres and operations with the armed forces.

As my hon. Friend said, Mrs. Thompson has sought permission to appeal her case to the Court of Appeal. I ask my hon. Friend to understand that my remarks will therefore focus on the general provisions of the armed forces compensation scheme and pensions scheme, rather than on the particulars of Mrs. Thompson's case. It is important to put what the schemes provide on the record.

I want to draw the attention of the House to the decision of the independent pensions appeal commissioner, and his findings that

"service was not the predominant cause of"

Sergeant Thompson's death, that

"at the time of his death, he was not on duty"

and that

"at that time, he was not responding to an emergency."

Lynda Waltho: I appreciate the point that the Minister has just made. The question of what constitutes an emergency was a large part of the inquiry. Sergeant Thompson believed that he was responding to an emergency at his place of work, and so he left home two hours

before he would normally have done so. He believed that it was an emergency. It appears that the letter of the law defines an emergency as something different. I feel that it is possible that the MOD is hiding behind that point of law. That is one issue that I want the Minister to address when he can.

Derek Twigg: I can assure my hon. Friend that we are not hiding behind a point of law. I have drawn the House's attention to the decision of the independent pensions appeal commissioner and his findings on this case. I cannot go into the details of the case because there is an appeal pending, and I am sure that my hon. Friend will understand that.

The award under the armed forces compensation scheme, which came into effect in April 2005, compensates for pain and suffering and is made under a tariff-based system, which is informed by existing established models such as the Judicial Studies Board's guidelines for the assessment of general damages in personal injury cases and the criminal injuries compensation scheme. The most seriously injured are also awarded a guaranteed income payment. This is a tax-free, index-linked payment made every month from discharge. Between the lump sum and the GIP, individuals can receive hundreds of thousands of pounds over a lifetime. Unlike other compensation schemes, the armed forces compensation scheme has no monetary cap.

We have monitored the scheme closely in the light of experience and the scheme is due for a full review in 2010. At the end of last year, we recognised that the scheme was not fully meeting its policy intent of focusing resources on the most seriously injured. We have made changes to the rules relating to those who have suffered multiple injuries from a single incident to reflect better the serious and complex nature of some of the injuries that servicemen and women were receiving on operations. Because of improvements in body armour and medical care, people are surviving injuries that they might not have survived just a few years ago.

The scheme also provides for the families of those who lose their lives due to service. In such cases, a survivor's guaranteed income payment is made to the husband, wife, or civil partner for the rest of their lives—regardless of their own financial position or any future changes. This payment is based on 60 per cent. of the guaranteed income payment that the spouse would have been eligible to receive. There is also a child's payment awarded to the deceased's children and paid until the child is aged 18, or 23 if they remain in full-time education. This is set at 25 per cent. of the guaranteed income payment if there is one child, or, if there are more, the remaining 40 per cent. of the GIP is split between them. There is also a lump sum bereavement grant of up to £20,000 paid to the surviving spouse.

I am sure that the House will agree that while no amount of money can adequately compensate a family for the premature death of a husband or wife, a father or mother, the armed forces compensation scheme provides an appropriate level of no-fault compensation both for those injured and for the families of those killed as a result of their service in the armed forces.

Of course, the armed forces compensation scheme is not the only scheme to provide financial support for the family of deceased servicemen and women. Provision is also made under the armed forces pension schemes, and this is particularly relevant for those whose family members die while serving in the armed forces but not actually due to service.

Under the rules of the armed forces pension scheme 1975, for those cases where death occurs while in service but not due to service, a pension is paid to the surviving spouse or civil partner. Initially this will be a short-term family pension equal to the daily rate of pensionable pay. This is paid for the first 91 days, or for twice that if there are children. Thereafter the surviving partner receives a pension set at 50 per cent. of the level of pension that would have been payable to the serviceman or woman had they survived, but instead left service on the date they died. Any children receive a share of the remaining 50 per cent. of the pension, up to a maximum of 25 per cent. for a single child. The surviving spouse will also have received a lump sum payment equal to either three times the member's annual pension or twice the full invaliding rate of pension applicable to the rank of the individual involved, whichever is greater.

In 2005, the 1975 pensions scheme was closed to new entrants, and a new, more modern scheme introduced. All existing members of the 1975 scheme were given the opportunity to transfer to the armed forces pension scheme 2005, which remains the extant scheme. This provides for a tax-free lump sum payment of four times pensionable pay—an increase in what would have been payable under the 1975 scheme. It also provides for a pension based on the pension that the individual would have received had they been medically discharged, enhanced by half the remaining time the individual would have been expected to serve up to the typical pension age of 55. Dependants can also receive a pension.

It is important to understand that these substantial death-in-service benefits are available to surviving spouses, irrespective of the circumstances in which the serviceman or woman died. This distinguishes them from the additional payments available under the armed forces compensation scheme, which are only payable if a death is due to service, but ensures that no family is left without a means of support.

To give an illustration, and depending on earnings and age, for a sergeant that could equal a tax-free lump sum payment of more than £100,000, and a taxable pension in the region of £6,000 a year. In addition, the monthly payment to any children would further increase the size of the total award. To reiterate, these awards are payable to the family of any individual who dies in service, regardless of whether they are eligible for additional awards under the armed forces compensation scheme.

No amount of money can adequately compensate for the loss of a loved one. Additional awards are made to those families whose loved ones die while they are on duty, or for whom their service is the predominant cause of death. That is only appropriate, but the Ministry of Defence can and does ensure that any family left behind have some time and space to adjust to their loss without financial worries. It also provides ongoing support to any spouse or children left behind.

We want members of the armed forces and their families to get the fair deal that they deserve, and we will provide support in all circumstances, especially

[Derek Twigg]

when the worst possibilities come to pass. I am sure that the House will agree that a lot has been done to support armed forces personnel and their families.

My hon. Friend the Member for Stourbridge has raised some important points about what is a very difficult case with which she has been closely involved. While the appeal that is taking place means that I cannot comment on the details, I repeat that I am concerned to hear that Mrs. Thompson does not believe that she had the support that she should have had from the time of her bereavement. My hon. Friend said that Mrs. Thompson was last contacted by a welfare officer in 2005, and that there are problems to do with the coroner's inquiries and personal effects. I repeat my earlier promise that I will get back to her as soon as possible with the information that she needs for her constituent.

Question put and agreed to.

Adjourned accordingly at twenty-one minutes past Twelve o'clock.

House of Commons

Wednesday 26 March 2008

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Fuel Smuggling

1. **Mr. David Jones** (Clwyd, West) (Con): What recent assessment he has made of the extent of fuel smuggling in Northern Ireland. [195495]

The Minister of State, Northern Ireland Office (Paul Goggins): In February, my right hon. Friend the Secretary of State established a new multi-agency group within the Organised Crime Task Force to prepare a detailed enforcement strategy on fuel fraud. Later this week, I will meet my right hon. Friend the Financial Secretary to consider progress.

Mr. Jones: As the Minister will be aware, more than two thirds of illegal fuel seizures in the UK occur in Northern Ireland, yet the conviction rate is declining and forfeiture orders are uncommon. Some time ago, the Secretary of State suggested that he was considering the introduction of a specific offence of fuel laundering. Can the Minister tell us what progress has been made in that regard?

Paul Goggins: My right hon. Friend the Secretary of State did suggest that that specific offence was being considered. That is one matter that the working group in the Organised Crime Task Force will consider. I will consider those issues with my right hon. Friend the Financial Secretary when we meet tomorrow and subsequently. It might be that such an offence would help. I am also interested to ensure that we pursue landowners who rent out land and property and then turn a blind eye to the activities that go on there. The hon. Gentleman can rest assured that the full force of law and order in Northern Ireland needs to and will bear down on the issue.

Mark Durkan (Foyle) (SDLP): The Minister will be aware that there is concern that in future the full force of law will not bear down on those involved in fuel smuggling. With the disappearance of the Assets Recovery Agency and the retrenchment and reduction of already stressed Revenue and Customs services, people are worried that fuel smuggling and other criminal enterprise in the category of level 2 crime will not be pursued. Clearly, the police service will pursue level 1 crime and the Serious Organised Crime Agency will pursue level 3 crime. Who will pursue and have the resources and capacity to pursue level 2 crime in Northern Ireland?

Paul Goggins: What it demands, of course, is a strong partnership among all the forces of law and order and, indeed, legitimate trade. Business partnership is an essential prerequisite of enforcement action, but we need to bring together the Police Service of Northern Ireland, Her Majesty's Revenue and Customs and also the merged SOCA and Assets Recovery Agency. All those agencies need to work together and I assure my hon. Friend that we will not let up on this. Some £15 million of criminal assets have been taken back from fuel fraudsters in recent years. That effort will be undiminished when the new merged agency comes into operation.

Sir Patrick Cormack (South Staffordshire) (Con): Does the Minister accept that the effort needs to be increased? It is disturbing that so many people have got away with this crime, which is not a victimless crime, and that those who have been caught have not been adequately punished. Will he redouble his efforts?

Paul Goggins: Of course, the punishment of offenders is in the end a matter for the courts to determine. We are considering whether a new specific offence for fuel laundering should be introduced, but many existing offences can be prosecuted. It is important that Revenue and Customs, the police and the other agencies work together, gather the evidence and bring to justice those who break the law in such a way, because it undermines legitimate trade. That is key at a time when we are trying to build up the economy of Northern Ireland. I know that the Northern Ireland Affairs Committee, which the hon. Gentleman chairs, is deeply concerned about the matter. The full force of law and order will continue to bear down on the issue.

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): Whether or not the situation is getting worse, the Minister is right to say that it is very serious. Will he give the House an assurance that he is satisfied that the cross-border arrangements are working satisfactorily? Given that some of the worsening situation seems to have been attributed to the merger of Customs and Excise and the Inland Revenue a couple of years ago, will he assure us that the proposed merger between the Assets Recovery Agency and SOCA will not lead to a further problem in this area?

Paul Goggins: I warmly welcome the hon. Gentleman to his new position as his party's spokesman on Northern Ireland. I look forward to constructive exchanges with him. I assure him that cross-border co-operation on law enforcement is a high priority. Indeed, we are considering including representation in the working group of the Organised Crime Task Force that deals with such issues from the Criminal Assets Bureau, which is based in the Republic of Ireland, and from the Irish Revenue commissioners, who are the equivalent of HMRC. We seek to bring the forces of law and order together.

I repeat the assurances that I gave to my hon. Friend the Member for Foyle (Mark Durkan). From next month, the Assets Recovery Agency and SOCA will be merged. In my view, that will toughen up our attack

line on organised crime rather than diminish it. It will combine the intelligence brought by SOCA with the practical hands-on experience of asset recovery work brought by the Assets Recovery Agency. The combined agency will be even more effective.

Mr. Nigel Dodds (Belfast, North) (DUP): The Minister talks about the merger of the Assets Recovery Agency and SOCA in glowing terms, but does he accept that, given what people have said today and during the consultation, there is fear that the big fish in Northern Ireland in fuel laundering and other serious crime will escape when we consider the overall objectives and priorities of SOCA? Will the Minister assure us that the godfathers in Northern Ireland and elsewhere will be pursued relentlessly and brought to book and that their assets will be seized?

Paul Goggins: I can give the hon. Gentleman an absolute assurance on that matter. There will be no thresholds imposed on Northern Ireland that relate to the rest of the United Kingdom. We will determine our own local priorities in Northern Ireland. Indeed, as soon as possible after the merger of the Assets Recovery Agency and SOCA, I shall publish a new asset recovery action plan for Northern Ireland, which will lay out what every agency is doing in order to pursue the criminal element and to recover the criminal assets that it has taken.

Mr. Stephen O'Brien (Eddisbury) (Con): When I used to help run businesses in Northern Ireland, nothing undermined confidence in markets more than smuggling and cross-border illegal trade. Given the single land border in Northern Ireland between ourselves and Ireland, we need a border police force that really operates effectively in order to stop that undermining of confidence. Markets and market recovery in Northern Ireland are one of the best underpinners of peace, and that is why this is so important. Does the Minister agree?

Paul Goggins: The hon. Gentleman makes a very constructive remark. We have to bear down on any organised criminal activity intended to use and manipulate the border to criminal advantage. I say to the hon. Gentleman, however, that the proportion of UK duty-paid petrol that is currently consumed in Northern Ireland is up to 86 per cent. from 82 per cent. just a few years ago. Of course, some of the missing 14 per cent. is legitimate cross-border shopping. We are improving the position, but we need to do even more. He has my assurance that we will do that.

Irish National Prisoners

2. **Mr. Philip Hollobone** (Kettering) (Con): How many Irish nationals are held in prisons in Northern Ireland. [195496]

The Minister of State, Northern Ireland Office (Paul Goggins): As of today, there are 107 prisoners who have declared themselves to be of Irish nationality—7 per cent. of the total prison population.

Mr. Hollobone: What steps is the Northern Ireland Office taking to return to their country of origin any Irish nationals, as well as nationals of other countries? There is growing concern across the United Kingdom about the number of foreign national prisoners held in British jails.

Paul Goggins: We of course have to be careful as we approach this issue because, as the hon. Gentleman will know, as a result of the Belfast agreement anybody born in Northern Ireland can declare themselves as Irish, British or both. He asks how many prisoners in the Northern Ireland system have a home address in the Republic of Ireland. That figure is 19. We will seek to deport people if it is ordered by the court or if the Secretary of State determines that it is in the public interest so to do. For other foreign national prisoners, of whom there are around 80 in the Northern Ireland system, we liaise closely with the Border and Immigration Agency, which takes the appropriate action when those prisoners are released.

Mrs. Claire Curtis-Thomas (Crosby) (Lab): Employment remains a crucial feature of keeping young people out of prison. What has my hon. Friend done to ensure that young people in prisons have access to workplace training placements?

Paul Goggins: My hon. Friend makes an extremely important point. The Prison Service of Northern Ireland is absolutely committed to ensuring that we improve educational opportunities and training, so that when prisoners move back into the community they are able to access jobs, have a home to live in and play a purposeful and positive role in the community, rather than return to offending.

Fine Defaulters

3. **Tony Baldry** (Banbury) (Con): What percentage of prisoners in Northern Ireland are fine defaulters. [195497]

6. **Mr. David Burrowes** (Enfield, Southgate) (Con): What proportion of those serving a custodial sentence in Northern Ireland were convicted for defaulting on fine payments. [195502]

The Minister of State, Northern Ireland Office (Paul Goggins): Although on average fine defaulters occupy up to 30 prison places at any one time, they represent 30 per cent. of all committals to prison. Ministers have made a commitment to deal with that overuse of custody by a range of alternative community-based penalties.

Tony Baldry: The Minister will be aware that the Northern Ireland Affairs Committee, in a report on the Northern Ireland Prison Service, said that the sending to prison of fine defaulters placed an unreasonable demand on the scarce resources of the service, and recommended that immediate steps be taken to ensure that short-sentenced fine defaulters did not abuse the system. What steps exactly are being taken to ensure that?

Paul Goggins: I warmly welcome the report from the Northern Ireland Affairs Committee, which put its finger on a number of important issues, including that one. It is quite a misuse of public resources that 2,000

prisoners each year are committed to prison in Northern Ireland because of fine default. They stay an average of four days, and usually their fine is of less than £600. In the new criminal justice measure that I shall shortly bring before the House, a new supervised activity order will put in place unpaid work instead of prison placement. Also, later this year, the fine default working group will produce further recommendations, which will include a proposal to introduce deduction from earnings and benefit, which of course should be in place well before custody is ever considered.

Mr. Burrowes: Does not the presence of fine defaulters in the Maghaberry high-security prison illustrate the Government's failure to implement the recommendations regarding the treatment of those prisoners who require the lowest level of security management? When will the Government implement those recommendations, which will go some way to dealing with what the Secretary of State said in February was an "outrageous waste" of prison time and resources?

Paul Goggins: The hon. Gentleman suggests that that is an important issue that needs to be tackled, and to that extent I agree entirely. I have said that it is being tackled, and my right hon. Friend the Secretary of State has set out a prospectus to do just that. We are beginning with the supervised activity orders that I have described, which will be followed by deductions from earnings and benefits. We are rebalancing the criminal justice system in Northern Ireland: those who pose the greatest risk of harm to fellow citizens will go to prison for longer than was the case in the past, while less serious offenders will be given robust, community-based punishments.

Dr. Alasdair McDonnell (Belfast, South) (SDLP): Will the Minister give an estimate of the number of women in prison in Northern Ireland for defaulting on the television licence?

Paul Goggins: I cannot give a precise response to that question, but I shall write to my hon. Friend with the clear answer that he has asked for. However, it would be wrong to hold women or anyone else in prison for the non-payment of the television licence fee, or for any other minor matter. Such people should be dealt with robustly and their fines should be enforced, but they should not be detained in prison.

Mr. Peter Robinson (Belfast, East) (DUP): What does it say about the Government that they have found time to pass legislation granting amnesties for mass murderers in Northern Ireland, but not for legislation that would deal with fine defaulters and keep them out of prison? Will the Minister look at the legislation that was introduced in the old Stormont Parliament after the Social Democratic and Labour party held a rent and rates strike? The legislation meant that money could be docked from benefits as well as from earnings.

Paul Goggins: I am always grateful for the right hon. Gentleman's advice about things that were tried in the past, but I hope that he will agree that committing 2,000 people to prison each year in Northern Ireland for defaulting on fines is entirely wrong. In certain exceptional cases, it may be necessary to use prison as the last resort, but there needs to be a series of alternative, community-based punishments. I look forward to working with the right hon. Gentleman and others to make sure that the necessary reforms are made, so that fine defaulters are dealt with robustly but in the community.

Mr. Laurence Robertson (Tewkesbury) (Con): The House is aware of the problem with fine defaulters, some of whom are in prison for as little as 24 hours, but there is also a problem with the number of remand prisoners in Northern Ireland. They make up 37 per cent. of the prison population there, compared with 15 per cent. in England and Wales, and that proportion is rising. What does the Minister consider to be wrong with the criminal justice system in Northern Ireland, and what can he do about it?

Paul Goggins: As I have said already, we are reforming the criminal justice system in Northern Ireland to make sure that those who pose the greatest risk are dealt with most severely, while less serious offenders are dealt with in the community. The hon. Gentleman rightly states that about a third of people in the prison system in Northern Ireland are on remand. We must speed up the administration of the criminal justice process in Northern Ireland, but we are absolutely committed to doing so and have put in place targets to that end. Also, the criminal justice order that he and I will no doubt be debating soon contains a proposal to introduce electronic tagging to enforce curfews. Where appropriate, that will be another alternative to remanding people in custody, and it shows that we are taking action to rebalance the system to make it work more effectively.

Paramilitary Organisations

4. **Mr. Andrew Mackay** (Bracknell) (Con): What recent assessment he has made of the activities of paramilitary organisations. [195500]

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): I am looking forward to receiving the next Independent Monitoring Commission report at the end of April. More work still needs to be undertaken by loyalist organisations, and dissident republicans continue to pose a limited but real threat.

Mr. Mackay: The Secretary of State must be concerned about the apparent increase in paramilitary beatings, especially in some of the most deprived districts across the Province. What action is he taking to ensure that the police get a grip of those areas, and that the paramilitaries do not pose as defenders of local communities?

Mr. Woodward: The police have got a good grip on dissident activity, and they do an extremely brave job. The right hon. Gentleman will know that at the end of last year two police officers were targeted by dissident republicans. I am pleased to report that they have made a good recovery. They do an extremely important and brave job, but the overall crime figures—and we should view that activity in the context of crime—reveal just how successful the PSNI is.

Mr. Eddie McGrady (South Down) (SDLP): Will the Secretary of State inform the House whether, over the past two years, he has had negotiations or discussions

with the Ulster Volunteer Force, the Ulster Defence Association, dissident republicans and other such groups, for the purposes of obtaining ceasefires and decommissioning? If not, what has led to the change of Government policy and strategy?

Mr. Woodward: Again, the figures demonstrate the huge elements of progress that have been made. Whether we are talking about dissident republican activity or dissident loyalist activity, to which the hon. Gentleman referred, regrettably there are still elements out there who wish to behave in a criminal way. There is, of course, as the last IMC report indicated, more that needs to be done through action, and not just words, by dissident loyalist groups, but I look forward to receiving the next IMC report, which I am confident will show that further progress has been made.

Rev. Ian Paisley (North Antrim) (DUP): Will the Secretary of State make a statement on the serious rioting in Londonderry at the weekend? When illegal parades on the Protestant side of the community take place, an attempt by the police to stop those involved from gathering is usually successful, but it seems that in the incident in question people could gather. In fact, for the first time in a very long time, 40 petrol bombs were recovered by the police, and there was a savage attack on the police in Londonderry. Would the Secretary of State not think it better, at this time, to concentrate on helping the police, rather than to enter into an engagement on whether power should be devolved to Stormont? Any organisation that has an army council associated with violence should not have anything to do with the police.

Mr. Woodward: I think that this is the first chance that I have had since the right hon. Gentleman announced that he will stand down as First Minister in May to put on record in the House what a huge debt the House owes him for the work that he has done, both in leading his party and as First Minister.

On the events that the right hon. Gentleman mentioned in Londonderry, I think that no sensibly minded person would do anything, in any shape or form, other than condemn the behaviour on the streets over the weekend. Petrol bombs and attacks on the police are a thing of the past and should be utterly condemned. I remind all hon. Members that this weekend Sinn Fein were as strong as any in condemning the activity that took place. He is right to talk about the importance of devolution of policing and criminal justice, and to point out the attention that the Government continue to pay to the issue. I just say to him that, while I condemn without reservation the behaviour of those criminals on the streets in Londonderry this weekend, I make no apology for continuing to encourage momentum on devolution, because that is the best way for us to secure long-term peace on the streets of every part of Northern Ireland.

Criminal Justice and Policing

5. **Miss Anne McIntosh** (Vale of York) (Con): If he will make a statement on the progress of devolution of criminal justice and policing to Northern Ireland. [195501]

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): Since May last year, huge progress has been made in Northern Ireland, not least with the publication of the Assembly's progress report, which I laid before Parliament yesterday. Perhaps there is no better indication of the progress made in Northern Ireland than the visit last week by Her Majesty the Queen, who was able for the first time to attend a maundy service there – and, even more significantly, a maundy service in Armagh.

Miss McIntosh: The St. Andrews agreement is due to come into effect in May, and criminal justice and policing in particular go to the heart of that agreement. We have just heard that there may well be reasons why that deadline is not met. Will the Secretary of State meet that deadline, and if not, what does he expect will happen?

Mr. Woodward: The St. Andrews agreement began in May last year with the first stage of devolution, and I am pleased to report just how successful in all the areas where devolution has taken place the power-sharing Government have been. There remains the second stage of devolution, which in the agreement was envisaged to take place this year, hopefully in May. However, the hon. Lady rightly asks whether we will be able to complete it. The Government will have completed their promises and their arrangements, so that when the Assembly and the Executive have cross-community support and ask for devolution to take place, the Government will be able to fulfil their promises and objectives.

David Simpson (Upper Bann) (DUP): The Secretary of State will be aware of the comments made by Mary McAleese, the President of the Republic of Ireland, when she said that Her Majesty the Queen could be invited to the Irish Republic only when policing and justice powers were devolved. Does the right hon. Gentleman agree that that statement was scandalous and shameful?

Mr. Woodward: I understand the emotions that are inevitably raised on the issue, and I understand the comments made by the hon. Gentleman, but the comments made by President McAleese last week must be seen in the context of a reply to a question from a journalist. They were heartfelt and they followed what had been said by the Taoiseach. Let us be clear. A visit by the Queen to the Republic will be agreed between the Palace and the Irish Government, and it will be a matter decided upon by the Queen at a time of her choosing.

Mr. Owen Paterson (North Shropshire) (Con): The key to devolution of policing and justice is to build cross-community confidence. What discussions has the Minister had with senior members of the republican movement to ensure that the IRA army council is disbanded?

Mr. Woodward: The hon. Gentleman is right to talk about cross-community support. As he knows, recent polls in Northern Ireland have consistently shown that a majority of people not only support the devolution of policing and justice powers, but that they support that sooner rather than later, and that a majority would like it to be in May this year. On the specific question about

discussions with republicans about the future of paramilitary structures, let me be equally clear. All the paramilitary structures, the army council included, are vestiges of the past. It would be better if they were gone this afternoon, and the sooner any leaders in any party can bear down on getting rid of the vestiges of Northern Ireland's paramilitary past, the better.

Mr. Paterson: Actions speak louder than words. What steps is the Minister taking to encourage full republican co-operation, which is essential to solving the McCartney and Quinn murders and would go a long way to encouraging Unionists to support devolution?

Mr. Woodward: The hon. Gentleman is right; actions do speak better than words, which is why we are seeing an unprecedented level of co-operation between the community and PSNI precisely in areas where, for example, the terrible Quinn murder happened, as the hon. Gentleman is aware from his own discussions with the Chief Constable. Further to that, let me say once again to the hon. Gentleman that none of those structures, the army council included, has any place in tomorrow's or even today's Northern Ireland, and I welcome his support in joining me to apply pressure wherever it can be applied to ensure that those paramilitary structures belong in the dustbin of history.

Mr. Jeffrey M. Donaldson (Lagan Valley) (DUP): Surely the greatest leverage that the Government can apply on the republican movement is to insist that the army council is removed before there is devolution of policing and justice. That is the one lever that the Government have, and instead of putting it up to the political parties in Northern Ireland, is it not time that the Government used their position and influence to press for that and insist on it before there is any question of further devolution?

Mr. Woodward: Let me put on record again my thanks to the right hon. Gentleman for the work that he has done with his Assembly and Executive Review Committee over the past six months to prepare the political parties of Northern Ireland for devolution. It is perfectly clear that he shares with all other hon. Members the view that there is no place in the future for any vestiges of paramilitary activity. He knows as well as I do that it is intention that matters. For that reason, I urge him to be careful about setting pre-conditions and to remain focused on intent and on building cross-community confidence. I remind him of what he said about policing and criminal justice only last week:

> "I think that indicates that the political parties are almost at the point where they can take on this responsibility".

Provisional Army Council

7. **Mr. Andrew Robathan** (Blaby) (Con): What assessment he has made of the likelihood of the Provisional army council disbanding. [195503]

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): I am sure that everybody looks forward to the day when all vestiges of Northern Ireland's paramilitary history, including the army council, have been relegated to where they belong: the past.

Mr. Robathan: The Provisional army council is not some branch of the Royal British Legion, but a terror command structure. Given that the Government's policies have put terrorists and murderers into government in part of the United Kingdom, and given that the self-same people were and may still be members of that terror command structure, how can the Secretary of State even contemplate having them in charge of policing the criminal justice system?

Mr. Woodward: I am sorry to disappoint the hon. Gentleman, but he will know that the Belfast agreement, subsequently built on by the St. Andrews agreement, enables the politicians and people of Northern Ireland to determine their future. As such, we built into the St. Andrews agreement that it would be for the parties to agree on the matter, that it would be an issue of cross-community confidence, and that when a motion was brought before and agreed by the Assembly, it would finally have to come before this House before we could move forward on devolution.

As for the idea of terrorists being put into positions of power, I simply say this to the hon. Gentleman: all those members of the Executive have taken an oath of office, and they are required, both now and in future, to live up to that oath.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [196463] **Gwyn Prosser** (Dover) (Lab): If he will list his official engagements for Wednesday 26 March.

The Prime Minister (Mr. Gordon Brown): This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Gwyn Prosser: No one knows better than my constituents the huge effects that cross-channel co-operation and our new border controls have had on clamping down on illegal immigration, but there is more work to be done. What will my right hon. Friend be discussing tomorrow with our new friend, President Sarkozy, to continue the work of improving and reforming our immigration schemes, to strengthen our economies and to get a grip on the militants at Calais—*[Interruption.]*

Mr. Speaker: Order.

The Prime Minister: Let me first of all thank my hon. Friend for his question, and welcome President Sarkozy and his wife to Britain. I believe that our talks in the next few days will be very constructive. My hon. Friend is absolutely right about illegal immigration and I hope that in our talks today and tomorrow, the President and I can agree to tighten up controls at Calais. I hope also that we can have an agreement that there will be no further immigration centres like Sangatte, and that they will not exist in the future. Given the present global financial turbulence and the

fact that in one country in the last day interest rates have moved to 15 per cent., I also believe that it is right that France and Britain agree measures, which we can put to the international institutions over the next few days, that will strengthen the stability of our economies, deal with problems of lack of transparency in financial information and make sure that the European economies can continue to grow together. That is possible only because we want a Britain at the heart of Europe and not detached from Europe.

Mr. David Cameron (Witney) (Con): I join the Prime Minister in welcoming President and Mrs. Sarkozy to Britain.

It is now nearly eight months since the start of the credit crunch, and one of the key questions is how well prepared we are. Does the Prime Minister now accept that in terms of financial regulation, the UK has been shown to have some serious failings?

The Prime Minister: We have already looked at some of the changes that can be made, both in the Financial Services Authority—there is a report of the Treasury Committee today—and in the Bank of England. But if I may say so, if the right hon. Gentleman now looks around the world and sees what happened to Bear Stearns, sees that three banks have fallen in Germany and sees what happened to Société Générale in France, he will realise that we have been better protected than other countries against the global financial turbulence, and that that is precisely because we did not take the Opposition advice that would have caused instability.

Mr. Cameron: People around the world are making a contrast between Bear Stearns, where a rescue was organised in just a few days, and Northern Rock, where there were months of dithering. I know that the Prime Minister created the regulatory system, but he needs to be frank about its failings. Today's FSA report is a remarkable report, which says:

"The supervision of Northern Rock revealed the most significant combination of shortcomings",

yet not a word about that from the Prime Minister. The director general of the CBI says that this was the first new test of the tripartite system, and it failed to deliver the goods. So that we are better prepared in future, does the Prime Minister agree that the Bank of England, not the Financial Services Authority, should be in charge of rescuing banks that fail?

The Prime Minister: First of all, until a few weeks ago the right hon. Gentleman supported what we did on Northern Rock, so it makes no sense for him to criticise now. Secondly, as far as the Financial Services Authority is concerned, it is true that it has been regulating for solvency, and it has done a good job. The problem arose in terms of liquidity, and that is where further efforts have got to be made. That is true, as the President of America's report is saying, for the American financial system, and it is true of the French and the German financial systems as well. All countries are realising that more has to be done to protect against illiquidity, and they also know that there has to be greater transparency in the financial system. I repeat: the lessons that are being learned are being learned around the world.

The Conservative party published a document in the past two days saying that far from Britain doing badly, real living standards in Britain among pensioners had risen by £1,500 since 2001; for single women pensioners, by £1,000; and for couples, by £700. That is on page 16 of the Conservatives' own document.

Mr. Cameron: I tell you what that document said: it said that since this man became Prime Minister, the price of milk is up 17 per cent., the price of eggs is up 28 per cent. and the price of bread is up 34 per cent. That is the real cost of living under Labour.

In his answer, the Prime Minister said an extraordinary thing—that the Financial Services Authority has done a good job. What he has not read is the report out today by the Financial Services Authority that says:

"The Financial Services Authority is short of expertise in some fundamental areas, notably prudential banking experience and financial data analysis."

Are not those the absolutely key things that are needed to be a regulator? Is not that why the Bank of England should be in charge of these rescues rather than the Financial Services Authority? The Chancellor—*[Interruption.]* They do not like to hear the extent of the failure of the system put in place by the Prime Minister. The Prime Minister and the Chancellor have made several U-turns recently; why do they not make one more U-turn and make the Bank of England responsible?

The Prime Minister: I know what the chairman of the right hon. Gentleman's defence commission, Frederick Forsyth, meant when he said that David Cameron has a

"sketchy grasp of basic arithmetic",

because he does not understand what is happening. The FSA has admitted that it must do more about liquidity problems, but every financial organisation around the world that is regulating markets is accepting the need to do more. He would be better addressing the real problems that we face—off balance sheet activities, write-offs that have not been properly declared, and credit rating agencies that have done the job of being advisers as well as raters. Those are the problems that have got to be addressed. Instead of just blaming the Financial Services Authority, he should look at the real problems that President Sarkozy and I will address. The real problems will not be solved by someone who has no basic grasp of arithmetic. *[Interruption.]*

Mr. Speaker: Order. The Leader of the Opposition.

Mr. Cameron: It is time that the Prime Minister and the Chancellor—*[Interruption.]*

Mr. Speaker: Order. The Leader of the Opposition.

Mr. Cameron: It is time that the Prime Minister and the Chancellor realised that one of the real problems facing Britain is their economic mismanagement. It is frankly pathetic to listen to the Prime Minister of the United Kingdom read out quotes from a novelist when he ought to be reading out from the Financial Services Authority's report. A key point in terms of how well prepared we are is the size of the Government's budget deficit. Out of 55 major world economies, only three

economies have a bigger budget deficit than Britain. That is why he is putting up taxes. Most other countries are helping families with the cost of living; this Government are hitting them. Can he name one other major country that has just introduced a Budget putting up taxes? Name one.

The Prime Minister: We are injecting more money into the economy this year. We are not taking money out of the economy; we are cutting the basic rate of income tax to 20p. Let us compare what was happening during the last world downturn: 15 per cent. interest rates, 10 per cent. inflation, 3 million people unemployed, public spending being cut, and taxes rising dramatically with VAT on fuel. Let us compare that with what is happening now: we have low inflation, low interest rates, the highest levels of employment in our history, unemployment at its lowest since 1975 and public services continuing to expand. If the right hon. Gentleman does not accept that today, he should remember that he said on Monday on BBC Radio London:

"Interest rates still look low historically"

We have kept interest rates low.

Mr. Cameron: Not only has the Prime Minister not read the report from the Financial Services Authority, it is pretty clear that he has not read his own Budget. Pages 111 and 112 of the Red Book show taxes going up in the Budget. Everybody knows that taxes have just gone up. Every time you fill up the car, taxes have gone up; every time you buy a car, taxes have gone up; every time the family goes shopping, and so on. No wonder every pub in Britain is trying to ban the Chancellor from having a pint. The Prime Minister has not answered a single question so let us just try this once again. Can he name one other major country that is responding to the downturn by putting up taxes? Name one.

The Prime Minister: We are injecting more money into the economy—the right hon. Gentleman simply does not understand basic arithmetic. The basic rate of income tax is going down to 20p. Let us look at our record. Inflation in Britain is 2.5 per cent. in America it is 4 per cent. and in the euro area it is over 3 per cent. So which country has the lowest rate of inflation of the major countries? It is Britain. We have kept interest rates low, and whereas unemployment is 8 per cent. in Germany, 8 per cent. in France and rising in America, it is at its lowest in Britain since 1975, at half the rate of our European partners. That is a Government who are better prepared for a world downturn. The problem is that the Conservatives want £10 billion of tax cuts, they want to say that they will raise public expenditure, they want to say that borrowing should fall and they say that they want tax cuts at the moment to boost the economy. That is the same recipe that they followed in 1992, and it led to the worst recession since the war. And who was the economic adviser to the Treasury at the time? None other than the Leader of the Opposition.

Mr. Cameron: The Prime Minister has not answered the question. He cannot name one other major country that is putting up taxes in a downturn. He asked for some basic arithmetic; I will give him some. One Prime Minister plus one Chancellor equals economic incompetence. Every other Government have put aside money in the good years to build up their surpluses. Instead, this Government, at the end of a period of worldwide economic growth, have achieved a unique double: the highest tax burden in our history and the biggest budget deficit in western Europe. Does he feel any responsibility for any of this, or is he totally incapable of admitting his mistakes?

The Prime Minister: The highest tax burden in our country happened under a Conservative Government in the 1980s. The rising deficit in the world is a rising deficit in America, which will be higher than ours. I just wish the right hon. Gentleman had known something about economics when he came to this House and started to tell us what to do. The truth is that we have cut corporation tax from 30p to 28p, and we will cut income tax from the beginning of April from 22p to 20p. All he can give us is slogans and not substance; the Conservatives have learned nothing from their experience of the 1990s.

Alan Simpson (Nottingham, South) (Lab): Are the Government on course to deliver the Prime Minister's commitment to take all vulnerable households out of fuel poverty by 2010?

The Prime Minister: In the Budget, we put in more money to help low-income households deal with their fuel bills. We have done more to deal with the problems of homelessness and fuel poverty in the last 10 years than the Conservatives ever did in 18 years. In the Budget, we raised the winter fuel allowance, we raised the amount of money available for insulation and we will continue to do more to meet our social housing targets.

Mr. Nick Clegg (Sheffield, Hallam) (LD): Home repossession orders now stand at 100,000—the same as in 1990—and house prices are falling faster than they were even then. Does the Prime Minister still deny that the crisis facing British home owners today looks at least as bad as the Tory recession of the early 1990s?

The Prime Minister: I do not know when the Liberal party will ever learn. Interest rates were 18 per cent. at one point in the early 1990s; they are 5.25 per cent. today. The number of repossessions in the last year was 27,000; in the first two years of the 1990s, it was 200,000. We are dealing with a quite different situation and the reason is that we did not take the advice of the Liberal party, but pursued policies for economic stability.

Mr. Clegg: Is complacency the only thing that the right hon. Gentleman has to offer the thousands of British families who are frightened of losing their homes? Will he now instruct the Bank of England to take house prices into account when setting interest rates, to stop the boom and bust in the housing market? Will he also stop banks from repossessing homes at will and force them to explore all other options to keep British families in their homes?

The Prime Minister: But the way to deal with the economic problems is to keep inflation low and to keep interest rates low, and that is exactly what we have done. Inflation is lower than in the rest of Europe and lower than in America. That is why interest rates have

managed to come down twice in the past few months, whereas that has not been possible in the euro area. I tell the right hon. Gentleman this: we take seriously our responsibility to home owners in this country. That is why there are 1.5 million more home owners now than there were in 1997, why interest rates are on average half what they were in the Conservative years and why mortgage rates are lower than they were on average in those 18 years. We will continue to ensure that inflation and interest rates are low, to the benefit of home owners. One way we will do that is by not taking the advice of the Liberal party.

Q2. [196464] **Mr. David Chaytor** (Bury, North) (Lab): After cancer and heart disease, the fear of falling victim to stroke is one of the greatest anxieties felt by elderly people. In Greater Manchester, the decision will be taken shortly to establish three new specialist stroke centres. The Prime Minister will know of the outstanding work done by the stroke service at Fairfield hospital in my constituency. Does he agree that Fairfield will be an ideal location for one of the new specialist stroke centres?

The Prime Minister: I know that my hon. Friend will push the case hard for Fairfield general hospital, which I understand does a very good job. There is a Manchester-wide integrated stroke service strategy to be published. We have already put in £105 million of Government funding to support the general stroke strategy. Up to 6,000 deaths could be avoided as a result, and 15,000 strokes could be averted through preventive work. That is why we will take seriously not only what my hon. Friend says about his hospital, but the need to improve stroke services throughout the country. That is possible only because we are increasing the money available to the national health service.

Rev. Ian Paisley (North Antrim) (DUP): Would the Prime Minister give to the people of Northern Ireland the assurance today that the Government will not countenance supporting any attempt to use the embryo Bill to legalise abortion in Northern Ireland through back-door legislation, keeping in mind that all parties in Northern Ireland are opposed to this? Surely that decision should be made by Stormont, and Stormont alone.

The Prime Minister: First, this is the first time that the right hon. Gentleman has been in the House since he announced that he was giving up his job as First Minister, and I want to thank him for everything that he has done as First Minister. The whole House—indeed, the whole of the United Kingdom—owes him a huge debt of gratitude for the way he has brought together the parties in Northern Ireland and been a very successful First Minister over the past few months.

The matter of an amendment on abortion to the Human Fertilisation and Embryology Bill is a matter for this House. I do not believe that the House will wish to change its mind on these issues, but that is a matter of a free vote of the House of Commons.

Q3. [196465] **Dr. Alan Whitehead** (Southampton, Test) (Lab): Does the Prime Minister think that energy companies should do more to help vulnerable groups deal with the cost of their fuel? Does he think that they should all introduce standard social tariffs to assist such people, and if they do not, is he prepared to legislate?

The Prime Minister: This is exactly the area where we are working with the energy companies at the moment. We are talking to them, and we have said that they need to deliver a package of social assistance to vulnerable households that will increase their spending from £56 million a year to £150 million a year. We want the energy companies that have benefited from the windfall as a result of the European licence trading in relation to climate change to put an extra £100 million a year into helping the very households that my hon. Friend is talking about. That is on top of the winter allowance, which we have just increased, and on top of the help with insulation that we are giving. I understand how difficult it is for people at the moment. Oil, gas and coal prices have risen by between 60 and 80 per cent. around the world. That is why, with the winter allowance and the extra £100 million that the energy companies will be expected to put in, we will do our best by those people who face, or are threatened by, fuel poverty in this country.

Q4. [196466] **Sir Paul Beresford** (Mole Valley) (Con): I have an interest to declare on this question. If the media were to be believed a few months ago, the ravages of dental decay were becoming widespread. The Prime Minister will be aware that fluoridation is generally considered to be the best way to prevent that disease. The Water Act 2003 promised to bring in fluoridation, but not a single water supply has been fluoridated since then. Will the Prime Minister confirm that he agrees with the need for fluoridation, and will he meet a small delegation to discuss the changes needed to implement it?

The Prime Minister: I am personally very sympathetic to what the hon. Gentleman says. I have seen the benefits of fluoridation myself. One reason for us putting extra money from the health budget into fluoridation is to encourage that to happen around the country. I would be very happy to meet a delegation, as the hon. Gentleman suggests. Also, the Health Secretary has just told me that £14 million of extra money is being put in to help with this, and that is one way in which we can encourage local authorities and others to take up fluoridation. It is a good thing for the teeth of the people of this country.

Mr. Denis MacShane (Rotherham) (Lab): Did the Prime Minister hear the very warm words—almost a love letter—that President Sarkozy sent to Britain via the "Today" programme this morning? When he meets the President, can we reciprocate? Does he agree that the default setting for our political class, for Whitehall and, above all, for the media is often to express contempt and derision for France? Can we not try to turn the entente cordiale of the last century into an entente amicale, or even an entente fraternelle, for this century?

The Prime Minister: My right hon. Friend is absolutely right. President Sarkozy and his French Government and our Government have a great deal in common and a shared agenda for the future. We will be discussing

co-operation on matters relating to energy and security. We will also be discussing how we can work together on the environment and the economy. I believe that, coming out of these talks, we will find a shared agreement to move things further. I believe in the international institutions when it comes to the reform of the economy, and we will now vote together on crucial areas in which we must reform the international economy. My right hon. Friend is absolutely right to say that the entente cordiale is moving into a new era, and I hope that Members on both sides of the House will welcome that, but it does require Britain to be at the centre of Europe and not isolated from it.

Castle Point

Q5. [196467] **Bob Spink** (Castle Point) (Con): If he will visit Castle Point to review its infrastructure.

The Prime Minister: I have no current plans to do so.

Bob Spink: Such a shame. Canvey Island will soon have 50,000 residents, and we need a new access road from a different point on the island for environmental and regeneration reasons, and particularly for safety reasons, in case we ever needed to evacuate the island again. The Prime Minister will remember that 58 people lost their lives on Canvey Island in the last great flood because they could not be evacuated. Will he join me in pressing Essex county council, which is Conservative controlled, to make that its top priority? If it does, we will get the access road that we need. If it does not, the people will know who to blame.

The Prime Minister: I am grateful to the hon. Gentleman for his question, because it allows me to point out that we have increased spending on roads by 80 per cent. in real terms since we came to power, and that that spending will have more than doubled in real terms in the years up to the next decade. However, it is the responsibility of Essex county council to bring forward a scheme that provides value for money and meets environmental objectives. I know that Essex county council is neither of the hon. Gentleman's party nor of ours, but I hope that it will listen to his representations.

Engagements

Q6. [196468] **Mr. Robert Flello** (Stoke-on-Trent, South) (Lab): Will my right hon. Friend take the opportunity over the next few days to talk to President Sarkozy about working closely and helpfully with the Chinese Government in order to find a peaceful and lasting solution to the Tibet question? Will he do that?

The Prime Minister: I am grateful to my hon. Friend, as this issue concerns not just France and Britain, but the whole world. As I said last week, I have talked to Premier Wen about it. My hon. Friend may know that a human rights dialogue took place with the Chinese Government at the beginning of the year, and officials from Britain visited Tibet and reported on it. We are determined to draw to the Chinese Government's attention changes that need to be made. We urge restraint where there has been violence and we urge reconciliation where there is a lack of dialogue. I repeat that the authorities in China and the Dalai Lama should, subject to the conditions laid down, get into talks. We are determined to help and facilitate a process of dialogue and reconciliation.

Q7. [196469] **Mr. Gerald Howarth** (Aldershot) (Con): Given reports that embassy staff in Washington have been forbidden from using the expression "the special relationship", will the Prime Minister—for the benefit of the people of this country and perhaps of President Sarkozy—define his understanding of the meaning of "the special relationship" between the United Kingdom and our closest ally, the United States?

The Prime Minister: As the right hon. Gentleman says, it is our closest ally and our single most important partner, so I use the term "special relationship" with pride.

Q8. [196470] **Mrs. Betty Williams** (Conwy) (Lab): As my right hon. Friend knows, the Foreign Secretary launched the Government's annual human rights report at the Foreign Office last night. Will the Prime Minister join me in congratulating the many volunteer organisations that contribute so much to fostering human rights across the world—including my fellow members of Soroptimists International in north Wales, who, through their project Sierra, aim to transform the lives of orphan children following the war in Sierra Leone?

The Prime Minister: I believe that the House should congratulate the Soroptimists and all those who work for human rights in every part of the world, particularly those who work for the achievement of the Geneva convention, but who do so under dangerous and risky conditions that can sometimes threaten their lives. The human rights report published by the Foreign Secretary yesterday draws attention to areas in the world where human rights abuses have to be addressed. One important area that will be in the eye of the world this weekend is Zimbabwe. It is important that we draw attention to the abuses there and call for a restoration—a full restoration—of democracy in that country.

Paul Rowen (Rochdale) (LD): Does the Prime Minister think it right that the west coast main line should have to wait until 2012 for new carriages? Will he intervene in the dispute between the Department for Transport and Virgin Trains in order to secure a resolution to the problem?

The Prime Minister: I just have to tell the hon. Gentleman that we have spent £7 billion modernising the west coast main line and that no Government could have done more to make it possible for more people to travel on that particular line and on railways more generally. Indeed, the number of passengers using the railways is now more than 1 billion for the first time since the second world war.

Q9. [196471] **Miss Anne Begg** (Aberdeen, South) (Lab): What would my right hon. Friend say about a local authority that has slashed services to disabled people in such a cavalier fashion that they are threatening to take the council to court for its failure to comply with its equality duties under the Disability Discrimination Act 2005?

The Prime Minister: It used to be the Conservative councils that were the only ones making huge cuts, but it is now Scottish National party and Liberal Democrat councils, which explains what has happened in Aberdeen. I think that people will be particularly sad to hear that members of the disabled community in Aberdeen are the biggest victims of the cuts being brought in by that administration. I hope that public opinion will express itself and say that disabled people should not suffer in that way.

Mr. Bernard Jenkin (North Essex) (Con): In the spirit of the entente amicale as well as that of our special relationship with our American allies, may I draw the Prime Minister's attention to the state of relations between the EU and NATO, which the Defence Committee has urged should be a priority matter for next week's NATO summit? May I urge him to address what the American ambassador to NATO has called the senseless and frozen conflict between the two institutions and to secure the agreement of President Sarkozy, whom we welcome in London today, to resolve the problem so that neither the EU undermines NATO, nor NATO the EU?

The Prime Minister: I believe that both NATO and the European Union have important jobs to do. In my discussions with President Sarkozy, I believe that we will see him being amenable to changes in NATO that will bring its European members closer to the heart of NATO in the near future. I also believe that a relationship between the EU and NATO in which the EU does more of the civilian reconstruction work, matching the military work of NATO, as is happening in Kosovo, is one of the ways in which we can cement a better relationship between the two organisations. We are proud to be a member of both NATO and the European Union.

Q10. [196472] **Helen Southworth** (Warrington, South) (Lab): As science is so important to the north-west and to the UK economy, will my right hon. Friend ensure that the science research council retains key scientific skills at Daresbury laboratory so that we can continue to produce world-leading science there?

The Prime Minister: I can tell my hon. Friend, who has fought hard for all the investments made at Daresbury science park, that the Department for Innovation, Universities and Skills is committed to creating a science and innovation campus at Daresbury. That was announced in the Budget of 2006 and confirmed in December 2007. The next step is that Sir Tom McKillop, the chairman of the Royal Bank of Scotland, has been asked to include Daresbury in his north-west review. We are committed to additional investment in science and technology in my hon. Friend's region, and to all the jobs that flow from that, making it possible for the north-west to continue to increase employment during a difficult period for the world economy.

Mr. Nigel Dodds (Belfast, North) (DUP): In his article in *The Daily Telegraph* yesterday, on why we must stand up for the Union, with which I heartily agree, the Prime Minister mentioned Scotland, Wales and England. Will he now tell the House what his predecessor once said: that he values the Union between Great Britain and Northern Ireland?

The Prime Minister: Not only do I value the Union but I will work to make that Union strong. If the hon. Gentleman looks at the *Daily Telegraph* website, he will see that Northern Ireland was included in that article, not excluded.

Points of Order

12.31 pm

Mr. David Winnick (Walsall, North) (Lab): On a point of order, Mr. Speaker. Would it be possible to know whether the appeal by the House of Commons Commission to the Appeal Court is limited to the question of addresses, or extends to the wider question of second homes? If it is the former, that would be perfectly understandable on grounds of security. If, however, the appeal against the information tribunal is on the wider question of expenditure on what are described as second homes, it should be noted that some Members, certainly myself, are very much opposed to the appeal being lodged. In my view, it is unfortunate that no way of voting—

Mr. Speaker: Order. This matter is before the court, and while I know that the media can talk about it, the rules are clear that it is sub judice for the House of Commons, and I cannot discuss it. In relation to many of the questions that the hon. Gentleman raises, there is nothing to stop him going to the court and finding out the grounds for the appeal.

BILL PRESENTED

MICROGENERATION (DEFINITION) AMENDMENT

Mr. David Drew presented a Bill to amend the definition of "microgeneration" in certain Acts: And the same was read the First time; and ordered to be read a Second time on Friday 25 April, and to be printed [Bill 155].

Orders of the Day

Local Transport Bill [*Lords*]

[Relevant documents: The Ninth Report from the Transport Committee, Session 2006-07, on the draft Local Transport Bill and the Transport Innovation Fund, HC 692, and the Government's Response, HC 1053.]

Order for Second Reading read.

Mr. Speaker: I inform the House that I have selected the amendment in the name of the hon. Member for Chipping Barnet (Mrs. Villiers).

12.33 pm

The Minister of State, Department for Transport (Ms Rosie Winterton): I beg to move, That the Bill be now read a Second time.

May I give the apologies of my right hon. Friend the Secretary of State for Transport, who is unwell today?

Reliable, high-quality public transport makes a real difference to people in their everyday lives. We depend on it to get to work, to the shops, to essential services such as schools and hospitals, and to visit friends and family. It can help to promote social inclusion, particularly as the most vulnerable in our society often depend on public transport to the greatest extent. Good public transport also helps to tackle congestion, contributing to improved economic performance and the fight against climate change.

The bus has always been the workhorse of the transport system. Back in the 1950s, up to 13 billion journeys across the country were made by bus each year. Sadly, for the rest of the last century, the number of people using buses fell year on year. The previous Tory Government's solution in the mid-1980s was to deregulate the bus market outside London. Too often, that led to services being cut back, and in some places aggressive competition in the form of bus wars gave the industry a bad name. That is why bus patronage fell from 5.8 billion journeys a year across the country in the mid-1980s to below 4.4 billion by the late 1990s.

Mr. Andrew Turner (Isle of Wight) (Con): We on the island are hopeful that the Office of Fair Trading will be persuaded to look into market failure regarding ferries. However, provision of free public transport for elderly people is outside its remit. Elderly people can travel by bus, free of charge, when visiting relatives in other parts of the mainland. Why are my elderly constituents penalised by being forced to pay for a ferry if they want to visit a relative outside their constituency? I hope that that is something that the Minister can look into.

Ms Winterton: I am not sure why the hon. Gentleman is bringing the OFT into this. I think he is referring to the national concessionary fares scheme, which we debated in the House last night and the Labour Government introduced. He is right: something like 11 million people over 60 and disabled people will benefit from it this year, but it is true that that is confined to buses. It is open to local authorities to extend the scheme if they wish to do so. He may like to approach his local authority to see whether it wishes to extend the scheme to the ferry service, which it is at liberty to do with the discretionary powers available to it.

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): Will my right hon. Friend join me in congratulating South Yorkshire and West Yorkshire on not just giving free bus travel to all people over 60, but giving free train and tram travel too across the boundaries of both metropolitan districts?

Ms Winterton: My hon. Friend is right to highlight South Yorkshire as an exemplar of good public transport provision. I am glad to say that it has continued—like, I have to say, some Conservative and Liberal Democrat councils—the concessionary fare schemes that were previously available. It obviously shows that Labour councils value older and disabled people and want to give them those extra services on top of the national concessionary fares scheme, in which the Government are investing something like £212 million this year.

Mrs. Claire Curtis-Thomas (Crosby) (Lab): My right hon. Friend will know that Merseytravel is now the most successful rail operator in the country, offering on-time delivery more often than any other provider. However, that has been brought about only by the significant investment that this Government have placed in public transport on Merseyside, an area with the least car ownership and where people are absolutely reliant on public transport—£13 million was spent in 1997; it is now well over £60 million. Merseytravel delivers the sort of services that people, quite frankly, have a right to.

Ms Winterton: My hon. Friend is right to point in particular to some of the integrated transport schemes that have been developed by some of our successful passenger transport executives. The idea of the Bill is to enable them to go even further in improving public transport, in contrast, as I said, to the Conservatives, who during their time in power deregulated the bus services, causing enormous problems for all our constituents.

Norman Baker (Lewes) (LD) *rose*—

Dr. Roberta Blackman-Woods (City of Durham) (Lab) *rose*—

Ms Winterton: I shall give way to the hon. Gentleman first and come back to my hon. Friend.

Norman Baker: As the Minister knows, the Liberal Democrats will probably support the Bill, but may I take up the point that she made earlier about concessionary bus fares? I do not wish to revisit last night's debate, but it is simply not true that local authorities do not care about the extra discretionary services. All local authorities of all parties want to provide such services, but there is a genuine issue over funding. Will the Minister give me the assurance that she would not give me last night? Will she undertake to conduct a review after, say, a year to establish whether or not the formula that the Government have applied is fair to local authorities? She needs to do that.

Ms Winterton: Clearly we are revisiting last night's debate. As I have said, about £1 billion will be invested in concessionary fares this year, including an extra £212 million. We believe that that is a generous settlement, and that there is no need for local authorities to cut the services that they provide for elderly and disabled people.

Several hon. Members *rose*—

Ms Winterton: I must give way first to my hon. Friend the Member for City of Durham (Dr. Blackman-Woods).

Dr. Blackman-Woods: Will the Minister confirm that the Bill will allow local authorities such as Durham county council to draw up plans to improve public transport, particularly bus services, and to create better integration between commercial bus operations and, for instance, community transport initiatives so that they can start to deliver for their populations in a way that was not possible before because of the last Government's lack of investment?

Ms Winterton: My hon. Friend has highlighted three points: the way in which the Bill will improve bus services, the integration of transport services that it will allow, and the fact that it will allow better planning so that our constituents can benefit from the improved public transport that we all want.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC) *rose*—

Mr. David Chaytor (Bury, North) (Lab) *rose*—

Mr. Mark Hendrick (Preston) (Lab/Co-op) *rose*—

Ms Winterton: I know that what I am about to say will interest my hon. Friend the Member for Preston (Mr. Hendrick), and I will give way to him in a second.

Under the deregulation introduced by the last Government, competition became very aggressive. That led to bus wars in some parts of the country, and gave the industry a bad name. We saw a fall in bus patronage across the country under the stewardship of the last Government, and the Bill is intended to put that right. In stark contrast to what the last Government did, this Government have been reversing the legacy of underinvestment that we inherited in 1997, and have made it a priority to get people back on to buses.

Mr. Hendrick: I thank my right hon. Friend for visiting Preston recently to observe and discuss its Civitas programme. She will be well aware of the current bus wars between the Stagecoach bus company and Preston Bus. How will the Bill facilitate improvement in services, given the problems that deregulation has caused in places such as Preston?

Ms Winterton: There are instances in which it has not been in the public interest to provide services that do not meet our constituents' needs. I will not comment specifically on my hon. Friend's area because I know that the traffic commissioner is undertaking an inquiry, but I am aware that he has followed developments closely and has been very concerned about the effect on his constituents. However, there are a number of ways in which the Bill allows local authorities to plan services more effectively and introduce better quality partnerships and, if necessary, quality contracts. I will say more about that shortly.

We shall be able to reassure our constituents that their real needs will be considered. It will be possible to sit down with bus operators in a spirit of co-operation, and discuss how it can best be ensured that services meet the needs of local people. The Bill provides a range of ways in which that can be achieved.

Mrs. Theresa Villiers (Chipping Barnet) (Con): If the Minister is so strongly opposed to the deregulated system that the Government inherited from their predecessor, why is it that in 10 years all they have done is introduce two schemes—quality contracts and quality partnerships, that have been used by no local authority except one that has used a quality partnership? Clearly the Government's concern about the present system has not motivated them to do anything to amend it.

Ms Winterton: That is an interesting comment, because I understand from it that the hon. Lady believes that the introduction of quality partnerships and contracts should be encouraged, so I am surprised that her reasoned amendment says her party will vote against the Bill because of the introduction of quality contracts.

I would be the first to say that we need to go further than the powers available in the Transport Act 2000. It has been recognised that the threshold was set too high, which is why we are changing the legislation, improving on the 2000 Act to make co-operation easier. I am astonished that the hon. Lady and her party do not recognise their constituents' concerns, and wish to vote against the Bill because of the introduction of quality contracts.

Mr. Chaytor: The concessionary fares scheme for elderly people has been enormously successful and popular. Does the Minister agree that exactly the same arguments that supported the case for a national concessionary fares scheme for the over-60s also support the case for such a scheme for the under-18s? Will she keep her mind, and the collective mind of her officials, open to the possibility that when considering the next transport Act we should look seriously at introducing a national, standardised, basic minimum concessionary fares scheme for under-18s?

Ms Winterton: My hon. Friend reinforces the point that without a Labour Government there would not have been a national concessionary fares scheme at all; in particular, it would not have been possible without the extra investment that the Labour Government have put in. Of course, any extension of schemes requires extra investment. We are doing lots of things to encourage younger people to use public transport—and we also encourage other initiatives, such as cycling schemes to make sure that they get the benefits of exercise.

I take on board my hon. Friend's point, but we must consider it in the context of the investment we are already putting into the bus industry. About £2.5 billion each year goes into bus services, up from just £1 billion a decade ago. It was this Government who introduced the rural bus subsidy grant, and since we came into office we have nearly doubled it to £55 million a year. That means that over the 10-year period we have spent about £450 million a year subsidising rural bus services.

As we debated in the House last night, the investment we are putting in through the national concessionary fares scheme gives about 11 million older and disabled people the freedom to travel free on any off-peak local bus in any part of England. That scheme has boosted the number of people using buses, and has brought people greater freedom and independence. As a result of all the changes and investment I have outlined, almost 500 million extra journeys are being made each year on local buses since 1998.

Mr. Henry Bellingham (North-West Norfolk) (Con): The Minister mentions rural areas, but what is her view of the EU driving times and rest periods directive of last April which bans drivers from covering more than 31 miles at any point in a single trip unless they have had a 45-hour period off in the same week? That is causing mayhem in counties such as Norfolk. A firm called Norfolk Green has contacted me about it, saying that it will have to cut a number of rural services. Is this not another example of crazy Euro-interference in our own business?

Ms Winterton: The hon. Gentleman would do well to remember that that measure was brought in on safety grounds. We should not underestimate the importance of that. However, I understand that the matter is being examined by the Vehicle and Operator Services Agency, and that the bus operators will shortly be meeting to discuss how the directive can be successfully implemented. It is important to remember that it was to do with safety issues about which we should all be concerned.

As I said, the 2000 Act created new opportunities for local authorities to work with bus operators towards real improvements for the benefit of passengers. It included measures to support voluntary partnership arrangements between local authorities and bus operators, and gave powers to local authorities to implement quality partnership and quality contracts schemes.

Clive Efford (Eltham) (Lab): The Government have been getting it in the neck from both local government and the private sector, which may suggest to some that perhaps they are on the right track. Does the Minister agree that the Bill's success will be tested in how the bus companies and local authorities come together to solve the problems that exist in providing services to communities that are not well served by bus companies? The real test of the Bill's success when it is enacted will come when local authorities and the bus companies start seriously to talk together about improving services.

Ms Winterton: My hon. Friend is right, and I thank him for the work that he did in the Transport Committee, scrutinising the Bill. It allowed us to make amendments to the Bill to improve it, and I shall come to those later. He is right to say that the Bill's success will depend on its practical implementation and the relationship that can be built up between local authorities and the bus operators in a positive way for the benefit of bus users.

As I was saying, the actions that we have taken during the 10 years of the Labour Government have made a real difference. They have meant the development of not only the partnerships to which reference has been made, but the partnership between central and local government. It has meant that we have managed to halt the decline in bus usage and delivered the first sustained year-on-year increase in patronage. About 500 million more journeys are made than was the case 10 years ago.

Mr. Llwyd: What the Minister says is right, and I have seen the improvement in my constituency. Some 10 days ago, a consultation document on subsidy was published, yet the Bill will go into Committee without our knowing what recommendations come out of that consultation. Is that not unfortunate timing? Surely subsidy is an important word in the context of the Bill.

Ms Winterton: How we deliver the bus service operators grant in future is important, and that is open to consultation. It would not have been right to delay the whole Bill until we had been through the consultation and then examine the Bill in that context; things can be done the other way round. We know that powers in the Bill will give local authorities and bus operators the ability to move forward together. If the hon. Gentleman were to examine the consultation document, he would see that it contains a few suggestions as to how the grant might be used to support the increased usage of bus services. So, it would not have been right to wait until the whole thing had been finished before considering the Bill.

Mrs. Villiers *rose—*

Ms Winterton: I shall give way to the hon. Lady, but then I ought to move on.

Mrs. Villiers: Does the Minister agree that the major bus success stories in the country have been brought about by voluntary partnerships, and not by the statutory partnerships or quality contracts proposed in the Bill?

Hon. Members: No.

Ms Winterton: My hon. Friends said it all. If the hon. Lady thinks that the current situation is perfect, I do not understand how she can be talking to her constituents or those of other hon. and right hon. Members in her party. Voluntary partnerships have worked in some cases. In cities such as York and Cambridge, and sometimes in rural areas such as Warwickshire and Cheshire, bus services have been transformed and are consequently attracting growing numbers of passengers. Such examples show that people will return to buses if services are improved through effective partnership working between bus operators and local authorities, but for each place where partnership is making a real difference, there are many others where that is not the case and where more still needs to be done to provide the services that people want. I find it astonishing that the Conservative party does not recognise that.

Barbara Keeley (Worsley) (Lab): I agree with the Minister, and I want to see how we can move forward from this position. I have delivered petitions to this House from my constituents because bus services have been savagely cut in my constituency by First. I am looking forward to hearing her tell us more about how local authorities can move forward on the contracts and bus partnerships, because large parts of my constituency have no bus services any more.

Ms Winterton: My hon. Friend is right, and her comments show that she is in touch with the needs of her constituents. She recognises that although voluntary partnerships can work in some areas, in others they do not and more needs to be done. We know that more needs to be done, and that is what the Bill is all about.

Several hon. Members *rose—*

Ms Winterton: I shall give way first to my hon. Friend the Member for Southampton, Test (Dr. Whitehead).

Dr. Alan Whitehead (Southampton, Test) (Lab): Is the Minister aware of the existence of an inter-authority organisation called the Partnership for Urban South Hampshire—PUSH—which has undertaken considerable discussion on the question of integrated transport arrangements? It would be interested in the possibility of becoming an integrated transport authority under the terms of the Bill. Is she aware that the majority of PUSH's members are Conservative-controlled authorities? Does she share my concern that the Conservative party appears to wish to vote against the entire Bill and thus to deny those authorities the opportunity to provide the sort of integrated transport system that I believe south Hampshire urgently needs?

Ms Winterton: Again, my hon. Friend makes an important point. I know from my visits around the country that politicians from all parties say that they would like to have greater powers in order to sit down with bus operators and make progress on schemes of exactly the type that he is talking about. He will know that the Bill gives areas the ability to examine their governance arrangements and to decide whether they want to establish integrated transport authorities. He rightly says that, again, the Conservative party does not seem to be in touch even with its own local councillors on this issue, because its approach does not reflect my experience when going around the country—all I can say is that perhaps Conservative Members need to get out a little bit more.

Mark Hunter (Cheadle) (LD) *rose—*

Ms Winterton: I shall come back to the hon. Gentleman in a minute.

The Bill is a direct response to what local authorities, transport users and, in some cases, transport operators have told us about the different challenges and circumstances faced in different parts of the country. In the summer of 2006, the Government launched a wide-ranging review of bus services across the country. In December 2006, we published our conclusions in "Putting Passengers First", and in May 2007, we published the draft Local Transport Bill. That was followed by a period of consultation. As I said, I made a series of regional visits to listen to people's views about how the draft Bill could help in their areas and to their suggestions about how it could be further improved.

As a result of our public consultation and scrutiny, including a report from the Transport Committee, we were able to make some very significant improvements to the Bill before it was introduced to Parliament, including the following: taking powers to set up a statutory body to represent bus passengers; ensuring that the provisions of the Transfer of Undertakings (Protection of Employment) Regulations, following representations from the trade unions, apply where staff are affected by a quality contract scheme; and giving traffic commissioners the power to require operators to invest in improvements or compensate passengers where services are not operating properly. The Bill was introduced in the other place in November, where it benefited from further changes, including measures to boost community transport and to improve the accessibility of taxi buses.

Mr. Paul Truswell (Pudsey) (Lab): Further to the comments by the hon. Member for Chipping Barnet (Mrs. Villiers), is it not the case that the voluntary

agreements that she extols exist solely on the basis of terms dictated by the bus operators and tend to be concentrated on a minority of highly profitable corridors?

Ms Winterton: There are several instances in which voluntary agreements have been reached, but my hon. Friend is right to say that we need to look further at how we can increase the effectiveness of these agreements. That is what the Bill sets out to do. I know that he has been extremely concerned about local bus services in his area, and it is important that authorities are able to work with bus operators to reach an agreement. The Bill will give such agreements statutory force and I will describe later how that will make these partnerships more effective.

Mr. John Grogan (Selby) (Lab): May I tempt my right hon. Friend to go a little further? Is there not a case for giving excellent transport authorities such as South Yorkshire passenger transport authority the ability to introduce quality contracts, without reference to external organisations, just as the Mayor of London can do? If she will not go that far, will she at least listen to the Transport Committee, which said that there should be a time limit on how long applications for quality contracts should be considered by the approvals board and the transport tribunal to prevent inordinate delays that would not be in the interests of bus passengers?

Ms Winterton: I will address that particular point when I move on to some of the details of the Bill, but I understand the point that my hon. Friend makes.

Mark Hunter: I share the Minister's surprise that the Conservatives have apparently decided to vote against Second Reading. She has emphasised the importance of the quality contracts and the quality partnership agreements, but if they are so important, why has there been such a dismally low take-up so far? What will the Government do about that?

Ms Winterton: As I said earlier, there were powers in the Transport Act 2000 to allow the making of quality contracts and some partnership schemes. The problem with the quality contracts was that the threshold was set too high. That is the feedback that we have received. In a sense, that is why we are replacing the test of the only practical way of delivering services with the public interest test. The intention was to be able to make the quality contracts possible, in a similar way to some of the arrangements in London, but unfortunately that did not happen in several areas and that is why we are changing the situation. It was a good attempt, but we recognise that it has shortcomings.

Judy Mallaber (Amber Valley) (Lab): My right hon. Friend mentioned community transport. What estimate has she made of the potential impact of the welcome changes in the Bill, and does she share my surprise that the Opposition intend to vote against the Bill? That will upset the Opposition Chief Whip, my constituency neighbour, who has applauded the fact that these provisions will, with some adaptations, enable us to bring the dial-a-bus services in Derbyshire into the concessionary fare scheme.

Ms Winterton: It is rare that my speeches are greeted with standing ovations, but when I spoke to the Community Transport Association and announced the changes that we intended to make in this Bill, there was immediate applause. I was quite taken aback, but it showed that the changes we are making to community transport—especially the ability to pay drivers and a change made in the House of Lords to allow local authorities to lease vehicles to community transport organisations—have been widely welcomed by the community transport sector. It is astonishing that the Conservatives do not recognise the importance of the change, which will have a real effect in rural areas. Why they have taken the view that they have taken is very surprising, and I suspect that it will not be very welcome to the local voluntary organisations with which they work. What repayment for the work that people do is it to vote against such a Bill? Their stance will undermine community transport provision when we are trying to improve it.

I shall now turn to the Bill in a little more detail. Part 1 includes measures to strengthen the capacity of the traffic commissioners, who play an important role in the regulation of both the goods vehicle and bus sectors. This is important because, as I will explain shortly, other parts of the Bill will strengthen the commissioners' role in relation to bus services.

Part 2 will reform the framework for local transport planning. It will enable integrated transport authorities to play a stronger role in planning local transport across local authority areas, by making them responsible for the preparation of local transport plans. That will help to ensure a consistent and coherent approach, for example in planning a network of bus lanes across a conurbation. Future local transport plans will also need to include proposals for implementing an area's local transport policies, and authorities will be under a new duty to have regard to the Government's environmental policies and guidance.

Part 3 of the Bill will ensure that local authorities have a variety of realistic options for working with the bus industry to provide the services that passengers want. The Bill will give local councils the flexibility to choose the approach that is best suited to their particular local needs.

Clauses 13 to 18 will enable quality partnership schemes—first introduced in the 2000 Act—to make more of a difference. Last year, as my hon. Friend the Member for Sheffield, Hillsborough (Ms Smith) mentioned, we saw the first quality partnership scheme come into force in Sheffield. This is now delivering a package of improvements, combining new vehicles with measures to reduce the impact of congestion on bus services. Similar schemes are now being considered in other places. However, this Bill will now enable these schemes to cover frequencies, timings and maximum fares—matters that are of crucial importance to passengers. It will allow, for the first time, quality partnership schemes to include "registration restrictions"—the Conservatives say that they oppose this in their reasoned amendment—so that operators who have not signed up to the scheme cannot run along the route if their doing so would undermine the scheme. That is the point that my hon. Friend the Member for Pudsey (Mr. Truswell) made. The partnerships need strengthening so that they cannot be undermined by someone choosing to interfere in the agreement that bus operators and local authorities have reached.

Clauses 19 to 40 will make bus franchising a much more realistic option for local authorities where they believe it is the right thing to do in their area. We have

[Ms Rosie Winterton]

listened to the concerns of local councillors of all political persuasions that the existing legislation is too restrictive, and this Bill will put that right. Of course, authorities will still need to be satisfied that quality contract schemes are in the public interest, but they will no longer have to prove that they are the "only practicable way".

My hon. Friend the Member for Selby (Mr. Grogan) raised a point about the approvals board for quality contract schemes. Our proposals would make quality contracts a more realistic option for local authorities, while ensuring that the legitimate interests of all parties are taken into account. If we can do that, it will dramatically reduce the scope for challenge.

The proposals are in line with the recommendation of the Transport Committee that an independent approvals board should ensure that local authorities have undertaken the correct process for making a scheme. Of course, a local authority's policy—I know that that is what my hon. Friend is getting at—is a matter for that authority and its electorate. The role of the approvals body is to provide a robust check on whether a proposed scheme is consistent with that policy, provides value for money, satisfies the criteria prescribed in legislation and is in the wider public interest, as well as whether due process has been approved.

The approvals process will provide a robust check and balance in the process but will also significantly reduce the risk of a scheme being taken through a costly and time-consuming judicial review. We agree that the process should not cause undue delay and the Bill includes a power to specify in regulations a time limit within which the approvals board should reach its decisions. We understand that the process needs to be efficient and quick. Regulations will include the ability to give an indication of that. However, if months are required to make a quality contract, we need to compare that time with the years it could take for a challenge under judicial review. This is a belt-and-braces approach for local authorities to ensure that they have that security when they make a contract scheme.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): That point goes to the heart of an important issue. I listened very carefully to what my right hon. Friend just said about the processes for quality contracts, but is it not true that judicial review is essentially a challenge to a process that has not been carried out properly? That option will still be open to operators if they do not like the quality contracts and want the free-for-all that we have now. My right hon. Friend has just set out the fact that the approvals board will have the power to consider issues such as value for money and the wider public interest. Could there not be simply a difference of view between an approvals board and an elected passenger transport authority? The view of the approvals board would triumph in such circumstances, overriding the democratically elected body. Is that really acceptable?

Ms Winterton: We do not envisage that the process would involve a straight yes or no. It could be iterative. We would envisage that the approvals board would have, under the traffic commissioner, an economist and, perhaps a transport expert to ensure that it could consider the economics of the scheme. Judicial review might not just be on the grounds of a process that was not followed. Other issues come into play, for example when a business can no longer operate in an area. Those are different grounds that could be used. We are trying to have a process that could be iterative at the same time—that is, that could involve discussions about maximum fares or the viability of routes. It is not an attempt to make it more difficult to get quality contracts, but to ensure that quality contracts can work and can be introduced effectively and efficiently without the huge delays caused by a judicial process.

Mr. Betts: I entirely accept that if an approvals board agrees with the passenger transport authority that quality contracts are the way forward, that could be a stronger position to defend if a judicial review eventually happened. That goes without saying, but is it not possible that the approvals board, simply as a matter of opinion, could reach a different view on the right way forward for bus passenger services in an area from the passenger transport authority? In such a situation, is it not true that under the Bill the approvals board could overrule the decision of the passenger transport authority and decide on a way forward of which the authority did not approve?

Ms Winterton: It will not be for an approvals board to design a system for a local area. The board will consider the proposals and say whether it believes—this could be done through discussion—that they will stand up and deliver what the local authority thinks they will. It is not a question of a transport expert going to an area and saying, "We will have an entirely different approach in this matter." We expect the boards to be a facility that will enable local authorities to introduce quality contracts, if that is in the public interest, as quickly and effectively as possible. It is important that we put in place a mechanism that means that local authorities are not constantly taken to judicial review. I am sure that we shall continue to discuss this subject in Committee, but I ought to move on.

Norman Baker: I understand the Minister's desire to ensure that there is a robust system in place to prevent unnecessary judicial review, but we also have the hurdle of the transport tribunal. If the approvals board is the external validation process that provides that rigour and defence, why is there further recourse to the transport tribunal? Why is that provision in the Bill as a further hurdle?

Ms Winterton: If we want to be absolutely sure that the route will mean that it will be more difficult to go to judicial review, there has to be an option of appeal against the approvals board. That is why we put that provision in the Bill. It is a belt-and-braces approach. Because one could if necessary judicially review the approvals board, there is a further appeal.

Let me move on to voluntary partnership arrangements. Clause 41 and schedule 2 make some important changes to competition law as it applies to the bus market. The aim is to ensure that competition law does not prevent local authorities and bus operators from coming together at the partnership table. At the moment, if bus operators come together with local authorities under a voluntary partnership to discuss, for example, times when they might run complementary services, they risk falling foul

of competition law. The Bill will mean that operators can sit down with local authorities and plan services more effectively.

Part 4 contains various further measures on passenger transport. For example, clauses 52 to 56 will help to create new opportunities for the community transport sector, which plays an important local role, often in the areas with the greatest social need. As I said, the Community Transport Association has given a warm welcome to measures in the Bill that will allow its members greater flexibility over the types of vehicles that they can use, and that allow drivers of community bus services to be paid.

Clauses 57 to 60 will help to ensure that action can be taken where, for whatever reason, bus services are consistently unreliable. Traffic commissioners will still be able to apply financial penalties when bus operators are at fault, but now in a way that directly benefits passengers, requiring the operator to invest in service improvements or to pay compensation to passengers.

The Bill will also enable the traffic commissioners to hold local authorities to account if their failure to meet their traffic management duties contributes to the poor reliability of bus services. They will be able to make recommendations to bus operators and local authorities alike about how things might be put right. We have done that to respond to the legitimate concerns of bus operators, who have sometimes said, "We've made improvements in local areas, but the local authority has not kept its side of the bargain." Again, it is astonishing that the Opposition wish to vote against that.

Andrew Gwynne (Denton and Reddish) (Lab): My right hon. Friend makes a very important point that goes back to what she was saying about the new role for integrated transport authorities. Often, some local authorities in a metropolitan area are good at introducing quality bus measures, but others are appalling at it, which has a knock-on impact on the level of service. Does she agree that the changes proposed in the Bill will mean that across a whole metropolitan county there could be a proper network with proper quality bus measures? That will mean that the reliability of bus services, which she has mentioned, can better be guaranteed.

Ms Winterton: Absolutely. My hon. Friend is quite right. I should add again that when I have visited local areas and talked to people who are trying to deliver transport, councillors of all parties have said that they have sometimes come across that problem. They have said that they could do much more if the powers in the Bill were already in place. They say, "Please get these powers in place as soon as possible." The Opposition Front-Bench team do not want them at all.

There is widespread agreement that at the same time as strengthening the traffic commissioners' role, we need to give passengers a stronger voice about the services that they use. Talking to passengers makes it very clear what they want: buses that go where they want to go, when they want to travel, and are clean, comfortable and not overcrowded, and reliable services that get to their destinations quickly and efficiently.

We need to put passengers at the heart of our bus services, and give them the opportunity to hold those services to account. There are already well-established bodies that are helping to do just that, often operating at local or regional level. Many people have argued, however, and I agree, that there is a good case for establishing a statutory body, with statutory powers, to act as a champion of the needs of the bus passenger. We launched a full public consultation last December, and we are now carefully considering the many responses that we have received. There is a clear consensus about the need for a bigger passenger voice, and we will announce our conclusions shortly. Clauses 68 and 69 contain the primary powers that would enable us to take forward that important agenda in future secondary legislation.

Many of the transport challenges that our communities face require local areas to work closely in partnership with each other. That relates to the point made by my hon. Friend the Member for Denton and Reddish (Andrew Gwynne). Those partnerships must have the powers and authority to make the decisions that are needed. Passenger transport authorities and passenger transport executives play a crucial role in delivering public transport in our major cities outside London, but the current arrangements have been in place for several decades and do not always lead to coherent transport planning across our major urban areas. We therefore want to support those urban areas that are now starting to explore the options for reform.

Instead of taking a prescriptive approach to local transport governance, part 5 of the Bill lays the foundations for local areas themselves to examine the strengths and weaknesses of their existing arrangements. They will be able to develop their own proposals for reforms to suit their local needs, which could then be implemented in secondary legislation tailored to the needs of the individual area. That process could lead to a stronger role for integrated transport authorities, perhaps with stronger powers on important matters such as bus lanes, leading to a more coherent and consistent approach such as my hon. Friend described.

Dr. Blackman-Woods: I am grateful to my right hon. Friend the Minister, who is being very generous in giving way. Under the Bill, would it be possible for an integrated passenger authority to cover a whole region, for example the north-east of England, if proper consultation took place and authorities were prepared to buy into it?

Ms Winterton: What we have said is that we want local authorities themselves to consider what will work best. We would expect wide consensus in the setting up of new bodies, and my hon. Friend will know better than I whether such consensus is likely to be reached at regional level. Of course, other transport planning measures are possible under other legislation, such as multi-area agreements. It is quite possible for local authorities to get together much more effectively than was previously the case and to plan more widely, and we are already seeing that. I am sure my hon. Friend knows that the changes that are taking place in relation to the regional development agencies and so on are causing people to look closely at how to deal with transport.

Governance reforms could obviously be particularly beneficial in areas that are considering the role that road charging could play alongside investment in local public transport. The Bill makes it absolutely clear that

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it is for local authorities, not central Government, to decide whether local road charging is right for their areas. It confirms that scheme revenues are for the local authority involved to spend on local transport, even after the first 10 years of a scheme. It also ensures that the right powers are available to secure consistency and interoperability between schemes, helping to avoid confusion and complexity for road users.

Mr. Greg Knight (East Yorkshire) (Con): In 2005, the Labour party manifesto stated that, if re-elected, the Labour Government would move away from

"the current system of motoring taxation towards a national system of road-pricing."

If road pricing schemes get the go-ahead under the Bill, which existing motoring taxes will be reduced or abolished?

Ms Winterton: The Bill is not about a national road pricing scheme. It is about local road pricing schemes, if local areas want them. Frankly, the type of changes that the right hon. Gentleman is talking about would be impractical in a local area and a local scheme, and I am sure he knows that. What we have said, however, as I have just stated, is that any revenue raised will be ploughed back into public transport even after the first 10 years of any road pricing approach.

Mark Hunter: I thank the Minister for giving way; she continues to be very generous with her time. She says that decisions about road charging schemes will be taken locally and should be in the hands of local authorities. What is her view of the current situation in Greater Manchester, with which she will be familiar? Seven of the 10 boroughs are apparently in favour of such a scheme, but the other three are most definitely not. Does she intend that the Government will continue with their policy and effectively force the scheme on the rest of the conurbation of Greater Manchester, whether it likes it or not?

Ms Winterton: Obviously, the discussions about the Manchester transport innovation fund bid are still going on, and we will examine the proposals when they come to us.

As I hope is clear, the Bill has a strong focus on empowering local communities to address the transport challenges that they face today and will face in the years ahead. It does so by ensuring that the right powers are available at the right level to deliver the changes that are needed locally, by giving a stronger voice to transport users and by ensuring that the right governance arrangements can be put in place locally so that the decisions that are needed can be made. There is a great deal of support for the Bill, not least because transport users, local government and central Government agree that we need local communities to be empowered to secure services that are designed around the needs of passengers—local transport that genuinely puts the needs of the travelling public first.

This Labour Government have vastly improved the provision of bus services in this country, after the disastrous actions of the previous Tory Government. I hoped that all parties would support the Bill today, but the Opposition have apparently decided not to do so. That shows exactly how out of touch they are with the real concerns of people in this country. It will remind us of the real attitude of the Conservative Party, which goes back to Margaret Thatcher's view that if a man was using a bus after the age of 30, he was a failure. What nonsense. Millions of people use our bus services, and if the Opposition do not support the Bill, they will be turning their back on those people. It will be frankly astonishing not to support these changes, and I am amazed that they are even considering that. I know it will be against the will of many of their representatives in local government. Without a Labour Government there would be no national concessionary travel scheme, nor the increase in bus use that has been evident over the past 10 years. This Bill is a further step on that journey of improvement, and I commend it to the House.

1.29 pm

Mrs. Theresa Villiers (Chipping Barnet) (Con): I beg to move,

That this House declines to give a Second Reading to the Local Transport Bill [*Lords*] because it encourages the introduction of Quality Contract schemes to reregulate bus networks, thus preventing free competition between bus operators, undermining service quality for passengers and jeopardising the partnerships between operators and local authorities that have helped to improve service quality; because it fails to give due weight to the importance of consultation and local consent when local congestion charging schemes are considered; and because it transfers revenue-raising powers to the National Assembly for Wales without proper constitutional justification and in doing so allows Wales to be used as a test bed for the Government's untried, untested national road pricing scheme.

I want to start by emphasising one thing very clearly—buses matter. Any Conservative Government led by David Cameron will do all that they can to improve bus services for passengers. Two thirds of all journeys by public transport are made by bus every year. That is well above the combined total of journeys on both the London underground and the whole national rail network. For thousands of people across the country, the bus is the only option when it comes to local public transport.

So buses matter to our quality of life and to our economic prosperity. Critically, of course, they now also matter when it comes to tackling problems caused by climate change and worsening traffic congestion. Increasing bus ridership should play a significant part in a successful strategy to tackle both those vital issues for our country, so I welcome the fact that this Bill gives us time in Parliament to debate the future of the UK's bus network.

Ms Angela C. Smith: Given what the hon. Lady has just said, and given that her party leader is in favour of improving bus services, why are the Opposition not voting for the Bill today?

Mrs. Villiers: We have tabled the amendment because we do not believe that the Bill is the best way to improve local bus services. As I shall explain, not all of the Bill is controversial. We agree with some elements, but we think that significant parts of it take our bus network in the wrong direction.

Clive Efford: I do not doubt that the hon. Lady values buses, but unfortunately her hon. Friends do not. She could fit into a London taxi the Conservative MPs present for this debate; she would not need a bus. *[Interruption.]* I declare my interests. The hon. Lady said that bus deregulation had worked outside London. If that is so, why has overall bus ridership outside London fallen rather than risen?

Mrs. Villiers: There are many differences between the London example and the rest of the country. It is clear that the level of subsidy in London has a much more significant impact on ridership than matters to do with regulation or deregulation. It is simply not possible to make a causal link between the regulatory structure in London and levels of ridership. That equation does not add up.

Graham Stringer (Manchester, Blackley) (Lab): I listened carefully to the answer given by the hon. Lady. The Select Committee on Transport has produced a number of reports on the question of subsidies, however, and if she has read them, she will know that virtually no subsidy was given to the regulated London bus system until the city got a Mayor. Even so, the passenger figures for London remained static, while those for metropolitan areas in the rest of the country fell. Does not that make the case for regulating the bus system outside London, or would she prefer to deregulate bus services in London, since they are so good?

Mrs. Villiers: I assure the hon. Gentleman that we have no plans to change the system in the capital, where special circumstances apply. However, he fails to make the case for a causal connection between the regulatory system in London and the recorded increases in ridership. The subsidy in London amounts to £638 million, and that clearly makes a significant difference. The disparity between ridership in London and the rest of the country is not due to the regulatory system in place in the capital.

Mr. Betts: I want to get this right. The hon. Lady has said that there is no causal relationship between the regulatory system that operates in London and bus ridership. However, she accepts that the capital has been very successful in increasing bus ridership. If there is no causal relationship between the two, why does she rule out the possibility of changing the regulatory environment in London?

Mrs. Villiers: As I said, we have no plans to change the regulatory system in London.

I turn now to the Bill itself. We welcome the provisions on community transport that the Minister outlined earlier, and those aimed at preventing competition law from getting in the way of sensible arrangements to co-ordinate and improve bus services. Of course it is vital to police anti-competitive practices effectively, but it makes no sense if competition law actively frustrates arrangements that benefit passengers.

Competition law, as some people currently interpret it, can put a very real barrier in the way of efforts to improve local bus services. Even a low-key discussion between bus operators to consider co-ordination measures aimed at benefiting passengers can potentially give rise to dawn raids by competition authorities and the police. It is a matter of serious concern that this problem remains unsolved so long after deregulation.

In that regard, I want to pay tribute to the work done by the Campaign for Better Transport. The Opposition can see some appealing arguments in favour of the call that that organisation makes in its briefing on the Bill for a wider remit for the revised competition test set out in schedule 2. The campaign's ideas on taking into account the competition provided between car and bus, and not just between bus operators, is also something that we consider well worth exploring.

Rob Marris (Wolverhampton, South-West) (Lab): The hon. Lady seemed to suggest that competition needs to be somewhat regulated in the interests of users. Will she explain why the amendment proposes free competition between bus operators?

Mrs. Villiers: We are saying that some competition laws get in the way of the effective provision of better services for passengers. Those laws need to be reformed to ensure that they work more efficiently and do not get in the way of the provision of better services for passengers.

We also welcome efforts to strengthen the voice of bus passengers and to establish a "bus champion", and we recognise the valuable work already done in that respect by Bus Users UK. We note the observations made by the National Consumer Council on this aspect of the Bill, and its call for the new organisation to be a strong national advocacy body with a clear remit to improve bus travel for the consumer. The NCC is correct to emphasise the importance of founding the work of the new body on sound ongoing qualitative and quantitative research. In that regard, we can learn from the precedent set by the high-quality research produced by Passenger Focus in the rail context.

I turn now to the Bill's more controversial provisions, and specifically to clauses 13 to 18 on statutory quality partnerships. An invention of this Government, these statutory arrangements have lagged behind voluntary partnerships in delivering service improvements. According to the passenger transport executive group, only one statutory quality partnership has been implemented since the partnerships were introduced in the Transport Act 2000, and I understand that it is to be found on the A6135—the Barnsley road—in Sheffield.

I very much hope that that scheme is successful, but the fact that it appears to be the sole example of the use of this fundamental element of the Government's bus policy must lead us to question the effectiveness of such arrangements. I have yet to hear from the Minister exactly what can be achieved using a statutory arrangement that cannot be delivered using the voluntary arrangements that already have a proven track record in many areas of the country.

Ms Angela C. Smith: I represent part of the city of Sheffield, and I draw the hon. Lady's attention to the fact that it proved extremely difficult to put in place the contract for the Barnsley road quality partnership scheme. Does she agree that that underlines the need for this Bill, as it will make quality partnerships easier to use in future?

Mrs. Villiers: No. I believe that the Barnsley road example illustrates the fact that it is voluntary partnerships that are delivering around the country. There are many examples of that, some of which I shall come to in a moment.

We believe that the move in the Bill to include fares and frequencies in quality partnerships must be accompanied by measures to ensure that transport authorities take a reasonable approach to such arrangements. There must be proper safeguards in place to ensure that it is not possible for a local authority to put provisions in its quality partnership arrangements that would be uncommercial and impractical to implement. That is why we will scrutinise with great care what is meant by an "admissible objection" as set out in clause 18, and how the reasonableness test envisaged by the Bill will work in practice. It would clearly be wrong for local authorities to be able to impose regulation via the quality partnership system without putting in place the safeguards envisaged for quality contracts.

The concept of admissible objection will be pivotal in determining whether that risk materialises and whether the quality partnership provisions will be workable, so clear guidance on the meaning of the term is needed at the earliest opportunity. I therefore appeal to the Minister to publish the guidance—the Government tend to rely on guidance—on the clause as soon as possible, preferably before the Bill goes into Committee. That would be extremely helpful in establishing the meaning of that important term.

Clauses 19 to 40 are on quality contracts, which are another centrepiece of the Government's bus policy, but which take us in the wrong direction. It is no surprise that they have sat on the statute book as a white elephant since their introduction, unused and irrelevant to effective attempts to improve bus services for passengers. I am the first to admit that the history of the deregulated bus network has not always lacked controversy, but I believe that the private sector has, in general, made a positive contribution when it comes to quality of service for passengers. There are undoubtedly some bus operators who underperform; that happens in all markets.

Ms Dari Taylor (Stockton, South) (Lab): Will the hon. Lady give way?

Mrs. Villiers: In one moment. I believe that, overall, the investment stimulus, innovation and entrepreneurial skills and expertise in product development and marketing that the bus companies have introduced have had a positive impact on services. It seems clear that private enterprise has facilitated a more rapid renewal of the bus fleet and a more efficient cost base than would ever have been possible under the old system.

Dr. Blackman-Woods: I must confess that I am struggling to follow the logic of the argument. Quality contracts have often not worked because their structure has been too inflexible to meet local requirements. The point of the Bill is to free the system up a little, so that contracts can reflect local circumstances and services can be tailored to local needs. I do not know why the hon. Lady and her party do not support that as a way forward.

Mrs. Villiers: We are not supporting that because we do not believe that quality contracts will deliver the service improvements and increased ridership that we all want. I do not believe that those benefits will be delivered by winding back the clock to the 1980s and re-regulating the bus network. That is why we oppose moves in the Bill to make the quality contract route back towards regulation easier for local transport authorities to use.

Mr. Truswell: Will the hon. Lady answer the simple question that has been asked several times by Labour Members: if she thinks that regulation in London is good and acceptable, why is it bad for my constituents, her constituents, and the vast majority of constituents represented in the House?

Mrs. Villiers: What I have said repeatedly is that the increase in ridership in London is not due to the regulatory system in use in London. It is due to the £638 million a year that is spent on subsidising the bus network. It is also partly due to Transport for London taking an aggressive approach to enforcing bus priority. Both those circumstances distinguish London from the rest of the country.

Ms Angela C. Smith: I thank the hon. Lady for giving way; she is very generous with her time. Do I detect a change in Opposition policy? Are the Opposition actually in favour of subsidy, given that their argument is that it has worked in London? If so, does she recant Tory Bromley council's judgment against the Greater London council in the early 1980s, which outlawed subsidy?

Mrs. Villiers: There is no change in policy. Our policy on bus services in London has been consistent.

Judy Mallaber: Did the hon. Lady not hear the intervention made by my hon. Friend the Member for Manchester, Blackley (Graham Stringer)? He pointed out that before there was subsidy in London, bus ridership was decreasing outside London, but stayed stable in London, and when there was subsidy, bus ridership further increased in London? Does she not agree that that proves the point? The figures show that regulation helped bus ridership in London, and those figures were given to her in an earlier intervention.

Mrs. Villiers: If the hon. Lady looks at the figures, she will see that the steepest fall in bus ridership occurred before deregulation, when there was an increase in car ownership across the country. The decrease in bus ridership started to level off in the years immediately after deregulation.

Rob Marris: If I understand the hon. Lady's argument on London and other metropolitan areas—I represent a seat in one such area, the west midlands—she is saying that the reason for the increased patronage in London is high levels of subsidy, rather than the regulatory regime. If that is her argument, is she telling the House that she would cut the subsidy in London? Or would she increase subsidies in metropolitan areas to encourage patronage?

Mrs. Villiers: What I am saying is that introducing the regulatory system applicable in London to the rest of the country would not deliver the service improvements that we want. In future, we would certainly look to

remove quality contracts altogether as an option outside London; we think that they are neither necessary nor effective in improving bus services in the UK. The Opposition believe that successful partnerships between local transport authorities and bus companies are the best way to deliver improvements in reliability and service quality.

Mr. Betts: I thank the hon. Lady for giving way again. Let us look at the issue in a slightly different way. My understanding is that the Opposition are now in favour of greater freedoms for local authorities. That is their policy. As I understand it, the Bill does not force local authorities to enter into quality contracts; it gives them the right to do so if they wish, because of local circumstances. The Conservative-controlled Local Government Association has actually called for councils to have

"stronger powers to deliver better bus services."

Does that not conflict with the policy statement that the hon. Lady made to the House this afternoon?

Mrs. Villiers: It does not conflict. The hon. Gentleman misunderstands localism, which does not always mean devolving to local bureaucracies. It means vesting power in the customer and the consumer. We believe that a deregulated bus system is the best way to vest power in the consumer and the passenger.

Norman Baker: What representations on the Bill has the hon. Lady received from local Conservative councillors, and does her local group of Conservative councillors approve of the amendment that she has tabled?

Mrs. Villiers: I have had many representations on the Bill from a number of groups, including Conservative councillors.

The best examples around the country demonstrate what can be achieved when a transport authority is prepared to take difficult decisions on bus priority, and when bus operators respond with investment in better training, better vehicles and better facilities. Areas such as Brighton and Hove, and Telford and Wrekin, demonstrate that successful partnership working can produce better vehicles, more investment, better information, simplified fare structures and ticketing, higher-quality services and, most important of all, increased ridership.

Andrew Gwynne: Will the hon. Lady give way?

Mrs. Villiers: No, I will make progress now. Close partnership working in Brighton delivered a 5 per cent. year-on-year growth in ridership and a 10 per cent. decrease in town centre traffic. The Government are wrong to see statutory quality partnerships and quality contracts as ends in themselves. The rarity of such partnerships and contracts is further proof that in many areas, voluntary partnerships can work well for local authorities and bus companies that have the mutual confidence to work together for the benefit of passengers, without the need for the local authority to resort to formal powers to control and regulate services.

Far from encouraging that kind of partnership working, the Government recently lobbed a hand-grenade into the relationship between transport authorities and bus operators. I am referring, of course, to the way in which they are introducing concessionary fares. Of course, the goals of the scheme are entirely laudable, but the way it is being put into practice is damaging the relationships that are vital to making bus partnerships work. It is clear that the scheme is leaving local authorities with a huge funding headache and council tax payers with a large bill.

Ironically, in some cases, as a result of the local authority funding crisis caused by the concessionary fares scheme, bus routes are under threat, either because the local authority is concerned that it can no longer afford to subsidise routes, or because the bus company finds routes uneconomic as a result of the financial pressures of the scheme. In a further ironic twist, Brighton and Hove—a striking bus success story in recent years—is one of the areas hardest hit by the problems with the concessionary fares scheme. That scheme has all the hallmarks of a proposal rushed through on Budget day without proper thought about how it would be set up or funded. That was playing politics with the bus network in a way that is simply unacceptable.

Andrew Gwynne: A moment ago the hon. Lady spoke about transport authorities that had taken tough decisions to get quality bus measures on the ground. The example that she gives, Brighton and Hove, is a unitary transport authority. How does she reconcile what she is saying with the measures in the Bill that she opposes? In the metropolitan areas, the transport authorities are the passenger transport authorities, which will become integrated transport authorities. In Greater Manchester, where there are 10 highways authorities, getting them to agree to a single standard for quality bus measures is difficult. The measures in the Bill will give those powers to the integrated transport authority. How does she reconcile that—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The hon. Gentleman must know that an intervention should be brief, not a mini-speech.

Mrs. Villiers: That takes me on to my next point. Some of the changes proposed in the Bill in relation to the structure of transport authorities and the Government's arrangements could be useful. We would not oppose every single one of those governance changes. I particularly welcome the representations on the issue that I have received from the PTE group.

The Opposition share the PTE group's view that there should be no scope for imposition by the Secretary of State of non-elected members on the renamed integrated transport authorities. There will be consensus across the House with the PTE group's point that we should not seek to impose uniformity on passenger transport authority areas or PTE areas or their governance arrangements, as no single model will be right for every area. With reference to the example given by the hon. Member for Denton and Reddish (Andrew Gwynne), the arrangements clearly worked in that context. It is not necessarily the right model for other parts of the country, which is why it is important to ensure flexibility in the Government's arrangements.

Mr. Stewart Jackson (Peterborough) (Con): Does my hon. Friend agree that not for the first time, one of the key problems with the policy is that there is no robust methodological analysis of the likely take-up of the

[Mr. Stewart Jackson]

scheme? That has significant financial implications for local authorities. It is all very well for the Government to announce it, but the fact that they have not done the detailed work to assess the likely take-up will impact on council tax payers across the country, including those in my constituency.

Mrs. Villiers: I take it that my hon. Friend is referring to the concessionary fares scheme. It is a particular concern that the cost of the scheme is extremely unpredictable. That is one of the key problems. Local authorities do not feel that they know how much the liability will ultimately be. That makes it difficult for them to plan, and they are not getting adequate guidance from the Government on how to deal with that uncertainty.

I return to the governance issues. The proposals in the Bill to give increased flexibility to allow individual non-metropolitan districts to join a PTA or integrated transport authority, without the need for a whole county to join, seem broadly sensible, as are powers to enable the Driver and Vehicle Licensing Agency to share with local authorities information about foreign registered vehicles.

One of the most controversial elements of the Bill is the provisions in part 6 on local congestion charging schemes. The Opposition believe that congestion charging should not be used to seek to price people off the road altogether, and nor must it become just another stealth tax. We must not ignore the fact that there is a social justice angle to the debate on road pricing and congestion charging. The freedom to travel is an important element of people's quality of life.

Judy Mallaber: Will the hon. Lady explain to me why she uses the term "stealth tax"? Nobody could say that a scheme such as the congestion charge in London was introduced by stealth. Does she agree that her choice of words is based on pure political dogma, rather than proper analysis?

Mrs. Villiers: Given that so much of the revenue from the London congestion charge is generated by fines, there probably is a fairly stealthy element to it.

I return to the point that I was making. A key part of reconciling local congestion charging projects with social justice is to ensure that where they operate, they are accompanied by viable alternative travel arrangements open to those on lower incomes. We hope that before embarking on the schemes envisaged in part 6, local authorities will make the greatest efforts to ensure that they are accompanied by measures to improve local public transport. That is why we are seeking the clearest of guarantees from the Government that the funds raised by these schemes will stay local and will be used for improvements to local public transport and local roads. Yes, there are safeguards in clauses 97 and 98, but we all know that ways can be found to squeeze budgets and grants in the expectation that the local authority can make up the shortfall with revenue from congestion charges. We will test these clauses strongly in Committee to do all we can to ensure that no such circumvention is possible and that the funds stay local and remain devoted to transport.

We will scrutinise the provisions on interoperability carefully to seek to ensure that we will not end up with a patchwork of different requirements across the country requiring multiple equipment for drivers.

Rob Marris: The hon. Lady is being very generous. Do I understand that the Conservative party now supports hypothecation? If that is the case, can she remind me when the hon. Member for Tatton (Mr. Osborne) announced that policy?

Mrs. Villiers: I do not see this as an instance of hypothecation. The charges are about transport. They should be devoted to transport.

A central concern for the Opposition on this part of the Bill is that on local charging schemes, the Government are trying to have it both ways. On the one hand, the Government clearly want the charging schemes to go ahead, or they would not have made transport innovation fund bids conditional on the introduction of congestion charging. On the other, they do not want bear the political risk that goes with those schemes. The Secretary of State wants to keep her head below the parapet and let local transport authorities take the flack for introducing new charges. That is wrong.

Mr. Greg Knight: Is not my hon. Friend fully justified in using the phrase "stealth taxes" in relation to congestion charging, because in the Bill the word "congestion" does not appear? The reference is to road charging schemes. Such a scheme would not necessarily have to have reducing congestion as its main aim. It could be used for raising taxes.

Mrs. Villiers: My right hon. Friend raises an important point. As ever, he has studied the Bill carefully.

The transport innovation fund should not be used to bully or coerce local communities into introducing charging schemes. The decision on those schemes should be taken locally, not in Whitehall, so TIF bids should be judged on the merits of the transport ideas that they propose, regardless of whether they include congestion charging.

Mr. Llwyd: The point of the way in which the Bill is framed in the context of the Welsh Assembly, for example, is for the Assembly to decide whether or not road charging is appropriate. Instead of being dictated from this place, the matter should be devolved to Wales to be decided locally.

Mrs. Villiers: I shall come to that clause in a moment. I am astounded that the Bill seeks to water down the requirements to consult local communities on charging schemes. The Opposition will strongly oppose clause 104, which contains the same text as the much-criticised clause 73 of the draft Bill, which downgrades the importance of consultation. We note the concerns expressed on the clause by organisations such as the Select Committee on Transport, the RAC Foundation for Motoring and the Association of British Drivers.

As the Bill passes through the Commons, we want consultation requirements strengthened, not weakened. For example, given the impact that congestion charging can have on rail services, it is vital that the consultation process includes rail and freight operators. I note the

useful representations received from Network Rail on that point, emphasising how important it is that local authorities take into account relevant rail plans, such as route utilisation strategies in a range of activities touched on by the Bill, including the local transport plans covered by clause 9.

We have said time and again that these schemes should go ahead only if they are locally led—if they have the consent and support of local people. That is why we will table amendments to empower and encourage local authorities to hold referendums either before introducing such schemes or once they have been up and running for a trial period. We do not seek to mandate this approach, but we wish to send the signal that a referendum should always be seriously considered as an option, and we will seek to clarify the legal status of local referendums. It is a concern in Bolton, for example, that should the referendum that the local authority is contemplating in that area go ahead, it would have no legal status at all.

During the passage of the Bill, we will do all we can to ensure that it cannot be used as a Trojan horse for the introduction of the Government's untried, untested spy-in-the-sky national road pricing scheme. Our steadfast opposition to such a scheme is just one of the reasons why we shall oppose clause 115, which could make Wales a potential test bed for the Government's national scheme by giving the Welsh Assembly power to introduce charging on all Welsh trunk roads. No such power for equivalent English roads is included in the Bill. Why should the Welsh have to put up with unpopular policies that the Government are, as yet, not quite foolhardy enough to put into practice elsewhere in the UK?

It is a matter of huge concern that that significant revenue-raising power is being introduced by the back door in a transport Bill without the high-level debate on the constitutional implications of the change proposed. As the noble Lord Glentoran pointed out in the other place, the clause effectively gives the Assembly the power to levy taxation in Wales, despite the fact that it has no such power within the current constitutional settlement. There is, of course, every danger that the provision could be used as a stalking horse for a UK-wide scheme.

Labour's deeply unpopular spy-in-the-sky national road pricing policy just will not seem to die; just when we think we have nailed it, it returns to grab us by the throat again. The national scheme was announced with a fanfare by the now Chancellor during his tenure at the Department for Transport, but the Government seemed to signal a retreat on it after 1.8 million people signed the Downing street petition opposing it. Given the shift in emphasis to local projects, it began to look as if the Secretary of State had recognised how misguided the Government's plans for a national scheme were. Yet sadly it transpires that, just as happened with home information packs, her voice is not heard very loudly in the Government—lo and behold, the Chancellor suddenly announced plans to revive national road pricing in his Budget.

The truth is that such a scheme is fraught with risks. In the hands of the Government, an IT system to track every one of the 33 million vehicles on every road in Britain, 24 hours a day, 365 days a year, is simply a public procurement disaster waiting to happen. There is no reason to believe that the DVLA has the quality of data needed to make such a system operate smoothly in practice, given its inadequate performance on rogue drivers and tax evasion. Even the Government's own figures suggest that details for as many as 7.5 million drivers may be wrong. Above all, how could we possibly trust this Government—the people who lost in the post the personal details of every family in the country—with sensitive data on where every vehicle is on every road on every day of every year?

There might have been technical ways in which to tackle those privacy issues, but the catastrophic breaches of data security in recent months show clearly that the Government simply could not be trusted to put them into practice in a competent way. The series of data disasters show that the Government have failed in their basic duty to safeguard the interests of the people whom they were elected to serve. The Government have well and truly forfeited the right to be trusted in running the national road pricing scheme that they propose. That is one of the reasons why we shall oppose giving the Bill a Second Reading.

In conclusion, we believe that in their 10 years in office, the Government have wholly failed to tackle congestion. We have the most overcrowded roads in Europe. The Government have abandoned their targets for cutting congestion, broken their promises and left many local communities waiting years for much-needed bypasses. Their quality contract proposals were always a retrograde step, and it is no wonder they have lain unused, gathering dust on the legislative shelf, since the Government introduced them. We have seen the Government running for cover on their flagship roads policy, and 1.8 million people expressing their strong opposition. The Bill fails to make up for the 10 years of Labour failure on local transport. That is why we have tabled the amendment.

2.3 pm

Mr. David Clelland (Tyne Bridge) (Lab): I rise to support the Bill and oppose the amendment. My contribution will be brief, but I want to welcome the Bill. This Second Reading follows last night's approval of the financial regime for the new national concessionary fares scheme; together with this Bill, that spells a good week for public transport.

The Bill is long overdue, of course; as the Minister pointed out, the privatisation of bus services has led to a 20-year decline in bus ridership. Conversely, that has been accompanied by 20 years of healthy profits for the big five bus companies, which have cherry-picked the profitable routes, leaving thousands of our citizens with an inferior, and in some cases non-existent, bus service.

The privatisation took control from elected local authorities and left local councils with little power to protect local services, except at considerable public cost. Given that public subsidy to the bus industry provides 33 per cent. of bus operator profits and that every bus is subsidised to the tune of £35,000, the public have a right to demand a say in how and where services are provided.

The Bill begins to address the anomaly, and has the potential to reverse the decline in bus ridership. I say "the potential" because, good as this measure is, there

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could, as the Bill stands, be opportunities for bus operators to frustrate the desire of local transport authorities to provide better services to their communities. The system of approvals boards, appeals tribunals and possible judicial review, which is open to exploitation by bus operators, could delay the implementation of quality partnerships or quality contracts for years, during which operators would be able to continue to run unsatisfactory services or, in some areas, not to provide services at all.

Given that there is an urgency to improve public transport, attract motorists out of their cars, reduce congestion, improve local economies and clean up the environment, we cannot afford for progress to be unreasonably or unnecessarily frustrated in the interests of bigger profits for the bus companies.

I do not oppose private businesses making profits; on the contrary, I worked for a private business for more than 20 years, and I never thought it a good idea that my employer should make a loss. However, the profits in the bus business are very healthy—healthy enough for the bus companies to co-operate with the local authorities as the Bill intends without causing shareholders too much concern. The era of "take, take" by the bus companies has to be replaced by a system of sensible and responsible co-operation in the interests of all. I hope that during its consideration in Committee and on Report, the Bill can be strengthened to reflect the legitimate public interest that stems from the public subsidy to which I referred earlier.

Ms Dari Taylor: My hon. Friend's point is incredibly valuable. I know of bus services that are cancelled, delayed, taken off—nobody knows about it and nobody answers when we ask why. Is he suggesting that a system of penalties should be included in the Bill so that operators know that if they do not deliver, we will?

Mr. Clelland: I agree. The Bill does include penalties. The important point is that the penalties should be real, not ones that could be passed on to the bus customer or the local authorities.

The Bill also makes provision for the creation of integrated transport authorities that would replace metropolitan passenger authorities such as the Tyne and Wear passenger transport authority. It is vital that the new authorities be made up of locally elected councillors with the statutory power to ensure the provision of good-quality, comprehensive, integrated, public transport systems. They should not be frustrated in that task by bus operators or unelected quangos. If Ministers mean what they say when they talk about giving more power to local people and enhancing local decision making, they have the opportunity to make actions follow words by ensuring that the provisions of the Bill bring that about.

This morning, I welcomed to the House a group of students from Gateshead college, which is in my constituency. One of the issues that they raised with me was the lack of convenient public transport to get them to the magnificent new college premises on Gateshead quayside, and the cost of such buses as there are. I hope that the new ITAs will have the power to deal with the provision of such services and that, even now, the PTAs in the region can, in consultation with bus operators and other stakeholders, make progress towards the introduction of a new concessionary fare system across the north-east for young people in full-time education. That would do much for the young people themselves; it would also help close the skills gap and do much for the local economy.

Dr. Blackman-Woods: Does my hon. Friend agree that the young people whom we have met in the north-east have made an extremely valid case in favour of having such support from local authorities and the Government as they continue their education?

Mr. Clelland: Indeed; I confirm that. The north east regional youth assembly and its offshoot called Bus Buddies have done a tremendous job in promoting young people's use of buses in the region.

Ms Rosie Winterton *indicated assent.*

Mr. Clelland: The Minister is indicating that she has met Bus Buddies members, and I am sure that she is as impressed as we in the region are by the work that they have done.

The Bill also deals with local congestion charging or road charging, which, while it may have its place and may even be inevitable in some areas, must be preceded by the provision of much improved, widely available, good-quality, efficient and affordable public transport. The provision of the latter may well, to some extent, negate the need for the former. However, we have to face reality. Many people will still use their cars, and road transport will still be the major form of transport in the United Kingdom for the foreseeable future. A properly linked-up, well maintained road network is an important part of local transport planning and provision—indeed, buses themselves need such provision—so roads will still need to be improved and, in some cases, new roads built. That, too, must be part of efficient transport planning.

I welcome the Bill and congratulate the Government on introducing it. I hope that during its passage through the House it can be fine-tuned so that it can bring about the revolution in public transport provision that is so badly needed, and needed now, by our local communities.

2.10 pm

Norman Baker (Lewes) (LD): Let me begin by welcoming the Bill and indicating clearly that my colleagues and I will support its Second Reading. That is not to say that we do not have problems with it—naturally, we do—and we will seek to raise some of those this afternoon and again in Committee. However, the Bill undoubtedly takes us in the right direction.

Before I come to those concerns, I must say something about the speech by the hon. Member for Chipping Barnet (Mrs. Villiers), which was the apex of incoherence as regards putting forward any sort of argument. She said that the statutory quality partnerships and contracts that had already been introduced were not working. That is quite true, and Bill has now been introduced to ensure that they do work by making it easier for local authorities to take part. She then said that certain issues in the Bill are worth exploring and acknowledged that it has some good points, but she then reached the conclusion that we should vote against Second Reading and abandon

the Bill entirely. But that would mean that we would be unable to discuss those good points as they come up in Committee, unable to reform the current quality partnerships and contracts that she recognises are not working, and that we would be forced to carry on in some sort of Neverland where buses do not work properly, bus fares are going up and passengers are unable to get the service that they require. I do not know what kind of transport policy that is. As my hon. Friend the Member for Cheadle (Mark Hunter) says, it shows the strategic understanding of Olive from "On the Buses". We deserve rather better than that. The hon. Lady said that she did not want to wind things back to the 1980s, but that is precisely what she is doing. She may not look like Mrs. Thatcher, but she certainly sounds like her at times.

The Minister was kind enough to nick my line from last night about Mrs. Thatcher saying that that nobody over 30 uses a bus unless they are a failure in life. That is part of the problem. Buses have not been seen as a sensible transport alternative; instead, people have been driven on to the roads, and the consequence is that congestion is worsening, climate change is worsening as result of increased emissions from transport overall, and bus usage is declining. The Bill does not offer the perfect answer to that problem, but it goes some way towards resolving it.

The Conservatives' alternative, in so far as there is one, is to go back to the days of unrestricted deregulation in the 1980s, but that has failed us. Hon. Members may remember Nicholas Ridley – the person who wanted councils to meet once a year to hand out contracts and who said, when he was Transport Secretary, that the aim of deregulation was

"to halt the decline that has afflicted the bus industry for more than 20 years."—[*Official Report*, 12 February 1985; Vol. 73, c. 192.]

Since then, there has been a catastrophic decrease in bus usage, which has halved from nearly 9 billion journeys in the 1970s to 4.7 billion. However, there has been an increase in bus journeys in London—20 years ago one in five journeys were made by bus in London, and now it is almost two in five. London has been a rip-roaring success and the fantastic deregulation-world presented by the hon. Member for Chipping Barnet has been a total failure.

Stephen Hammond (Wimbledon) (Con): For the sake of history and clarity, could the hon. Gentleman tell us the rate of decline between 1970 and 1985 and the rate of decline afterwards?

Norman Baker: I am happy to write to the hon. Gentleman about that. There has been a decline in both periods. However, the objective of deregulation, according to Nicholas Ridley, was to halt the decline, but it has not done so—the decline has got much worse over that period. That is not simply to do with the number of buses running and the passengers using them—there is also the cost aspect. Any analysis of the cost of travelling by bus shows that in recent years—I regret to say that it is also true under this Government—it has gone up significantly, while the cost of going by car has gone down. All the wrong signals are being sent. Since 1997, the cost of going by bus has gone up, in real terms, by 13 per cent. above inflation, while the cost of going by car has gone down by 10 per cent. We need to address that—or are we content that people who make green choices pay more than those who make un-green choices?

Mr. Stewart Jackson: The hon. Gentleman is delivering a masterclass in ideological myopia, which we are used to from the Liberal Democrats. He is surely being disingenuous in not seeing a causal link between bus usage and the demographic changes that have happened across this country over the past 20 years, particularly in respect of real incomes and car usage. This is not just an ideological political issue.

Norman Baker: Demographic changes have occurred in other countries as well. There are fantastic successes in bus usage in other European countries. As a matter of fact, demographic changes have occurred in Brighton and Hove, as the hon. Member for Chipping Barnet said, and we are seeing success there. Demographic changes have occurred in London, and there are increases in ridership there. The implication of the hon. Gentleman's intervention is that when people get rich, they stop using buses. That is not true at all—or at least it should not be. I can tell him that I certainly use buses, as are more and more people. He seems to be repeating Mrs. Thatcher's view that people who are successful do not use buses and people who do use buses are failures.

Mr. Stewart Jackson: That is a gross distortion of anything that Mrs. Thatcher ever allegedly said. I merely invited the hon. Gentleman, for whom I have a great deal of respect, to comment on the fact that this is not solely an issue of dogma and political theory. It is not that rich people do not want to use buses but that people who have opportunities to use cars in their local neighbourhood and beyond will choose to do so if the bus service is not clean, efficient and priced correctly.

Norman Baker: I entirely agree with the hon. Gentleman's last point. We need to achieve a standard whereby buses are reliable, have a good regular services, are clean and reasonably cheap, and people feel safe using them. If we get all those things lined up together—as in most of London—we will find that people do use buses. Those are the key aims to hit, but that is not happening under the current system. The regulatory regime across the country is not delivering, except in sporadic locations. I am afraid that my own local authority in East Sussex has had a system of cutting bus support continually over 20 years. It has not been able to cross-subsidise unprofitable services from profitable services because that option was taken away in 1986, and the consequence has been that large numbers of my constituents are now without buses.

Mr. Truswell: Is it not a simple fact that deregulation has failed even on its own narrow, dogmatic terms? In most areas, certainly in my own, services are usually provided by a monopoly provider, and when subsidised services are put out for tender, there tends to be just one bidder, so the notion in the Tory amendment about free competition nonsense in practice.

Norman Baker: I am afraid that it is, because that is exactly what does happen. It is sometimes even worse than that when the operator says that it wishes to withdraw from a subsidised service. In those circumstances,

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there is a tender process, the tender price has to increase, and the same operator then bids again and gets the contract. I do not wish to castigate all bus companies, but the fact is that some of them are making a great deal of money. Bus prices are going up and bus ridership is going down, and that is not a combination that I wish to see.

Andrew Gwynne: The hon. Gentleman makes a perfectly good point. Am I correct that that could not happen in London because Transport for London has the regulatory powers to operate the network and it, not the bus operators, decides where the services should run?

Norman Baker: Yes. I would not want to say that Transport for London is perfect in all aspects, because it certainly is not, but there is a coherence to the London network that does not apply elsewhere. I have constituents who have got a job somewhere because there is an early-morning bus to get from their village to the nearest town, but the company running the service then notifies the traffic commissioner that it is going to withdraw the service. Where does that leave that person and their job? Such unpredictability means that people cannot rely on buses, which is why people who are failures, in Mrs. Thatcher's words, use buses. They have no alternative. I want buses to be the best they can be, which they are in many towns, so that we can get people using buses because they are good. Buses can be good, and can make a reaf contribution to our public transport system—far more so than at present. We need to move towards such a situation, and the loosening up of the regime for quality partnerships and contracts gets us some way towards it.

I want to talk about the mixed picture in the country because the situation is not uniform. The London system works well, but there is a subsidy involved. I take the point made by the hon. Member for Manchester, Blackley (Graham Stringer); even before the Mayor's subsidy, there had been a stabilisation in ridership—the word we are expected to use this afternoon. Nevertheless, a heavy subsidy is involved, so that is a downside. In Brighton and Hove, Roger French is the managing director of a very good and innovative bus company that is not necessarily supported by the local authority. He certainly has not been supported in the way he ought to be by East Sussex county council.

Other passenger transport executives and local authorities are forward looking—I include Manchester in that. Manchester PTE has a very forward-looking collection of people, who are not necessarily well served by the bus companies. I would categorise Norfolk Green, the Norfolk bus company, as a good one that has the support of the local authority. The patchwork arrangement throughout the country means things can be very different, meaning that different solutions are required for different areas. Deregulation was a mistake, but absolute re-regulation is not necessarily the right policy, given the position we are starting from and some of the successes in the country.

The trick is to get more people on buses, which means hitting those targets to which I and the hon. Member for Peterborough (Mr. Jackson) referred to a moment ago. Getting people on to buses would also help in dealing with climate change because that is better than having lots of different road vehicles all following each other.

The key to the Bill, and its heart, is the relationship between the bus operator and the local public transport body. Getting that balance right is the difficult bit. I am not sure that the Government have got it right yet, but they have had a stab at it. We need to explore the matter in Committee to ensure that the balance is just right. We do not want to give bus operators too much power or we would have a continuation of bad practice, but we do not want to give local authorities too much power because they might eliminate—perhaps by default or by accident—some of the good practice that exists. Getting that balance right is the difficult part.

The concept of having partnerships and contracts is right. The concept of cross-subsidy is right; we can now have socially provided services subsidised by profitable services. That is a good idea, and the fact that we lost that opportunity during the past 20 years is part of the problem, particularly in rural areas. We must not remove what works well, and we do not want successful routes diverted to serve odd roads because some constituents want those roads served; that would minimise the success of the main route bus service. We do not want the livelihood of small successful operators to be removed, which theoretically could happen under the quality contract regime. I have some sympathy for the Conservative position on that, if I understood it correctly.

I referred to Norfolk Green earlier, and the Minister is familiar with its case. It has a well-patronised coastal route service between Fakenham and Norwich. It is a small company, which has established that route and patronage of it through its own efforts. It is possible, if a quality contract zone were established, that that route would be taken away from the company. The employees would be protected, thanks to amendments to the Bill passed in the Lords, but the company would not be. That is a genuine issue. We must ensure that individuals who have done well in a deregulated world and have provided a decent service do not lose out as a consequence of moves to make a more coherent stance in local government for bus contracts. We have to be careful how we frame the legislation.

Dr. Blackman-Woods: The hon. Gentleman makes a number of interesting points. Would he accept, however, that the Bill allows local authorities to introduce plans for their area that can include a combination of commercial routes, community transport and subsidised services? That should enable greater flexibility and, hopefully, a greater meeting of local needs as a result.

Norman Baker: I accept that the Bill does that, and that would be an ideal solution. Clearly, it is not in the interests of a local authority to run Norfolk Green or a similar company out of town. It ought to use such a company's expertise in part of the contract. Nor would it be sensible for the authority to put all of its eggs in one basket and have only one bus company for a big area, leaving it vulnerable the next time the contract is up for renewal. I think that the Minister made that point to me when we had a conversation about it. Nevertheless, the arrangements theoretically allow the Norfolk Greens of this world to lose business, and we have to be careful about that when framing the legislation.

Mr. Betts: Can the hon. Gentleman be a bit more precise about what could be done to amend the Bill to cover that point? Surely it would not be possible to amend the Bill to allow a situation where such a small company could be protected and possibly compensated without opening the doorway to compensating Stagecoach, FirstGroup or other companies for routes that they may lose.

Norman Baker: That is a fair point and leads me to the approvals board and the arrangements that the Minister described in her opening comments. She made a sustainable case that there should be external validation of such contracts. That is right. If there were no external validation, I am persuaded that it would be easier for bus operators to take legal action, which would cost local authorities a lot of money, and the operators might be successful in that action. The idea of some sort of external validation is probably right. I do not like it much as a concept, but it is a logical step.

To return to the intervention of the hon. Member for Sheffield, Attercliffe (Mr. Betts), what sort of external validation process would pick up the points I have raised? How can we get a process that is legally sensible and protects local authorities without making it so cumbersome that the inadequacies of the Transport Act 2000, which the Minister recognised in her opening comments, are repeated? We do not want a system of hurdles that is merely a different set from the one in the 2000 Act. We want to ensure that this Bill achieves something. If we come back in five years' time with yet another Bill, we will have collectively failed.

What balance should be struck? I am uncomfortable with the idea that there should be an approvals board and a referral to the transport tribunal—and, in theory, the High Court beyond that. There will be three levels of hurdles that can stop a local authority—which is democratically elected, after all—from pursuing a policy. It would be more sensible if there were an arrangement where the approvals board came up with a conclusion and made a recommendation to the PTE, so it could have the final say. Such a system would resemble what happens when the Environment Agency makes recommendations to a local council on flood defences. The planning authority still makes the final decision, but the Environment Agency makes the recommendation, and woe betide the local authority should it ignore it. Most local authorities will pay attention to such advice, but the elected members still have the final say. It would then be possible to have an appeal to the transport tribunal thereafter. One of the hurdles would be cut out.

Alternatively, the approvals board could make the decision, as the Minister suggested, and the transport tribunal could be cut out with appeals going directly to the High Court. Either of those scenarios would ensure two hurdles rather than three. That would be more helpful in getting the balance right between local authority power and the operator's right to appeal. It would still have the proper right of appeal, and such a state of affairs would be legal-proof. I will be considering amendments along those lines in Committee and I hope that the Minister will sympathetically consider the points I raise.

A number of objections have been made about the present arrangements by the Passenger Transport Executive Group, as the Minister will know. It makes the point that there are no limits on the grounds of appeal to the transport tribunal, and an appeal can be made by any consultee to the original quality contract application. That dangerous situation leaves the door wide open. We do not want a situation where local authorities face more risks, hurdles and delays.

I am concerned that the traffic commissioners, good though they are at dealing with overweight lorries, do not yet have expertise in the area in question. There is a training function to deal with. They are being given substantial new powers that are important in the Bill, and I am not necessarily convinced—I mean no disrespect to the individuals concerned—that they have the necessary training to undertake such a role. We need to understand what the Government have in mind to ensure that the traffic commissioners are able to undertake the role allocated to them in the Bill.

Secondly, the traffic commissioners say that they are underfunded and that there is not enough money for their current functions. If we load more functions on the traffic commissioners without allocating more funds to them, I fear that a lot of decisions will be made rather quickly and not very well, which would be in no one's interests. By the way, I would like to add in passing that it is good that we have an arrangement whereby traffic commissioners can deal with unsafe buses more robustly than previously.

I do not have a problem with unelected persons being members of integrated transport authorities—I am old enough to think that ITA means "independent television authority"—but I feel strongly that it is inappropriate for them to have voting rights. By all means let us bring in expertise, but the danger of having unelected people with voting rights is that there will be a temptation for those who appoint them to load up the ITA with those sympathetic to their views. That might undermine a democratic local election result that had produced a majority for one party, which could be transformed by the appointment of unelected people of a different political persuasion. I therefore hope that unelected members will not have votes.

I welcome the proposals on community transport, which both the Minister and the hon. Member for Chipping Barnet mentioned. It is sensible that we can have drivers who are paid when bigger vehicles are used. I also welcome the amendments in the Lords, which will enable passenger transport executives to provide vehicles to community transport operators. I am concerned about the bus users' arrangements, however. We need to make them more robust and ensure that they are more independent of bus operators and more accurately reflect bus passengers requirements than they appear to.

Lastly, I listened with interest to the hon. Member for Chipping Barnet on road pricing, just as I have listened with interest to Ministers on road pricing over the past few months. A variety of policies have emerged, none of which is particularly consistent with the others, so let me make plain where my colleagues and I stand on road pricing—we do not mind saying so. We think that the answer is a national road pricing scheme, which would give the necessary coherence to transport planning and would allow, for example, road tax to be abolished entirely, which cannot be done if we have only local schemes. We also think that a national

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scheme would enable us to price transport movements by carbon emission across the country. A national scheme would also be potentially much fairer—it would also be revenue-neutral, by the way—to those in rural areas, who currently pay far more for petrol than those in central London, which cannot be sensible.

When the opportunity arises, therefore, we will be arguing for a national road pricing scheme, albeit probably not in this Bill, because it is outside its scope—at least I suspect that it will be, if I try to move amendments to that effect. In so far as we have local road pricing schemes, I welcome them. Local authorities should have the opportunity to innovate and experiment as they wish. I do not regard that as a restriction on local authorities, but a power for them to take forward if they choose to do so.

My only hesitation, if I am honest, is that the Government are running a bit shy of road pricing. They are happy for local authorities to take a couple of hits and to see how schemes bed down, before they take forward a policy themselves. That is an abdication of the Government's responsibilities, so I was pleased that the Chancellor mentioned national road pricing in the Budget. We need to move towards that, both for the good use of the road network and for environmental reasons.

The Conservatives are hostile towards road pricing, but perhaps they ought to talk to their friends in the CBI, which is quite in favour of road pricing when it talks to me, as are many environmental groups. Once again, I fear that the Conservatives are showing themselves to be completely out of touch with business, the environment and bus passengers, just as they have done throughout this Second Reading debate.

I conclude by welcoming the Bill. We shall be moving amendments in Committee in respect of some of the issues that I have mentioned, but I assure the Minister that we, at least, shall approach the Bill in a constructive manner.

2.33 pm

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): I intend to be fairly brief, because I fully expected a 10-minute limit on speeches, given the importance of the debate. However, the lack of Opposition Members in the Chamber has given us an unexpected amount of time in which to make our speech.

Obviously I welcome the Bill. It represents a great opportunity to create the powers necessary to enable integrated transport authorities to put passengers first. The Bill is long overdue. For too long, many bus passengers outside London have suffered from unreliable services, reductions in services and, on occasion, even the withdrawal of services, all at the behest of the bus operators, who, as things stand, have to give only 56 days' notice before a service is withdrawn.

Every three months in Sheffield and across South Yorkshire, services are withdrawn, changed or reduced. That can no longer continue. Where services to deprived or isolated areas have suffered, the passenger transport authority has had to plug the gap with publicly funded subsidies. However, other areas have not been so lucky, suffering from patchy provision that fails to meet the needs of local people. The statistics speak for themselves. In the major urban areas outside London, bus use has halved in the 20 years since bus services were deregulated. In the past year, the use of light rail services has increased by 9 per cent., but the use of bus services has increased by only 4 per cent. That is a welcome upturn, but in the context of increased usage of light rail and trams, bus services are still lagging behind.

People are voting with their feet. In London, the use of bus services last year increased by 6 per cent., but outside London it increased by only 3 per cent. I would suggest that London has got something right—something that the rest of the country needs to follow. The Bill offers the metropolitan areas and every other area outside London the opportunity to catch up.

Patchy service quality is evident throughout the country, with around 16 per cent. of all buses spot checked by the Vehicle and Operator Services Agency issued with prohibition notices. Nearly 12 per cent. of bus services by mileage have disappeared altogether in the metropolitan areas in the past eight years alone. We also have poorly co-ordinated services. One of the biggest complaints from my constituents is that buses, trams and trains in South Yorkshire are not integrated. There are examples of passengers boarding buses at stops near their homes, but having to get off and use services run by other operators and having to buy more tickets. That is crackers and, in the interests of the passenger, it must change.

No wonder complaints about bus services form by far the largest part of my correspondence with my constituents. I have called a number of public meetings since I became an MP three years ago, including two public meetings over the withdrawal of bus services. With little notice and little effort, the rooms were packed with local people complaining about the withdrawal of services. Given South Yorkshire's past, it is no wonder that bus users in the area are so disgruntled. Most people who talk about the glory days of South Yorkshire transport refer to the cheap fares policy, with a 12p maximum fare for adults and a 2p fare for children. London is now emulating that, with its free bus rides for children, but those days have gone.

One of the best aspects of the service in the '70s and '80s, which is often not remembered, is how well it worked in terms of routes and frequencies, how it got people to work and leisure activities, and how it got children to school. For instance, it was no problem getting from Rotherham, on one side of the Don valley, to Sheffield, on the other, by bus. Even on a Sunday, it was relatively easy to get a bus from one part of South Yorkshire to another. It was not difficult for pensioners to enjoy market days across South Yorkshire—Barnsley one day and Doncaster the next, as well as Sheffield, for its then renowned Castle and Sheaf markets.

The ability to get around and make the best use of leisure and shopping services across the area is important to pensioners. However, pensioners in particular complain that their buses do not turn up. They complain of frequent changes to the routes that they use regularly. Indeed, not very long ago I was a local authority councillor in the constituency of my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts). Down in the south-east of Sheffield, the complaints were about the withdrawal of services and about services to local shops and hospitals not turning up. Now that I represent

the north of Sheffield. I hear exactly the same complaints from constituents in High Green, Chapeltown and Ecclesfield.

My constituents complain not just about being unable to get to Sheffield for work or Meadowhall for shopping, but about being unable to get to Barnsley. For those who live in the north of Sheffield, Barnsley is just as likely a destination for work or leisure as Sheffield city centre. The key point for most of my constituents is that their local bus service does not meet their needs, and does not connect them to essential services such as local hospitals and shops.

Workers are also giving up using the bus to get to work. When the bus on which they rely fails to turn up not once, not twice but three times and more, making them late and embarrassed when they finally get to work, it is no wonder that they give up using the bus and take to their cars. If they cannot rely on the bus service to get them to work on time, of course they will turn to their cars. However, if they have no car because they cannot afford to buy or run one, what option do they have? Their employment and their relationship with their employer are put at risk. That is why the Bill is so important.

I want to talk briefly about the quality of the experience. At long last, buses in Sheffield are improving, but for too long they were unacceptably old, unkempt and dirty. Too many of them are still inaccessible to the elderly, the disabled and women with young children in pushchairs. Indeed, many of my constituents still hold on to the romantic notion of a return to the old days of conductors on buses. Conductors were able to help people with heavy shopping or pushchairs to get on to the buses. Indeed, one of the reasons that the supertram service in Sheffield is so successful is that it has reintroduced conductors. The reintroduction of that service has made an unbelievable difference to the usage of that network.

Bus drivers are often under intense pressure to deliver to timetable, with the consequence that journeys are often uncomfortable, with buses swinging round corners and moving off from bus stops before passengers have had a chance to sit themselves down. That point was made strongly by Help the Aged, and the problem could be resolved by quality contracts and quality partnerships, which would give local authorities some control over frequencies and routes.

For all those reasons, the Bill is really welcome. The proposal to establish a new passenger watchdog has widespread support, but the work that it is expected to do will have to be fully funded if it is to be effective. The strengthening of the role of the traffic commissioner in enforcing better punctuality is also welcome. The suggested relaxation in the regulation of community transport provision is welcome, as that will incentivise greater use of the service. I am pleased that that subject has been mentioned today by every speaker so far, because I believe that community transport matters have been overlooked in the general debate so far. In the long term, they could prove to be one of the most effective means of connecting the elderly and people who live in hard-to-reach communities to mainstream transport services.

An area in the north of Sheffield, Stocksbridge, is an incredibly hilly community, built on the steep sides of the Don valley. It is very difficult for the elderly people there to use the mainstream bus service, because they simply cannot get from the bus stops to their homes. The local community transport service, the Stocksbridge Flyer, has proved invaluable in providing a service to help the elderly and disabled people in Stocksbridge to get about and to get to the shops at least twice a week. I attended the anniversary of the establishment of the Stocksbridge Flyer last year, and I know just how valued that service is.

The proposals to make quality partnerships and quality contracts easier to use look promising. At long last, a range of options is to be made available that will allow decisions to be made locally about how bus services should be delivered. I am frankly astonished that the Opposition should suggest that it is somehow wrong to give local authorities more power to decide how to run their bus services. I am astonished that the party that pretends to be in favour of the devolution of services has made a commitment in the Chamber today that it would revoke quality contracts and quality partnerships if it came to power. I am confident that, when my constituents hear the Tory views on re-regulation and on the proposals before us today, they will decide that the Tory party will not be the party of government for them when we get to the next general election.

The Bill offers a promising way forward for local bus services, but that does not mean that it cannot be improved. It contains provisions that will require careful scrutiny and thorough discussion if we are to get the legislation that we know we need to transform our bus services. For example, quality partnerships are to be enhanced in order to allow the specification of timings, frequencies and maximum fares, which makes sense if local transport authorities are to invest in bus priority lanes and improve bus shelter provision. However, the Bill as it stands gives operators a wide-ranging right of objection to proposed timings, frequencies and maximum fares. This aspect of the Bill must be thoroughly aired in Committee because, while it is reasonable to assume that bus operators entering into quality partnerships will want to be assured that it is worth their while to do so, such concerns could be raised during the negotiation of the agreement itself. If a local transport authority proved to be intransigent in its approach, the bus operator could, and surely would, just walk away.

Sheffield has initiated the one and only quality partnership in operation in this country, and the city fully supports the extension of partnership rights to cover timings, frequencies and fares. At the end of the day, if the right of objection in the Bill is intended to calm the nerves of the operators about the extension of partnership powers, that is surely not a sufficient reason for its inclusion in the Bill. I reiterate the key point that it is right that bus operators' expertise and concerns should be properly reflected in any partnership agreement, but that right does not need to be included in the Bill.

I particularly welcome the measures on franchising. They will probably have the greatest application in the metropolitan areas, where quality contracts will be substantial enough to secure operator interest. Franchising offers a real opportunity to think through routes, frequencies and fares in a strategic manner, with the public interest at the heart of the process. It offers a real opportunity to put passengers first. However, the Bill proposes a process for securing franchising that could involve not

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only an approvals board—as the hon. Member for Lewes (Norman Baker) mentioned—but a transport tribunal. And, at the end of that process, there would still be the option of a legal challenge. I agree with the hon. Gentleman that that process appears cumbersome. Those of us who have waited so long for this legislation are feeling nervous that we might stall at one of these hurdles in the Bill, while we are in the process of putting the quality contracts in place.

I entirely understand that the referral of a franchising application to an approvals board might well offer a degree of protection to integrated transport authorities against legal challenge by bus operators. I agree with the hon. Gentleman and the Minister on that point. We must be careful, however, not to compromise the right of local people to determine the shape of their services for themselves. As the Bill stands, there is a danger that that could happen. In other words, while it is probably helpful that the process of franchising be tested, especially in the context of a possible legal challenge, it is not helpful to include in the remit of the approvals board the decision to franchise. This is an important point on which I would appreciate clarification when the Minister winds up the debate. By all means, let us have an independent voice involved in the scrutiny of franchising agreements, to ensure that the interests of all parties involved have been met, as far as that is possible. At the end of the day, however, bus operators will continue to engage in the provision of services on a commercial basis, and that reality will have to be reconciled with the need to meet the interests of passengers.

Let us not forget that bus operators will benefit from franchising. Long-term contracts will allow them to plan provision and rationalise costs. In return, therefore, they should recognise the need to shape services in a way that puts passengers first. It should be possible for franchising to reconcile the interests of all parties involved and the Bill needs to reflect that fact. I repeat, however, that it does not need legally to bind decisions to franchise to the approvals board.

As the Minister mentioned earlier, in looking at proposals for quality contracts, the approvals board would make an interpretation of the term "public interest". What worries me—and I am sure, as the Minister should know, it worries many other Labour Members—is the degree of nervousness among us about how that term "public interest" will be interpreted by the approvals board. The Bill needs to be tightened up to ensure that we do not fall into the trap of using the interpretation of public interest views to turn down applications for quality contracts, which are demanded by the vast majority of passengers in areas like South Yorkshire, Greater Manchester, Tyneside and so forth—

Stephen Hesford (Wirral, West) (Lab): And Merseyside.

Ms Smith: And, of course, Merseyside.

Mr. Deputy Speaker, the Bill offers a more rational approach to the delivery of bus services. It offers potential social and economic benefits to areas like South Yorkshire, which needs to improve its transport provision if it is to develop economically. Although provisions for road pricing, which I support, are in the Bill, it sensibly refrains from forcing those provisions on localities.

I have to say once again that I was dumbfounded by the earlier comments of the hon. Member for Chipping Barnet (Mrs. Villiers), which seemed to suggest that we were talking about national road pricing by the back door. If we are in favour of devolving power, surely we should all support giving local authorities or integrated transport authorities the right to introduce road pricing, particularly if road pricing is right in itself. Road pricing may be required in any case, as and when congestion acts increasingly as a brake on economic development, which is why the CBI supports the Bill.

In Sheffield, there is only 15 per cent. capacity left on our roads. At some point, road pricing will have to be seriously discussed, but I agree with the CBI that it should be introduced only in the context of an adequate public transport infrastructure—a critical point. That is why the introduction of road pricing measures has to be voluntary; it has to be down to local authorities to decide when to do it. As far as South Yorkshire is concerned, better buses, integrated with local tram and train networks, provide the right context for road pricing, but the carrot should not precede the stick—and I am sure that that will apply across the country.

I support the Bill, despite its few shortcomings, and hope that it comes back to us on Report and Third Reading as an even better Bill than it is now.

2.52 pm

Mr. Greg Knight (East Yorkshire) (Con): The debate has been interesting so far, but I do not buy the synthetic surprise of either the Minister of State, Department for Transport, the right hon. Member for Doncaster, Central (Ms Winterton), or the hon. Member for Lewes (Norman Baker), who made a big thing of expressing amazement that the Conservative party intends to vote against the Bill. The Bill is something of a curate's egg in that, irrespective of what view one takes, the proposals are not entirely satisfactory. We have heard that from the mouth of the hon. Member for Lewes himself and indeed from that of the hon. Member for Sheffield, Hillsborough (Ms Smith). They are clearly not entirely happy with the Bill as it stands. Surely if it is perfectly legitimate to vote for the Bill and seek to amend it in Committee, which is the Liberal Democrat position, it is perfectly legitimate for the Conservatives to say that they do not like the Bill and want it taken away in favour of something else. That is the essence of the Opposition's reasoned amendment.

Stephen Hesford: If I understand the right hon. Gentleman correctly from his intervention, his main interest is in road pricing. Are he and the Conservative party being straight with the House on that matter? Is their objection to road pricing an "in principle" or ideological objection to what he terms "stealth taxes"?

Mr. Knight: I hope that I am always straight with the House. I oppose road pricing, but my opposition is not necessarily one that cannot be overcome. I shall explain that more fully in my remarks, if I may. The point I was making earlier is that it is quite legitimate to say that the Bill has some good parts, but that we do not want to support it. I know what would happen if the Conservative party did not oppose the Bill. If road pricing ran into serious trouble further down the line and became hugely

unpopular, both the Minister and the hon. Member for Wirral, West (Stephen Hesford) would say, "Well, the Conservative party did not oppose it", so I believe we are right to oppose the Bill at this stage.

I suppose I should start by declaring an interest as a motorist and as the owner of a number of motor vehicles, although I have to say that I currently do not own a bus. The Greater London Authority Act 1999 and the Transport Act 2000 established the legal framework for local road pricing schemes in England and Wales. Those two Acts provide the basis of the existing schemes in London and Durham. The crucial change in the Bill for local road pricing is the removal of the requirement to get the Secretary of State's approval before introducing such a scheme.

In the draft Bill, the Government set out the case for that change, saying:

"Removing Ministers from the decision-making process would make clear that local areas are themselves responsible for decisions on local schemes".

That is what we were told, but it seems to many of us that that device is simply a way of moving responsibility for a potentially unpopular policy from the Government and on to local politicians.

I notice that the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) is not in her place and I have heard a rumour that she is poorly. I am sure that the whole House will join me in wishing her a speedy recovery to robust rude health. During the Transport Committee's work on the draft Bill, it heard evidence from motoring organisations that opposed the move to introduce local road pricing schemes. The main area of concern of those motoring groups was what they view as the lack of proper consultation before such schemes can be implemented.

The Association of British Drivers said that

"there is to be less democratic control over charging. The Minister is giving up the power to require that there is public consultation, and charging authorities will no longer need approval of the Minister before introducing a charging scheme. The Bill seems to make it even easier for authorities to implement anti-car measures. There is no requirement for a referendum on road pricing/congestion charging. People must be given the chance to vote on road pricing/congestion charging. The main thrust seems to be to try and force people to use the bus regardless of whether or not it is appropriate or practical".

I totally agree with that assessment.

Back in 2004, the Government commissioned a feasibility study of road pricing in the UK, which concluded that, with technological improvements, a national road pricing scheme could be feasible within 10 to 15 years. The study also concluded that a national road pricing scheme could, if properly implemented, reduce congestion by up to half the estimated levels in 2020. However, against that background, as I mentioned in an intervention on the Minister, the Labour party's 2005 election manifesto stated:

"Because of the long-term nature of transport planning, we will seek political consensus in tackling congestion, including examining the potential of moving away from the current system of motoring taxation towards a national system of road-pricing."

The pledge was quite clear: if we were going to have road pricing, motoring taxes would be reduced or cut elsewhere. I think that most of us would be willing to consider a road pricing scheme if that pledge was kept, but the Bill does no such thing. It seeks to introduce local road pricing without any commitment to reduce motorists' taxes elsewhere. In 2006, the then Transport Secretary, now Secretary of State for International Development, said that the Local Transport Bill would

"help to pave the way for a national road-pricing scheme in the medium to long term".

He made it clear that he saw the Bill as a test bed for a national scheme. In February last year, however, an e-petition appeared on the Downing street website calling for the scrapping of the Government's plans—I think it still holds the record for the number of signatures on any petition, at more than 1.7 million. The Minister of State said that she was happy to talk to passengers, and that it was clear what they wanted. She also ought to listen to motorists, because it is clear that they do not want another stealth tax, which is how they regard national road pricing, given the lack of a concrete commitment by the Government to abolish or reduce taxes elsewhere.

Norman Baker: The right hon. Gentleman is making a sensible contribution. Does he agree that the Government failed to get the message across? Had they presented national road pricing as a revenue-neutral arrangement, in the context of other road taxes being reduced, they might have had a different response.

Mr. Knight: The hon. Gentleman is absolutely right. The Government should also have made more of their pledge to seek consensus by opening up discussions with all the major political parties before bringing forward a scheme.

In the immediate aftermath of the petition, the Government announced an abandonment of the proposals. A few months later, abandonment changed to distancing themselves from road pricing. They stated:

"It is not the department's intention, at this stage, to take the separate powers needed to price the national road network...We agree that there are congestion problems on parts of the strategic road network, but 88 per cent. of congestion is in urban areas. Therefore it is sensible to prioritise the assessment of road pricing in those areas."

Asked to comment on where that left the national road pricing policy, the Transport Secretary said:

"The debate about national road pricing has become increasingly sterile".—[*Official Report*, 4 March 2008; Vol. 472, c. 1589.]

We heard nothing more about the matter until the Budget earlier this month, when the Chancellor put it firmly back on the agenda and announced funding for pilot scheme projects to develop road pricing technology.

The Government have continually stressed that if they choose to introduce a national road pricing scheme, they will have to introduce a separate piece of primary legislation. So why are they bothering with the local schemes in this Bill? If they want road pricing, they should bring forward a national scheme and engage in a national debate on the issue, not bring forward such piecemeal local proposals. I have concerns that the Government intend to use such local schemes to test public opposition to road pricing.

The Transport Committee has rightly criticised the Government for forcing councils to adopt local road pricing:

"In the face of severe funding pressure we do not accept that Congestion Transport Innovation Fund guidance should, in effect, restrict the availability of funds for much needed improvements in

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transport infrastructure to only those authorities that will consider local road pricing schemes. This risks blackmailing local authorities to conduct road pricing trials on behalf of Government in advance of a possible national scheme."

That is the answer to the question asked by the hon. Member for Sheffield, Hillsborough—it will not be a genuine choice. Blackmailing local authorities is not a new phenomenon for the Government—the Department for Transport is already doing it.

My local authority, the East Riding of Yorkshire council, is excellent. Ministers have admitted that it has been excellent in many areas in comments made not only in this Chamber but in Westminster Hall. Recently, it wished to introduce some traffic management improvement schemes for the town of Bridlington. The Government agreed to provide funds only if it included a park-and-ride scheme. Blackmail was used to force the local authority, against the wishes of the local population, to include a park-and-ride scheme for the town. In case the Minister of State does not know, Bridlington is a seaside town and tourist resort. I have yet to hear of any family with young children, with buckets and spades and lilos, who wish to get to the beach using a park-and-ride scheme. Bridlington needs not a park-and-ride scheme but an inner-town multi-storey car park. However, it has been forced to adopt the park-and-ride scheme because of arm twisting by the Minister and her Department.

The same thing happened in Birmingham. When the city council decided to remove some unpopular bus lanes, which were causing congestion, the then Transport Secretary, now the Chancellor of the Exchequer, in my hearing threatened to remove funding from Birmingham unless it reinstated the bus lanes. I say to the hon. Member for Sheffield, Hillsborough that the Department for Transport is already blackmailing—

Mr. Deputy Speaker (Sir Michael Lord): Order. I am aware that the right hon. Gentleman is not referring to anyone in particular, but I am not too happy about the use of the word "blackmail".

Mr. Knight: Let us say "under coercion"—the Department for Transport, no doubt with the approval of Ministers, is telling local authorities that they cannot exercise their free local decision-making process. If they want Government funding, they must make certain decisions.

Although the Bill sounds innocuous enough, it will be a coercion tool to force local authorities, against their better judgment, to introduce road pricing. They will be told that unless they comply they will not receive money. They will be told to comply as a way of dealing with underfunding from central Government. All that is from a Government who have made great play of connecting politicians and Parliament with the people. The claim that people are somehow distant from politicians when they should not be seems hollow when the Government pursue if not blackmail, then coercion policies against local authorities.

Why is there no prerequisite for widespread and proper consultation? What is wrong with testing local opinion and then listening to it? The removal of the Secretary of State's approval for local schemes is an attempt to distance the Government from potentially controversial decisions, while forcing local authorities to gauge the acceptability of charging schemes. As the hon. Member for Lewes said, that is hardly leading from the front.

The use of the transport innovation fund to coerce local authorities to adopt road pricing schemes demonstrates that the Government do not believe in genuine devolution. The removal of the absolute requirement to consult the public before introducing a scheme, as the Bill proposes, is totally unacceptable.

Andrew Gwynne: The right hon. Gentleman is making an interesting case, but can he outline precisely what coercion the Conservative opposition group on Tameside council was under when, in the only debate that has taken place, it voted in favour, in a named vote, of the Greater Manchester transport innovation fund bid?

Mr. Knight: This might surprise the hon. Gentleman, but I am not privy to the policy group meetings of Tameside council Conservative group. I will make inquiries and get back to him on the matter.

As the hon. Member for Lewes has acknowledged, polling shows that the primary concern of British motorists is the cost of motoring. The public will not support a scheme, local or otherwise, that seeks to increase significantly the cost of motoring. Will the Minister tell us the status of the 2005 Labour manifesto pledge that promised to move away—move away—from the current motoring taxation system and towards a national road pricing system? Like the manifesto pledge to hold a referendum on the Lisbon treaty, it seems to have been ditched.

If road pricing schemes are implemented, many of us have genuine concerns about those who live in rural areas. How will they be affected as they go about their business? Evidence shows that residents of rural villages travel nearly twice as far by car as their urban counterparts. Although many in rural areas do not have personal access to a car, many of them seek to obtain a lift to and from town centres by asking friends to take them in their motor vehicle. Road charging schemes in rural areas could have a severe downside in terms of social effects unless other motoring taxes are reduced concurrently with the introduction of such a scheme.

It is already hard for deprived rural people to get a full range of services in their local market town. Many of them have to travel further afield to the bigger cities. There is rarely a suitable bus service in many villages and a car is often the only possible solution. A badly thought out charging scheme could have a devastating effect on those communities, and now without their having any say in the matter.

Although there are no specific proposals yet for a national road pricing scheme, one concern that many people in rural areas have expressed is that if it were introduced even on a local basis, it could encourage motorists to divert on to adjacent rural roads that are not designed to carry a high volume of traffic. That could add to road safety concerns.

The RAC Foundation for Motoring has also expressed its concern. It said:

"It is clear from research we have commissioned as well as from other sources such as the No 10 e-petition that there is widespread opposition to road pricing. In the light of this we are concerned at the proposal that the requirement in the Transport

Act 2000 that promoters of the schemes consult all interested parties is to be dropped. We recognise that the associated guidance recommends consultation but remain concerned that the importance of comprehensive consultation is in effect downgraded by the change. We would press that the statutory requirement to consult be retained."

Why has the Minister not listened to that quite sensible request and allowed the statutory requirement to consult to be retained? The Association of British Drivers said:

"The main change is that there is less democratic control over charging. The Minister is giving up the power to require that there is public consultation, and charging authorities will no longer need approval of the Minister before introducing a charging scheme. This bill seems to make it even easier for local authorities to implement anti-car measures".

I have quoted some of that already.

The Bill would also allow the Welsh Assembly to make its own legislation on the making, operating and enforcing of charging schemes in respect of trunk roads in Wales. Trunk roads comprise the network of strategic through routes that are managed by Welsh Ministers. Obviously, it would be for the Welsh Assembly to consider whether, and if so how, it would be appropriate to exercise those powers. However, as I think the Minister acknowledged in response to my intervention, how can such a scheme be introduced in Wales which conforms to Labour's 2005 election manifesto pledge to move

"away from the current system of motoring taxation towards...road-pricing"?

If the Welsh Assembly decides to implement road charging on all trunk roads in Wales, will vehicle excise duty be reduced for Welsh drivers? I doubt it. Will fuel duty be reduced for those motorists who fill up in Wales? I doubt it. I do not see how it would be possible to introduce such a scheme.

Mr. Llwyd: With great respect, the answer is in the Bill. It says that any income thereby derived would be hypothecated for transport.

Mr. Knight: No, that does not answer the question. The hon. Gentleman has missed the point completely. The cost to the motorist would be higher. It may well be that the money raised would go on making local transport improvements, but in addition to paying fuel duty of 60 or 65 per cent., vehicle excise duty and for any permit for parking his vehicle, the motorist travelling through Wales would have to pay for using the trunk roads. That does not comply with Labour's 2005 manifesto promise to move

"away from the current system of motoring taxation".

It would be an additional tax wherever the money was spent, whatever it was spent on. If the Welsh Assembly is misguided enough to introduce such a proposal, my message to all holidaymakers is, "Forget Wales; come to East Yorkshire and enjoy Bridlington, even if you don't use the park-and-ride scheme that is being foisted on it."

I was asked whether I was against a national road pricing scheme in principle: would I object to any national road pricing scheme? The answer is no. Any politician who is serious and wants to be constructive in this place should be open to argument, even if the argument is for a proposition that initially he is minded not to support. I would be happy to review the terms of a national road pricing scheme because it might have merits.

The other day I came across a speech by the Minister of Transport speaking in the House on 2 December 1920 when he was introducing vehicle excise duty. The argument Sir Eric Geddes adduced for introducing vehicle excise duty was that

"the whole essence of the new taxation is that it shall be one tax, and that all the other taxes shall be merged in it or otherwise wiped out."

Referring to the motorist, he said that

"his payments will be in one tax, without irritating additions."—[*Official Report*, 2 December 1920; Vol. 135, c. 1489.]

Does that not hold true today? If there was a national road pricing scheme and it was the only fee that a motorist had to pay—if vehicle excise duty were abolished and the duty on fuel largely abolished—it might be acceptable, provided that there were exemptions for the disabled and other groups, and provided also that there were times of the day when the fee paid was less, perhaps even zero. If that were the scheme, it could make better use of our road space. A zero rating during non-rush hour periods would encourage motorists whose journey was not time-sensitive to drive outside usual motoring hours, thereby freeing up road space for those who were obliged to travel during the busiest time of the day.

Norman Baker: Does the right hon. Gentleman agree that such a scheme could also be devised to take account of the cleanliness or otherwise of vehicles in terms of carbon emissions?

Mr. Knight: It could do to a point. There is a difficulty the further back we go. I think that before 2001, manufacturers did not reveal what the emissions of the vehicles they manufactured amounted to. If we go back even further, to historic vehicles, there is no way of measuring their output unless they are brought into a testing station. I do not think we would want to go there for the gain that we would get. We could, if we wished, differentiate the charge for those vehicles if we had a rule that linked the scheme from the time when manufacturers made the information public. I am not convinced that I would want to support such a scheme, but it could be done.

A national scheme in the form of one tax replacing all others would have some attraction. I have not set my judgment in stone against supporting such a scheme. I would like to see the proposals first, but it might benefit many motorists. Certainly, it would be more logical than the London congestion charge scheme, which was introduced by a Mayor at the same as he phased out double-decker buses and introduced buses that take up double the road space. If the Mayor is against congestion, why on earth is he doubling the space occupied by buses?

I have a couple of specific questions for the Minister. The first concerns clause 50, which applies the Disability Discrimination Act 1995 and is entitled "Carrying of passengers in wheelchairs in vehicles providing local services". Admittedly this is a fairly small point, and I do not want to suggest that too much hinges on it.

Many tourist areas, such as the one that I represent, use historic vehicles to transport the public because they increase tourist interest. I believe that the local authority area represented by my hon. Friend the Member for Scarborough and Whitby (Mr. Goodwill),

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who is not in the Chamber at present, is the only one in the country to use a Sentinel steam bus to carry passengers. Part of the attraction and appeal of a historic vehicle is its period authenticity. Will such vehicles be exempt from the requirement for alterations enabling them to accommodate wheelchairs, which might completely destroy their character? I should not have thought that there were more than 20 in the country, but where they are used they are valued by the public, and I think disabled people accept that they are vehicles from a bygone age when their interests were not properly considered. I am certainly not aware that any disabled group in my constituency has campaigned for the right to board one of those historic vehicles with a wheelchair.

My second question concerns clause 120, which relates to foreign-registered vehicles. According to the explanatory notes that the Minister has kindly published to accompany the Bill, one of the purposes of requiring information about them is

"to promote compliance with test certificates under section 47 or 53 of the Road Traffic Act 1988".

I am a little puzzled about why a foreign-registered vehicle need comply with a British Road Traffic Act if it has a valid test certificate issued in the country where the driver lives and the vehicle is registered. Surely if a Spanish tourist, for instance, visits the United Kingdom for a holiday with a Spanish-registered car that has been tested in accordance with the rules in Spain, a fellow European Union country, he need not take any further measures in order to drive his vehicle on our roads.

I do not think that Conservative Front Benchers need apologise for deciding to vote against the Bill. There are some good bits in it, but in the main it represents a missed opportunity. I should have liked it to contain, for example, a moratorium on the construction of speed humps, which are a complete menace. They increase pollution in the form of both airborne particles and noise. We now have far more effective LED-operated flashing signs, and I think local authorities should be told to introduce more of those and stop constructing speed humps.

The Bill could have been used to trial a number of innovations apart from road charging. It could have provided for motorists to be allowed to turn left at a red light, as they are allowed to in America—although because Americans drive on the other side of the road, they turn right at red lights. It could have provided for trials of traffic lights during non-busy periods being switched to amber in all directions to allow motorists to cross junctions with care. It could have provided for more use of flexible speed limits. Why should a 20-mph limit outside a school continue to be enforced when the school is on holiday, rather than being changed back to 30 mph? I understand that regulations introduced by the Minister's Department allow that to happen only if the sign is electronic, and that because electronic signs cost more, most local authorities retain the 20-mph limit when schools are not open because it is cheaper to do so.

There should be financial assessments of park-and-ride schemes so that we can find out how much they are costing local authorities—which would probably mean the cancellation of the scheme in Bridlington, for instance. There should also be speed-limit audits, and speed camera partnerships should be abolished. All those provisions would have been welcome.

Mr. Christopher Chope (Christchurch) (Con): Will my right hon. Friend give way?

Mr. Knight: I am nearing the end of my speech, but with some reluctance I will give way.

Mr. Chope: Would my right hon. Friend also have welcomed the restoration of the national 85th percentile in relation to the establishment of 30-mph and other speed limits?

Mr. Knight: I certainly think that that should be debated, and we may be given an opportunity to do so if the Bill is given a Committee stage—although I regret to say that owing to his elevated position on the Chairmen's Panel, my hon. Friend will not be able to serve on the Committee. That will be the House's loss.

This is a curate's egg of a Bill. It is bad in parts. We should therefore not swallow it whole, as my hon. Friend the Member for Chipping Barnet (Mrs. Villiers) says in her amendment. We should say to the Government "Take it away, and give us something else."

3.26 pm

Graham Stringer (Manchester, Blackley) (Lab): The right hon. Member for East Yorkshire (Mr. Knight) did an extremely good and lengthy job of obscuring the lack of Conservative interest in this important Bill.

Mr. Chope: Will the hon. Gentleman give way?

Graham Stringer: It is very early in my speech for me to give way, but I will do so.

Mr. Chope: Might not the lack of interest to which the hon. Gentleman has referred be due to the fact that so many Conservative Members are interested in listening to the President of France, who is giving an address elsewhere in the Palace?

Graham Stringer: That may well be the case, but it may also be due to the fact that Conservative Members have a long and undistinguished record of being uninterested in bus services.

The fundamental point made by the right hon. Member for East Yorkshire about the Opposition's right to oppose is clearly right, and I do not blame the Conservatives for that. What raised eyebrows and prompted comments from Labour Members were the terms in which the hon. Member for Chipping Barnet (Mrs. Villiers) opposed the Bill. According to the amendment, the Conservatives oppose it

"because it encourages the introduction of Quality Contract schemes to reregulate bus networks".

Surprisingly, however, the hon. Lady proceeded to say how jolly good what are, in effect, compulsory quality contracts in London were.

Mrs. Villiers: Will the hon. Gentleman give way?

Graham Stringer: I should be delighted to allow the hon. Lady to dig a deeper ditch for herself.

Mrs. Villiers: Throughout my speech, when challenged on this point—as I was on a number of occasions—I made it clear that in my view a range of factors were at work in relation to increasing bus ridership in London which had nothing to do with the regulatory structure and operation in the capital.

Graham Stringer: The hon. Lady fails to recognise that when factors such as subsidy and density of population are disaggregated, all the indications are that regulation in London has led to a better transport system and more passengers than can be found elsewhere in the country. What she fails to understand, and what I think every Labour Member does understand, is that with the good investment, good subsidy and real political leadership from which London has benefited, a regulated transport system will be a good system.

The hon. Lady also failed to explain why, given a system that works in London on those grounds—she did not attempt to specify which of them should be removed—we should have two systems in England as a whole. She did not explain why England should have such an apartheid system of transport, whereby London gets political leadership because it has an elected body, so it gets subsidy and regulation, and therefore a better transport system. Those are the horns of the dilemma on which the hon. Lady was caught—and I must say that over the years I have seen one or two of my Front-Bench colleagues caught on the same horns and have similar problems in respect of why there are two different systems in the country.

To understand why there are two different systems, we have to go back just over 20 years to when the then Conservative Government and Prime Minister launched a huge political onslaught on local democracy and local services. It went wider than transport, but for the purposes of this debate we should note that six metropolitan counties and the Greater London council were abolished, and we got a deregulated system. Although the Bill can be improved, one reason why I welcome it is that it attempts to deal with both sides of the problem—with the problems caused by deregulation and with those caused by the abolition of the metropolitan counties.

Mr. Stewart Jackson: The hon. Gentleman seems to be stuck in a time warp. He is a Labour Member with a Labour-controlled city council in a disproportionately Labour area, and we have a Labour Government. After 11 years of that Government, who does he think is responsible for the lack of authority and autonomy in transport policy, and the discrepancy between Greater London and the area he represents? How can that be the fault of the Opposition?

Graham Stringer: The hon. Gentleman thinks he has made a clever intervention, but it is clear that the Conservative Government put us in the situation in which we find ourselves now. If he had listened to me—and some other Labour Members—he would have heard that we have been less than satisfied with the progress that our Government have made in reversing certain measures. My Front-Bench colleagues have heard from me at length both in private and in public on these matters.

Mr. Truswell: Is not the attitude espoused by the hon. Member for Peterborough (Mr. Jackson) typical of his party, in that it acts as an arsonist and then accuses the fire brigade of not putting the blaze out quickly enough?

Graham Stringer: My hon. Friend makes an acute observation about how the Conservatives behave.

What happened when those counties were abolished? The links between local democracy, local choice, local taxation and control of local bus services were broken. They were broken on the basis that although the people involved—Nicholas Ridley, who was Secretary of State, and some officials and outside advisers—did not know what would happen when deregulation of bus services was introduced, they believed that private, commercially operated bus companies would respond to the requirements of the travelling public by providing a better service. Indeed, in a small number of cases services did improve, but in the vast majority of cases they declined. We have already heard of the statistics, such as doubled bus fares, half the passenger numbers and reduced mileage, and they are well known in respect of areas outside London. What is less often expressed about the experience is that the bus companies did not respond as flexible, competing businesses serving the travelling public, but instead they became subsidy junkies. They responded to the amount of subsidy that was available, and they catered their services not for the travelling public, but for how much grant they could get. The Brian Souters of this world—he is from Stagecoach—go around saying how good they are at providing a service, but in fact they are always asking for huge subsidies.

Unless hon. Members know of the parliamentary question I asked last week, I would be surprised if they are aware that the Government believe that the subsidy outside the London area in the deregulated system is £3,500 per year per bus. The PTE group believes that for tendered services the subsidy per bus per year is £53,500—£1,000 per week per bus travelling in the system outside London. That is incredible. When there was local democracy, local taxation and control of services, for that amount of money we would have expected to be able to say what would be the frequency of service and where the buses went. Of course, that sum does not include investment in bus lanes and bus shelters and other parts of the transport infrastructure, which the Brian Souters of this world are always asking for while forgetting that they are being hugely subsidised. As a percentage of their overall businesses, they make more money and get a better return on their investment—although their buses are older—in the deregulated area than in other parts of the system. Overall, the bus industry is left with fewer passengers and we have twice the average bus fare of France, Germany and elsewhere in the EU before its recent enlargement. Therefore it is unsurprising if there has been a decline in bus fares.

Let me swiftly address the proposals, and some of the problems that I envisage and that I hope can be dealt with in Committee. I welcome the fact that the Government will leave the creation of integrated transport authorities up to local initiative; it will be for a local passenger transport authority to come forward and say, "We have a better scheme." What lies behind that is the belief, for which there is supporting evidence, that if we transfer highways powers to a transport authority, and the

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transport authority can put in bus lanes and change traffic management orders for the whole of an urban conurbation, there is likely to be increased usage of buses and more bus priority measures.

It is understood that that is what is behind this proposal, but I have concerns about the process by which we get there, and at what levels Members and the electorate will be involved. On the process, in terms of addressing a medium-sized local government reorganisation—in the case of Greater Manchester it would involve 11 authorities and a number of functions—how adequate would the affirmative procedure and a one-and-a-half hour debate on the Floor of the House be? That does not seem adequate; we do not normally deal with local government reorganisation in that way.

I would not go the whole hog by saying that we should have primary legislation to make such changes, but I ask my Front-Bench colleagues seriously to consider making them by a regulatory reform order. Such an order would, as part of its nature, give people directly affected by the scheme the right to make direct representations to the appropriate Committee of this House. If that Committee thought the matter controversial or worthy of a debate, it could ensure that a three-hour debate took place on the Floor of the House. Anybody who witnessed what happened recently in Cheshire over the creation of two authorities will know that the reorganisation of functions and powers of local authorities is controversial, and that hon. Members and the public have views on such things.

That is the position as far as the House changing the law and the powers of local authorities is concerned, but what about the people? Although the concern of transport Bills and the Transport Committee is to improve transport, there are competing issues as to whether an area has bus lanes or not. The right hon. Member for East Yorkshire mentioned the appropriate example of the debate in Birmingham about bus lanes. We would be saying to the local electorate that they can no longer vote directly for the person who will makes choices on those functions. One obvious solution is to have a directly elected transport body, some other form of election or a serious form of consultation before those decisions are made. In terms of filling the gap left following the abolition of the Greater Manchester authority and the other metropolitan authorities, the Bill is democratically inadequate; there is a democratic deficit in dealing with those matters.

I come to local authorities, because if those powers are transferred, this will not be just about the electorate. Bury metropolitan borough council or Trafford council, which oppose a congestion charge in Greater Manchester, can say individually, "We are a unitary local authority. We do not have to agree with what everybody else says. These are our highways. We are not going ahead with it." If the powers are transferred by a simple process in the Bill, both Bury metropolitan borough council and the Bury electorate would have no direct say in what is happening. The case needs to be thought through a great deal more than it has been.

Mr. Greg Knight: In the light of the hon. Gentleman's assessment of the Bill, does he intend to vote against it?

Graham Stringer: No, I intend to vote for the Bill, because as I said in my opening remarks, it contains many good things and it is moving in the right direction. However, I hope that by argument and discussion in Committee we can improve it by the time it comes back to the Floor of the House on Report and on Third Reading. I take the exact opposite view to that of the right hon. Gentleman, but that is not surprising, because he is in opposition and we are in government.

Paul Rowen (Rochdale) (LD): I have listened to what the hon. Gentleman said, and I am grateful for what he has done. Does he not accept that Bury will have representation on the local transport authority and will therefore be able to argue its case? It is not that the views of Bury will not be listened to, but it will have to take its chance, along with everybody else, in terms of developing an integrated transport policy.

Graham Stringer: I accept the point that the hon. Gentleman makes. Of course, Bury would have representation and would be able to make its case. The difference would be, first, that its electorate would be excluded. Secondly, whereas Bury currently has a veto—it can say no—it could in future be oppressed by a majority of nine to one. Such oppression could happen in other ways. At some time in the future the political complexion might mean that the inner authorities are in a minority compared with the outer authorities—that has not happened for a long time, but it has happened—and I would not want Manchester or Salford oppressed in that way.

What is behind these proposals is the fact that the Government are keen to try out congestion charging in Manchester—again, the right hon. Member for East Yorkshire touched on this issue. The chairperson of the passenger transport authority has referred to the pressure put on it as the Government blackmailing it into having a congestion charging scheme, and I just want to say two or three things about that long debate, which it is part of this discussion, although not the main part. The reason why that is happening is that Manchester wanted to extend its tram system. We have got £500 million towards a £1.5 billion tram scheme and the Government have said, "If you want the extra £1 billion and, incidentally, some more for buses and trains, you will, in practice, have to have a congestion charge."

I do not think that that is fair when one looks at the investment that is being made in London. The case for investing in the tram and train systems in Greater Manchester stands on its own, and a separate case would have to be made for introducing a congestion charge. Surprisingly, the figures produced by the urban traffic control unit in Manchester show that congestion in 11 of the 14 centres of Greater Manchester has fallen since 2001. I suspect that that is mainly because of the opening of the M60. The number of journeys into that area has also fallen, and the Government statistics on speed in those areas show that, with some exceptions, traffic is speeding up.

So congestion is not getting worse. In fact, the Government have agreed with Greater Manchester authorities in a public service agreement that congestion will not increase by 2012 and, on that basis, have agreed to invest in a new traffic-light system. In the foreseeable

future, there is no prediction that congestion will increase, and the Government's figures—I am grateful to Ministers for written answers on the issue—assume that the price of oil will fall to $50 a barrel. That is highly unlikely to happen, so the case for congestion charging in Greater Manchester has not been made.

Congestion charging is not an experiment that can be introduced and then removed. It is an investment for 30 years, and on the basis of what we know about traffic, the case has not been made. However, we do need investment in public transport.

Mr. Stewart Jackson: I find myself agreeing with the hon. Gentleman, because he is making a plausible and persuasive case for local autonomy and for decision making in transport and other areas to be devolved as far down as possible. Is the conclusion of his argument that there should be a disentanglement between financial inducements that have been offered to local authorities, such as has been offered in Cambridgeshire to introduce congestion charging in Cambridge, and bespoke, discrete transport schemes? If that is his argument, I would probably agree with him.

Graham Stringer: This is worrying progress that we are making. If the hon. Gentleman reads the Transport Committee's report on local transport plans, he will see that we found a lot of evidence—it is similar to the evidence that the right hon. Member for East Yorkshire found—of unnecessary interference from the centre. I am strongly in favour of local democracy and having the right to tax locally and take decisions locally in line with what is appropriate for local areas. That principle is behind much of what I am saying. I am not against congestion charging in principle, either locally or nationally, but it has to be appropriate to the area and not introduced because the Government are pressing for it.

In five or six years of my asking, no Minister has answered my question to my satisfaction. Although I accept that London is a special case that has historically had investment in transport of 80 per cent. more per capita than the English regions, I have tried to find out why that 80 per cent. difference has gone up to 150 per cent. difference. There has been no answer to that question. At the same time as we in Manchester, Leeds, Liverpool and Southampton are desperate for investment in tram systems, the investment in London is increasing and much of it, such as the £2 billion spent on the Metronet fiasco, is being wasted. That money could have bought us tram sets in at least three major urban conurbations.

I want to finish with two points. First, I thank the Minister for allowing me time and access to the Bill team. I had a long discussion with her and the Bill team about quality partnership schemes. I do not have time to go into the detail, but at the end of that discussion I was convinced that quality partnerships would not work. Let us start to think about what a quality partnership is: frequencies, fares and timing are controlled in the partnership but there is access for others. It will be extremely difficult to get an agreement between the bus companies and the authorities about who will run the prime service at 8.30 or 9 in the morning—the most profitable routes. Anyone who is running a bus service will want to run those routes, not the 11.30 off-peak route.

Let us consider how access is organised. I understand, although I do not have quite enough interest to read it all, that the Minister has issued 70 pages of guidance on how to deal with that. That shows that quality partnerships—*[Interruption.]* I am happy to give way to the Minister, if she wants. She was just agreeing with me, I think.

Paul Rowen: On quality partnerships, does the hon. Gentleman not accept that the Government have made two stabs through previous legislation at making quality partnerships work? They have not worked. Does he not agree that the complicated procedures in the Bill are likely to have the same result?

Graham Stringer: Yes, I do. That is the point that I am coming to. It will be difficult to make quality partnerships work because of access to the routes. Integrated transport authorities and passenger transport authorities will have to grasp the nettle and bring in quality contracts.

Ms Rosie Winterton: I just want a bit of clarification. As I said in my speech, the important thing about the Bill is that it allows registration restrictions so that if someone else tries to get access to the route and that undermines the partnership, the traffic commissioners have the power not to allow them to run along that route. I do not quite understand my hon. Friend's point that others would still be allowed to run along it and that the quality partnership would therefore not work.

Graham Stringer: As I understand it, the registration restrictions are part of the answer to the problem that I outlined. I accept that my right hon. Friend has made attempts to deal with that problem, both by allowing traffic commissioners not to allow more registrations and by giving guidance on how such issues should be dealt with. However, when the different companies challenge the issue it becomes so complicated that the arrangement is unworkable. It is in the interests of the travelling public to move to quality contracts.

To answer one point made by the hon. Member for Chipping Barnet, let me say that the quality contracts are not anti-competitive. They transfer competition away from the road, where it is wasteful and causes congestion, to a tendering process. That is exactly what happens in London. Incidentally, as those who participated in the debate on concessionary fares last night will know, the contracts deal with that problem. If the concessionary fares are put into a quality contract, there is no need to deal with all the complicated calculations about what would have happened on a bus before the people with concessionary fares got on to it.

The real answer for transport in metropolitan areas, and in most of the rest of the country, is to move to quality contracts, which are close to the system in London. Many hon. Members have made points about the complications that might be caused by the approvals boards and by traffic commissioners making decisions. I cannot see any reason why traffic commissioners should be able to put themselves into a better position than elected councillors to make decisions about the quality of bus services. That simply offends against local democracy. Placing a statutory duty on the integrated transport authorities to consult interested parties, and

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to get the process checked by an independent body, would provide as much security against judicial challenge as anything else.

This is a fight against avaricious bus companies that have made hay while the sun has shone over the past 20 years. They have used a system that, to give it the benefit of the doubt, was set up to allow bus companies to respond to passengers, whereas in fact they have responded to subsidy. As all junkies will—these people are subsidy junkies—they will fight to keep what they want: their subsidies. I shall finish with a quotation from Brian Souter, cited in the Sheffield *Star* on 30 October 2006. He said:

"If franchising or Quality Contracts are brought in we will put all our depots up for sale in South Yorkshire. That is not a threat"—

it clearly is—

"it's just that we don't think it is the way to make the system work".

I think that it is the way to make the system work, and that the travelling public will benefit from it. I hope that Ministers and elected councillors on passenger transport authorities or integrated transport authorities have the stomach for a fight to get a better transport system in metropolitan areas and elsewhere.

3.56 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): First, I wish to say how much I enjoyed the speech of the hon. Member for Manchester, Blackley (Graham Stringer), who is obviously an expert on the subject. I am not, alas, but I want to make a few points. I declare an interest: I am, by nature, a bus enthusiast. I actually enjoy travelling by bus. On the No. 148 and the No. 12 in the mornings, I have my best ideas—they are few and far between, but I do have them occasionally.

The buzz word nowadays is "integration". I remember spending a family holiday in central France and southern Brittany back in the mid-1980s. The brand new car that I had bought a month before going on holiday broke down irreparably. I had to leave it there and travel back, with a baby and a young girl of three, by train from central France. We were in a rural setting, and I was absolutely dreading the journey. We went from one village to the next by train and then stopped, occasionally changing to a bus that was waiting to take us to the next railway station. Even now, I think that that is the benchmark for integration, even though it was back in the mid-1980s. I would love to see that situation mirrored in rural Wales, and I hope that one day it will be. It behoves us all to do what we can to ensure that public transport is available, reasonable and convenient.

I made an intervention on the Minister earlier about consultation on subsidies. There are members of the Select Committee on Transport in the Chamber, and I understand that it suggested until about eight months ago that the issue of subsidy should be part of the Bill. Although I had a full reply from the Minister, it would appear to fly in the face of advice given by the Select Committee.

Local authorities are obviously in a good position to play a major role in transport—that is quite clear. Like many people in this Chamber, a frequent complaint that I hear in advice surgeries is of a lack of co-ordination in the provision of public transport. That brings me back to the idea of integration. Sometimes a bus service where I live arrives at a town, allowing less than 30 minutes before the last return service from that town. At other times, an unduly long wait is in prospect, which is also quite hopeless. Travel-to work is also an important issue.

The situation is made more confusing by the existence of the cross-border factors that are common in rural Wales. My constituency of Meirionnydd Nant Conwy is covered by two county councils. They do their best to provide good bus services, but the area also has two train operators running two separate lines. I welcome the parts of the Bill that deal with integrated transport schemes, and I hope that they lead to an improvement in due course.

The regulations under clause 18 will give Welsh Ministers responsibility for ensuring that services are properly timed, with reasonable fares, frequencies and so on. The quality contract schemes were discussed earlier, and I accept the contention from the hon. Member for Manchester, Blackley that they will be complex. In Wales, however, they will be a matter for Welsh Ministers, and clause 18 sets out the criteria—frequencies, timings, fares, as well as maximum and minimum intervals between services and so on—that must be taken into consideration. If those criteria are implemented properly, the bad examples to which I have referred will become less frequent—in the area that I represent, throughout Wales and, of course, beyond.

I hope that the Bill will ensure better co-ordination of bus and train services in the future; otherwise, the offer of free travel to senior citizens will be something of an empty promise.

Furthermore, it is plain that the co-ordination of good services is an economic imperative. A growing number of people—although perhaps still too few—would prefer to use public transport if it were reliable, timely, safe, clean and relatively inexpensive. It should also meet all the other criteria that we all take for granted, and there is no doubt that those criteria will weigh heavily on the minds of those who, under the legislation, will approve transport schemes.

There is nothing new about subsidies. Clause 64 amends the Transport (Wales) Act 2006 and extends the powers to subsidise public passenger transport services to cover standards of service—the frequency or the timing of a service, the days or times of day when it is provided, and the vehicles used to provide it. The latter condition, of course, has to do with the quality-safety issue that we discussed earlier.

I hope that another criterion can be inserted into clause 64, as there needs to be a requirement for co-ordination with other local services. Integration of that sort is very important, especially given that we do not have passenger integration authorities in Wales.

The clauses dealing with road charging have led to fierce debate, even though they have been included in previous legislation. It is an understatement to say that the proposals have caused an argument, as the question of road charging seems to be one of the main reasons why the official Opposition will vote against giving the Bill a Second Reading.

The amendment uses rather extravagant language. It states that the House should decline to give the Bill a Second Reading

"because it transfers revenue-raising powers to the National Assembly for Wales without proper constitutional justification and in doing so allows Wales to be used as a test bed for the Government's untried, untested national road pricing scheme."

Is that hyperbole, or what? If the Conservatives are serious, they should tell us when any such scheme has ever been set up. To give Ken Livingstone his due, my journey every morning on the No. 12 bus is 10 minutes shorter than it was before he brought in his reforms. It is all very well to say that Wales could be a test-bed, but London has been used in that fashion anyway and, by and large, the operation has been very successful. It is disingenuous to hide behind the idea that we in Wales are suddenly to becoming guinea pigs.

The hon. Member for Chipping Barnet (Mrs. Villiers) asked why we in Wales should have to be subjected to the road pricing scheme. With respect, the answer is that the National Assembly for Wales said that it wanted it, because it wants to think about the environment, as it wants to set an example. Cardiff is a conurbation, albeit a smaller conurbation than many others, and it could be a beacon of good practice. We could start something new. We could show that such a scheme can work not only in London, but elsewhere. However, I take her point about the need for an alternative public transport strategy to be made available as soon as possible after the introduction of the scheme, or even when the scheme is introduced. That point is well made.

With regard to the Conservative view, a gentleman by the name of Andrew R.T. Davies, an Assembly Member in Cardiff, actually pleaded with the First Minister for the power to be brought to Wales. I shall quote from the *Hansard* of 11 March, just a few days ago. He said:

"One power that the Assembly Government is trying to seek from Westminster is over road charging, via the Local Transport Bill. Do you think that any of these schemes"—

schemes to which he had referred—

"merit road charging, given that the Deputy First Minister said that only new projects would be considered for road charging?"

He was pleading for road charging in his constituency, and said that it was high time that road charging was introduced.

I hoped that the Conservatives would have a settled view on a matter as important as road charging, but I do not for one moment accept that road charging is any kind of stealth tax. It is rather too obvious to be a stealth anything, really. If it works properly, its benefits will be equally obvious. To go back to a point that I tried to make earlier, any moneys recovered under a road charging scheme would be hypothecated for further road improvements, so in that respect we are not talking about a levy, with money being put into the general pot. There are safeguards that come into play.

Clause 115 allows for the creation of trunk road charging schemes in Wales, giving the National Assembly for Wales additional powers to pass Assembly measures under fields 5 and 10 of schedule 5 to the Government of Wales Act 2006. In other words, the clause allows the Assembly to impose charges on vehicles on Welsh trunk roads, in cases where Welsh Ministers are the traffic authority. One such trunk road is the A470, which runs the length of Wales from my constituency all the way to Cardiff. I do not think that Welsh Ministers are getting ready to impose charges on the entirety of that road. I hope that they will be thinking of roads near built-up areas—perhaps those areas where new bypasses are required—roads that carry large volumes of traffic, and certainly areas where there is an alternative public transport option. Common sense dictates that the areas should be those with viable public transport. The rather extravagant language of the reasoned amendment would make one think that we in Wales are suddenly to be crushed by an almighty shock in the next few months. Frankly, I do not foresee that, having read the Bill fairly carefully.

Clause 114 is important because it states that any moneys derived from road pricing would go straight back into schemes. Again, there will be a requirement on Welsh Ministers to consider asking the local charging authority to consult on, or allow a Welsh Minister to hold an inquiry into, a local charging scheme. That is appropriate. If a local charging scheme is to be imposed, a Welsh Minister will decide whether there will be a public inquiry, and I think that that is absolutely right, to go back to the point made by the hon. Member for Manchester, Blackley. Meaningful consultation must be a core part of the Bill, and appears to be so in relation to the Welsh clauses.

By and large, the Bill will be useful. It will empower the National Assembly to do far more to provide good, sustainable, affordable public transport in Wales, but some legitimate concerns have been expressed about omissions from the Bill. The Freight Transport Association sent us all, I am sure, a briefing which refers to civil parking enforcement. The FTA says that that has led to a meteoric rise in the number of penalty charges issued in London to companies making legitimate and essential deliveries in the capital. It goes on to say that evidence from FTA members suggests that that effect is spreading well outside London as civil parking enforcement is adopted. The Bill might have been an appropriate means for changes to be made. The concern seems to be genuine. The FTA states:

"Penalties are often given for legitimate unloading – the maximum time may be exceeded because deliveries are consolidated".

Further elucidation of those views might be forthcoming in Committee. The point is well made by the FTA that there is nothing in the Bill to promote the delivery and movement of freight. Perhaps that will also be considered in Committee.

The right hon. Member for East Yorkshire (Mr. Knight) called the Bill a curate's egg and said that we should not swallow it whole. Swallowing eggs whole is best not done because there is the risk of indigestion and it is not good manners. I have one or two misgivings about the Bill. I do not suggest that it should be given carte blanche, but there are far more good things than bad in this curate's egg. My colleagues and I will therefore vote against the reasoned amendment. On the admission of the hon. Member for Chipping Barnet earlier, there are several good things in the Bill. I agree. A policy of throwing the baby out with the bath water would be rather unwise.

4.12 pm

Mr. Paul Truswell (Pudsey) (Lab): It is a pleasure to follow most of the contributions to the debate, and particularly pleasurable eventually to follow the right hon. Member for East Yorkshire (Mr. Knight)—I apologise

[Mr. Paul Truswell]

for mentioning him when he is not in his seat—who admirably performed the role of the parliamentary equivalent of a speed hump.

I am delighted that the Bill has come before the House. My comments are intended to be supportive. Like some of my hon. Friends, I shall suggest ways in which it might be improved. For years, various Labour colleagues and I have striven to make the case for bus operators to be made more accountable to the communities and passengers whom they serve. Indeed, on occasions I have referred to myself and my hon. Friends the Members for Manchester, Blackley (Graham Stringer) and for Sheffield, Attercliffe (Mr. Betts), among others, as

"We few, we happy few, we band of brothers"

Now, we are joined by some energetic sisters in the shape of our hon. Friends the Members for City of Durham (Dr. Blackman-Woods) and for Sheffield, Hillsborough (Ms Smith) and my right hon. Friend the Minister.

During at least nine years of debates in the Chamber, Westminster Hall and elsewhere, it sometimes felt as though we had fired off all the ammunition supplied to us by constituents and our own personal experiences, only for it to bounce off the rather thick-skinned responses from Ministers suitably briefed by their civil servants. That is one point on which I agree with the hon. Member for Chipping Barnet (Mrs. Villiers); beyond that, however, I cease to agree with anything that she said at all. While I am mentioning the hon. Lady, I should say that I displayed geographical ignorance earlier by not identifying the fact that she is herself a London MP. Given that, I wish to change what I said earlier and say that it is a pity that, if her party has its way, the benefits of regulation in London, which her constituents enjoy, will continue to be denied to my and most other Members' constituents.

I accept that it is desirable for us to move forward on a voluntary basis if we can; one voluntary agreement is probably worth 10 pressed ones. I also accept that we need not necessarily always go down the road of quality contracts and that a range of measures could be deployed. Indeed, there might not be a quality contract for the whole area of regions such as West Yorkshire—not even for the whole of Leeds, where my seat is located; the contract might apply only to parts where it has been impossible to provide decent services by any other means.

The hon. Lady painted a rather rosy, Elysian-fields picture of the products of bus deregulation, but it in no way conforms with my or my constituents' experiences. I wish I could say that it did and that the Bill was unnecessary. I cannot remember a time during my 11 years as an MP, or the years that I served as a councillor, when I have not been involved in taking up constituents' concerns about the removal of, or damaging changes to, services provided to local communities.

Since deregulation, quality and standards have fallen dramatically and fares have gone up by almost 50 per cent. in real terms in West Yorkshire. The number of passengers has fallen by almost 40 per cent.—in round figures, that represents about 100 million passenger journeys. The declines in most other passenger transport executive areas have been even more precipitous: I understand that in PTE areas overall, patronage has fallen by about 50 per cent.

The problem with the deregulated system is that bus companies can pick and choose what services they provide and make profits even when they provide a poor service. Services are chopped and changed and are missing or late. Passengers feel powerless and vote with their feet, if they can, by using their cars. Many people in my constituency—and I am sure that this picture is replicated the length and breadth of this country—are being denied a reliable and affordable service to work, schools, colleges, shops, health centres and hospitals. As a result, they turn to councillors, MPs and the passenger transport executives, but they find that nothing can be done to resolve the problems.

While my hon. Friend the Member for Sheffield, Hillsborough was talking about having held public meetings, a Conservative Member shouted, "What next?" My hon. Friend did not rise to the bait, but we all know what is next—nothing at all. Communities, passengers, MPs and councillors can bring no power to bear on bus operators to ensure that they address the needs of passengers and communities.

The hon. Member for Chipping Barnet talked about empowering customers, yet her party's amendment would deprive communities and their elected representatives of the ability to bring to bear powers that would provide the exact empowerment for which she purported to argue.

Passenger transport executives subsidise about 13 per cent. of services, and the rest are simply out of their control. There is little or no competition for contracts, so it is absolutely impossible to gauge whether there is value for money. I intervened earlier to drive home the point that even in its own dogmatic, market-driven terms, deregulation has been a failure.

The local network in my area comprises high-frequency routes such as service 4 into Pudsey, the 16 to Farsley and the 42 to Old Farnley, together with a combination of other routes on the Leeds-Bradford corridor. Services that serve local communities have been subject to successive changes that tend to have concentrated bus resources on high-frequency major routes, which are obviously primarily focused on generating profit. We talk about voluntary partnerships, but partnerships always exist on the basis of what bus operators are prepared to do; there are very few concessions to meet community needs.

I will not run through the roll-call of services that have been lost in my constituency over the past 11 years, because it would take up far too much time. For example, changes to services in Guiseley and Yeadon have resulted in the loss of significant links with nearby Bradford, which has caused tremendous hardship for regular travellers who depend on those services. Frequency has been reduced on services that penetrate local housing estates and provide links to Pudsey town centre, to the Owlcotes shopping centre and to Bramley. There is a frequent service through the centre of Farsley, one of the small villages in my constituency, yet half a mile away older people living in sheltered accommodation have lost their vital bus link into the Farfield estate. Links to local facilities such as health centres, post offices and supermarkets are often ignored as part of the operator's service planning process. Another notable example in my constituency of the lack of bus links is the lack of

any services to the recently rebuilt Wharfedale hospital and to primary health care facilities at Eccleshill in Bradford. I cannot remember a time when I have not been taking up bus service-related issues, and the present time is no exception. At the moment, my constituents and I are pursuing issues surrounding the removal of the 81 service, which serves several communities, and the 966 service that serves Yeadon.

As other hon. Members have pointed out, the decline in bus services and patronage affects not only passengers but everyone, whether they use buses or not. Poor services lead to increased car use, which creates even more congestion, pollution and road safety hazards in our communities. The message in the Conservatives' amendment is, "We'll just have more of the same; we'll do nothing." They said that the Bill could have been introduced in various guises of which they might have been more supportive, but we have not been given any examples of what those approaches could have been.

It is absoluteiy crucial that we get quality contracts right. We cannot have another false dawn such as that which many of us predicted in discussions relating to what eventually became the Transport Act 2000. It has taken us many years of cajoling and debate to get the message across that we needed to replace the "only practicable way" test. Like many of my colleagues who have this issue engraved into our very hearts and souls, I have some reservations about the process that is being proposed for the introduction of quality contracts. It feels as though having achieved the long-sought breakthrough, we are beginning to bend ever so slightly to the will of bus operators and, dare I say, the advice of civil servants. Quality contracts should be the last chance saloon; they should not be resorted to glibly or mischievously. Far from being in the last chance saloon, bus operators, through the process laid down in the Bill, will be able to engage in a quasi-legal pub crawl in the taprooms of the traffic commissioners and the transport tribunal before going for a big judicial booze-up in the courts. That will unnecessarily delay the process that is laid down. To move on to another analogy, I do not want an insuperable legal high-jump to be replaced by an interminable bureaucratic marathon. We do not need a long period of instability and uncertainty created by unnecessary tinkering with the structures and processes.

It seems to me, especially in discussion with those responsible at the sharp end for delivering the measures in the Bill, that the new process could involve agreeing a plan with the Government on funding for associated bus priority measures, an inquiry by the traffic commissioners, an inquiry or appeal by the transport tribunal and, potentially, a judicial review. My hon. Friend the Member for Manchester, Blackley made it absolutely clear that whatever safeguards are built in, we will still find ourselves subjected to judicial review by bus companies that fight tooth and nail to prevent the introduction of quality contracts.

My right hon. Friend the Minister referred to the approach as being belt and braces, but to my mind, it is not only belt and braces, but safety pins and keeping our hands in our pockets as well—it really over-eggs the process. Try as I may—hon. Members with more experience may be able to correct me—I have not been able to find a parallel in local government decision making for this two-stage appeal process followed by an opportunity to go to court. In planning, major decisions are made that affect individuals, companies and commercial interests through applications, enforcement notices and structure plans, but we do not have a three-tier, or two-tier—call it what you will—appeal process. We do not have such a process in environmental health enforcement, licensing appeals or the allocation of school places, so why do we need it in this case?

Quality contracts in places such as Leeds and West Yorkshire will ultimately prove to be the only mechanism available to deliver the sort of services that communities need and passengers deserve. They should provide greater reliability because services will be thoroughly monitored and good performance incentivised. If we get them right, they will provide more stability with fewer changes to fares, times and frequencies. There will be better integration—a point made time and time again in this debate—and an ability to make services cleaner and greener, as the hon. Member for Lewes (Norman Baker) rightly said.

Implicit in the Bill is the assumption that local authorities and passenger transport authorities, or whatever their successors are called, will somehow engage glibly and mischievously in the pursuit of quality contracts, but nothing could be further from the truth. There are so many risks and complex issues that have to be taken into account before anyone embarks on this process. The transition to quality contracts and the associated legal process would be difficult enough, even if the Bill were straightforward.

Those who want to introduce such contracts will have to address issues such as the location of depots, bus fleets, or what to do if there is currently a monopoly, as referred to by my hon. Friend the Member for Manchester, Blackley. All sorts of approaches could be implemented, such as the closing down of depots. No local authority or passenger transport executive in its right mind will engage in the process unless it can be confident that it will achieve value for money, that resources will be better spent than under the status quo and that it will find operators to run the services laid down in the contract. To suggest otherwise is to fly in the face of reality, experience and logic.

The point has been made about the extra measures introduced on statutory quality partnerships. To echo the views expressed by my hon. Friend the Member for Sheffield, Hillsborough, if operators are not happy with what has been suggested, they can simply walk away. I have still to hear a cogent argument that explains why the measures are necessary in such situations.

I close by saying that I welcome other measures referred to, such as the establishment of a bus champion. I hope that it will not be a half-hearted measure, but a rigorous proposal that has teeth and that is sufficiently regional or local for us to understand what the challenges facing passengers and communities might be.

In conclusion, it came as no surprise that the Opposition oppose the Bill, and specifically the quality contract measures that it contains. Change must come. Those of us who have any affinity with our constituencies and any sympathy with those who depend on buses know that change must come. The status quo simply cannot be allowed to continue. The case is overwhelming. I, along with a number of my hon. Friends who have spoken, want to ensure that the Bill puts into effect practical proposals for ending the long nightmare for bus passengers that has followed from bus deregulation.

4.30 pm

Mr. Stewart Jackson (Peterborough) (Con): It is a pleasure to follow the hon. Member for Pudsey (Mr. Truswell), who always makes an interesting contribution to our debates.

I beg your indulgence, Mr. Deputy Speaker, in allowing me to talk about quite a narrow issue relating to part 7 of the Bill, entitled "Miscellaneous provisions". The hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd), who is no longer in his place, said that there had been some missed opportunities and, in the case of clauses 117 and 118, he was absolutely right.

I am indebted to the SPARKS programme, which is the cross-border civil traffic enforcement group, for its assistance to me in, I hope, putting the case to the House this afternoon. I commend to hon. Members its report of July 2007 entitled "Foreign registered vehicles on UK roads". To put the issue in context, the expansion of the European Union's borders has seen increased international trade and greater freedom of movement across borders. It is now estimated that 3 million foreign-registered vehicles enter the United Kingdom each year. The number of foreign goods vehicles visiting the UK has trebled over the past 10 years, while the number of European nationals employed in the UK has trebled in the past five years and the number of European visitors has increased by 50 per cent. The by-product of that has been a surge of foreign-registered vehicles on our roads, with estimates suggesting 142,000 such vehicles in the United Kingdom at any one time.

Such vehicles are difficult to trace, and it is often impractical to impose penalties for traffic or parking violations, or tax evasion, for example. There is a concern that some—not all—drivers of foreign-registered vehicles are aware of the loopholes in the system, particularly the inability to enforce penalties, and are therefore more likely to drive dangerously and take risks. The Department for Transport does not collate data relating to foreign-registered vehicles, however. Indeed, I have been informed that

"the enforcement of decriminalised contraventions is a matter for the relevant local authority; they are not required to provide such information to the Government."

With no means of tracing, tracking or recording the number of foreign-registered vehicles in the United Kingdom, and with little idea of the patterns of movement, mileage or, of course, traffic contraventions, considerable strain is being put on local police forces, local authorities and enforcement agencies, which are being required to address the increasing incidence of foreign-registered vehicles violating traffic regulations ad hoc.

I should like to refer to a freedom of information request by the *Peterborough Evening Telegraph* this month—I am mindful of "Erskine May" and your advice, Mr. Deputy Speaker, so I will not wave a copy of the article. Suffice it to say that the response to the request revealed that between September 2003 and January 2008, 1,748 of 1,886 penalty charge notices issued to foreign-registered vehicles had been written off and remain unpaid, costing Peterborough city council—the local authority in my constituency—more than £86,000. Some reports nationally indicate that untaxed foreign-registered vehicles have cost the taxpayer £214 million in lost revenue in the past five years.

There are no robust data on the volume and mix of foreign-registered vehicle activity, or on how it is distributed across the UK. We can only conjecture with regard to the regional distribution of foreign-registered vehicles, but with migrant workers being accountable for 28 per cent. of all foreign-registered vehicles in the UK, we can speculate that many areas will have encountered the problems associated with having these vehicles on UK roads. This is no longer a problem facing only London and the south-east, and there have been recent examples of this issue as far away as Coventry and Loughborough. Tourist and goods vehicles also account for a significant proportion of foreign-registered vehicles on the UK roads, but the problems largely associated with those categories of vehicle are perhaps regarded as the lesser of two evils, so to speak.

Speeding and illegal parking are two examples of the contraventions that these drivers might be accountable for. In fairness, the incidence of persistent offending is relatively rare, but the problem has a significant impact on local communities, which are subjected to disturbance and dangers on their roads as a result of the irresponsible driving of foreign-registered vehicles. I mentioned earlier the cost of unpaid parking fines in Peterborough. As well as lost revenue, parking regulation infringements are responsible for disturbing and annoying local residents, who largely abide by the parking regulations. Furthermore, trying to recoup payment for the offences wastes the valuable time and resources of local authorities.

There is also a real concern that if penalties cannot be enforced, higher levels of violation will inevitably occur. This is making our roads more dangerous and more expensive for the law-abiding citizen, who must ultimately bear the burden of unpaid fines and penalties. Reports have suggested that foreign-registered vehicles are 30 per cent. more likely to be involved in an accident and 20 per cent. more likely to fail roadside tests, as their drivers are less likely to observe vehicle safety and maintenance regulations. In London, the drivers of foreign-registered vehicles are twice as likely as UK drivers to avoid paying the congestion charge. That said, we should draw a distinction between foreign-registered vehicles and illegal foreign-registered vehicles.

The significant increase in the number of foreign-registered vehicles on our roads is a direct result of the increase in the number of migrant workers in the UK, many of whom have failed to register their vehicles after the specified six months. Peterborough has experienced the considerable impact of a migrant population and the burden that that has placed on local resources. Reports from local constabularies and local authorities suggest that these drivers are more likely to contravene traffic regulations. That has certainly been the case in the Peterborough city council area.

There also appears to be a core group to whom the apparent weaknesses in the system have become clear. Those involved have now become repeat abusers of the system. Their reckless disregard for UK traffic laws and for the safety of the communities in which they live is being allowed to continue because of the Government's failure—not necessarily a wilful failure—to tackle this issue.

As these vehicles have not been registered, they are unlikely to have car tax or insurance, or to have undergone any vehicle safety checks, which means that they pose a considerable risk. Perhaps most worrying is

the apparent number of drivers of foreign-registered vehicles who, despite being aware of the regulations on vehicle registration, are now choosing to ignore their responsibility to get a legitimate licence or number plate, because they wish to stay outside the law and to benefit from the avoidance of fines and penalties.

SPARKS has stated that we need a "holistic", equal and fair system for all drivers, because the present system is breeding a culture of complacency that leads some foreign residents to ignore our traffic laws. Indeed, the system appears actively to encourage some drivers of foreign-registered vehicles to avoid registration.

I accept that provision has been made in clauses 117 and 118 to deal with this issue, but that provision is limited. Without further powers, the Driver and Vehicle Licensing Agency will be unable to provide local authorities with the addresses to which penalty charge notices should be sent when a foreign-registered vehicle has committed a road traffic contravention.

At present, the general situation is opaque and confused for local authorities, which has major resource implications, as I shall explain more fully later. One of the sanctions available is to clamp foreign-registered vehicles that persistently flout parking regulations, but Government guidance in respect of and under the auspices of the Traffic Management Act 2004 is that clamping should be discouraged and used only in the case of "serial repeat offenders".

Stephen Hesford: How many letters on this subject has the hon. Gentleman received from his constituents?

Mr. Jackson: I have received a number of representations, particularly from the Millfield and New England areas of the city of Peterborough, from the city council, SPARKS and a number of other key stakeholders. It is an important issue. I concede that it may not be a pertinent issue to every Member in the House, but it certainly is to me, given that over the last four years 20,000 EU migrants have moved into my constituency and surrounding areas. That is why I am speaking on behalf of my constituents about this key issue.

On 26 April 2007, the then Transport Minister, the hon. Member for South Thanet (Dr. Ladyman), answered a written question as follows:

> "There is no current legislation available to the Agency, which allows for the prosecution of keepers of foreign vehicles who have failed to register their vehicles within the required timescales. However, if the Agency receives a report recording the sighting of an unlicensed vehicle on the road, the Agency is able to prosecute under the legislation provided by Section 29 VERA"—

vehicle enforcement for road authorities. The answer continued:

> "There are practical difficulties with this and unless a name and address of the keeper of the foreign vehicle is provided the Agency is unable to pursue these cases. The Agency is able to utilise other enforcement action such as the wheel clamping and impounding of a vehicle."

However, as so often in these cases, and as the Minister continued:

> "The number of prosecutions of foreign vehicles under this legislation in each of the last five years is not collated."—[*Official Report*, 26 April 2007; Vol. 459, c. 1205W.]

More recently, in a written answer of 14 March at column 694W, the present Minister prayed in aid the European Commission draft directive on cross-border enforcement of road traffic matters, which was published on 20 March last week. The weakness of the draft directive is that it includes criminal offences such as drink-driving, speeding issues related to seat belt compliance and so forth, but not parking or other civil traffic offences. It thus specifically fails to address the wider issue of unfair and unequal treatment of all drivers. Neither the draft directive nor, indeed, the Bill will level the playing field or equalise the treatment of resident and non-resident drivers. Furthermore, both the Bill and directive address only the issue of data exchange rather than penalty enforcement, which is, in fact, reliant on Council framework decision 2005/214/JHA, known as COPEN 24.

In conclusion, I fully accept that I have focused on a very narrow aspect of the Bill, but it is nevertheless an important issue that impacts significantly on my constituency. My plea to the Government is that it is now imperative further to examine these particular provisions in Committee with a view to tabling amendments. If the Government themselves do not table them, I hope that they will see fit to support other amendments when the Bill comes back on Report. As I say, the issue is important. I concede that the Government are considering amendments, and I implore those who are fortunate enough to serve on the Committee to support them. My principal concern is that the Bill does not go far enough in tackling repeat offenders and those who avoid registering their vehicles. On behalf of my constituents and others across the country, I strongly urge the Minister to consider this extremely serious issue carefully.

4.45 pm

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): I will concentrate my remarks on the contents of the Bill with regard to local bus services, and briefly mention integrated transport authorities and congestion charging at the end.

Coming from South Yorkshire, as does my right hon. Friend the Minister, it is easy for me to lapse into thinking about the golden age of bus services in the late '70s and early '80s. We can have a bit of nostalgia for that, because when fares were 10p and 12p for adult passengers, tuppence for children and free for pensioners, people actually used their local buses. It was not uncommon to see in the same bus queue the steelworker in his overalls and the bank manager with his umbrella and bowler hat, because the bus services were for everyone. As a result, even motorists who used to complain about having to pay towards the costs of local bus services in their rates benefited, because they drove their car on relatively congestion-free roads.

Within a couple of years of deregulation, bus fares were rising, passengers were disappearing and congestion was on the roads in the centre of Sheffield, where it has remained ever since. We can have too much nostalgia for the past—we must recognise that life has moved on, living standards have changed, and the ways in which people conduct their lives have altered. It is therefore unlikely that we would have kept the same degree of bus use, even within a regulated environment. We must also accept that there were questions about value for money at the time, and about the restrictive nature of some of the services offered. We would want to move on from that, so I do not argue for a return to those days. But many of my constituents, particularly the elderly, are nostalgic, because their daily experience of local public transport is that services have got a lot worse.

[Mr. Clive Betts]

Recently, passenger numbers have recovered slightly due to the elderly using their welcome free passes, for which the Government deserve great credit. Even so, for every person who rode a bus in Sheffield in 2006, there were three who rode a bus 20 years before. After deregulation, therefore, a third of the passengers are left. It is impossible to justify calling that a success; it is simply not working. The Conservative party's claim that no change in the system is needed for areas such as South Yorkshire is completely unsupported by the facts, the reality on the ground and the daily experience of my constituents. Local bus fares have gone through the roof—from 10p to £2. Has any public or other essential service risen as much in price over the same period? I cannot think of anything that has, but perhaps somebody else can.

Congestion has arrived, with Sheffield becoming gridlocked on occasions over the past few years. The Government's welcome extra investment in the inner ring road has helped to address that, but as my hon. Friend the Member for Sheffield, Hillsborough (Ms Smith) said, roads in the centre of Sheffield now have about 15 per cent. spare capacity at peak times. Traffic is growing at 2 to 3 per cent. a year, and it may slow slightly with the rise in fuel costs, but at some point gridlock will again be reached, unless something changes. I will deal with more such issues later.

The reality for individuals is that they cannot plan their lives. At 42 days' notice, their lifeline—the local bus on which they rely—can be taken away. That lifeline might take someone to an early shift in a job across town, starting at 6 or 7 am. If the bus goes, their chance of that job goes. That lifeline might be needed by an elderly person to go to the home where their elderly spouse is. If that is taken away, that person may face either a journey of an hour and a half or two hours on several buses to get to that location or the prospect of moving their loved one. The service might be needed by an elderly person who can no longer get to a post office, or an elderly couple who cannot get to see their grandchildren because their residential situation has been based on the ability to get buses to do that and they do not have a car. It might be needed by young people who want to meet their friends in the centre of town at night and suddenly find that the bus does not run any more, which means that they either have to rely on their parents and lose their independence or not go out to their normal place of entertainment.

All those things are essential parts of people's lives and they can be removed at 42 days' notice. As my hon. Friend the Member for Pudsey (Mr. Truswell) said, when the complaints come, the services can be removed with virtually no chance of redress or there is virtually no chance of any change being made in response. It is a policy of social and economic exclusion because it hits most the young, the elderly and those on low incomes—the people who do not have ready access to a car. It discriminates against them more than any other group in society.

My hon. Friend the Member for Sheffield, Hillsborough mentioned the nonsense that, for years the passenger transport executive in South Yorkshire has been trying to get through-ticketing among the various bus operators, but they will not have it. They want to concentrate on their own narrow interests and on making profits for their company. If people happen to live in an area where First runs the buses and they want to get on the tram, which is run by Stagecoach, it is hard luck. They will end up paying more because the through-ticketing simply does not work.

We have the tram in South Yorkshire. I shall be a bit critical of my right hon. Friend the Minister because it should be extended. It is a great system. It works. It is popular. The Youth Parliament did an excellent survey in Sheffield which assessed young people's attitude towards public transport. It was generally positive, but most positive about the tram, which it saw as a quality service because it was safe and reliable. It should run to Rotherham.

The tram was a top concern when the regional assembly looked at its list of transport priorities, but the Government said that it was not worth the money. I am a bit critical of that, and we might return to it at another time. However, the tram was designed as part of an integrated public transport service. Bus services linked in to it so that people could get on the bus, get a feeder service on to the tram and get quickly into town. As soon as the tram came in, we got a deregulated environment and the bus companies saw it as their job not to co-ordinate with the tram, but to compete with it. They designed their bus routes to run parallel with the tram instead of linking into it. That is a policy of nonsense. It undermines and undervalues all the public investment that went into it.

Mrs. Villiers: The hon. Gentleman clearly sees regulation as the solution to those problems, but we had the problem of buses competing with trams in Croydon, in the capital city. Transport for London ended up in court because it was deliberately scheduling buses in a way that was very competitive with the Croydon Tramlink. On that point, and I think on a number of others, simply regulating will not deliver the solution to the problems that concern him.

Mr. Betts: I would be interested to hear what solution the hon. Lady proposes if regulation is not the answer, because deregulation has proved an unmitigated disaster in terms of integrating transport. I challenge her on the point about London. She said that the situation is down to the subsidies rather than the regulation. My hon. Friend the Member for Manchester, Blackley (Graham Stringer) pointed out that prior to the extra subsidy, passenger numbers were holding steady in London while they were falling in the rest of the country. If the element of subsidy in London is so important, would she advocate, as a policy, putting that subsidy into a deregulated environment? How could a subsidy of that kind and amount operate in any scheme except a regulated one?

To pick up on just one point about subsidy and deregulation, one of the problems—hon. Members have expressed this at various times—of dealing with subsidies for the concessionary fare scheme in a deregulated environment is how to calculate that a bus company should not lose or gain as a result of its being introduced. It is a difficult and complicated calculation, which will always end up in an appeal or in the courts. The concessionary fare scheme is part of the tendered arrangement in the regulated environment in London.

There are no arguments about calculation because each bus company that tenders for the arrangements makes its calculation about the concessionary fares along with its calculation about the overall tender. I would argue that that is a much better system in that sense as well, but again perhaps the hon. Lady does not see it that way.

As other Labour Members have pointed out, parts of our constituencies are not served at all. I could cite a number of examples, but recently the treasurer of Woodhouse Mill working men's club came to see me. He lives in Woodhouse, at one end of the enlarged village, and Woodhouse Mill is at the other end. Because he lives at the wrong end and the bus service now stops at 7 pm, he cannot go to the club unless he drives. He has a car, but he should not really drive and encourage others to drive when they are going for a drink at a working men's club.

Between those two areas is a magnificent new retirement village, Brunswick Gardens, which has proved to be a great success and a great improvement on other facilities in the environment. The people who live there, however, cannot go to the shops in Woodhouse at night. The removal of the bus service has taken away their lifeline. That is nonsensical, but the bus companies will not respond to complaints because they do not understand the wider issue.

South Yorkshire council was so concerned about the position that a couple of years ago it embarked on the process of adopting quality contracts, but it hit the high barrier of a quality contract being the only practical way of delivering services. I accept that ultimately more subsidy may be needed to make the scheme work more successfully, but at that time the council was faced with the reality of, in some cases, up to 20 buses an hour running on a single route while a neighbouring estate had no bus services at all. If the whole arrangement were put out to tender, it would probably be possible to manage with 15 buses rather than 20 on the main route with no loss of service or passenger numbers; but it would be possible to increase revenue and passenger numbers by using the other five buses—no more resources, just the buses—to serve the areas that are currently not served at all, and give people an incentive to travel to them.

Quality contracts make it possible to increase passenger numbers and improve services with the same amount of money that is being spent now. That will be a challenge for passenger transport authorities, but it is something that they will have to consider. As I have said, ultimately even more subsidy may be needed, and I agree with my hon. Friend the Member for Manchester, Blackley that there is too great a disparity between subsidy levels in London and outside. That too will have to be considered.

I welcome the principle of allowing passenger transport authorities to adopt quality contracts if they wish. As the Local Government Association has pointed out, it is a matter of choice for authorities—something that I thought the Conservatives now supported. Although during their 18 years in government they did not give local authorities much choice, I thought we had seen a conversion, but we seem to be back with the same old Tory party. "We at the centre know best, and there should be no freedom for local transport authorities to decide": that is their policy, and they should come out and admit it. I do not think that every transport authority should have to adopt a quality contract, but there should be a range of options of which that should be one.

Mr. Stewart Jackson: I am listening to the hon. Gentleman's speech with great interest. He is obviously passionate about the issue, and, like the hon. Member for Manchester, Blackley (Graham Stringer), something of an expert on it. However, it ill behoves him to lecture Conservative Members on central control when his Government are using blackmail, monetary blackmail, to force on—

Mr. Deputy Speaker: Order. I do not think that the hon. Gentleman was in the Chamber earlier when I said that I was not very happy with that particular word. Perhaps he will use a different term.

Mr. Jackson: Forgive me, Mr. Deputy Speaker. I was engaged in other duties involving a statutory instrument, so I missed that exciting part of the debate.

The Government are using coercion, financial coercion, to force on local transport authorities schemes that their electors have not chosen to pursue.

Mr. Betts: I do not believe that any authority has been forced to adopt any particular scheme, although there is money for which authorities can bid if they wish to introduce innovations in their areas. I shall deal later with the issue of congestion charging.

As I was saying, quality contracts empower local transport authorities and give them choice, and I pay tribute to my right hon. Friend the Minister and her colleagues for finally moving in that direction. Some of us had been arguing for some time that the present arrangements were not working, and that we needed to do something about them. However, I still have reservations about the procedure. I fear that, ultimately, it could allow an unelected approvals board to second-guess and override the decision of an elected transport authority.

I take on board the point—I shall want to pursue it further if I am involved in the Committee stage—that there might be dialogue with the approvals board; it might want to make some suggestions for the transport authority to look at to improve the scheme. I have no problem with that. My problem is that if the approvals board says it does not believe that it is in the public interest or represents value for money for a quality contract scheme to be adopted in an area, will that mean that it cannot be adopted, because that would override the view of a local, elected, accountable body?

To refer to an interesting point made by the hon. Member for Lewes (Norman Baker), before he spoke I had already written down in my notes the idea of having a statutory consultee. In considering whether to move to a quality contract or what the best approach is for local transport in an area, if a transport authority were required to take on board comments from statutory consultees, of which an approvals board could be one, that would enable input from such a board, but in the end it would be up to the transport authority to make the decision. If the authority overrode the advice of the approvals board, that could be taken into account in any challenge in a future court case. Appeals could still be made to the transport tribunal to ensure that the transport authority had followed the procedure laid down in coming to its decision.

[Mr. Betts]

The idea is that the transport authority has to go through a certain procedure, then the approvals board has to go through one as well and almost second-guess the process—I welcome the fact that it has to do it within the time frame that the Minister laid down—and then there is a tribunal that is meant to be held instead of judicial review, although there can be a judicial review as well. My hon. Friend the Member for Pudsey said that that was like replacing the high jump with a marathon; I think it replaces it with a series of high hurdles. It is possible that the democratically elected transport authority might fall before it crosses the finishing line. I feel uncomfortable with the amount of second-guessing going on and the fact that the approvals board can override purely in terms of its views about value for money or public interest. I would want to explore that further in later stages of the Bill's passage. I agree with hon. Friends who have said that some of the bus operators are so determined to prevent this from happening that they will go to judicial review whatever consideration is given by whatever body before a quality contractor is brought into place.

I am pleased that my right hon. Friend the Minister has recognised the issue of the potential threat of withdrawal of services by operators and will allow powers for the PTAs to run or purchase buses in the meantime as an interim measure; that is helpful. If we are to have real competition in moving towards quality contracts, she might also have to address the issue that South Yorkshire looked at concerning the provision of depots and of the PTE owning them in future, instead of an existing monopoly supplier being in a position to dictate terms and conditions. These are details, however, and the Government's general approach of allowing choice locally is in principle welcome, and can move us forward from the current poor situation that many of my constituents find themselves in.

On integrated transport authorities, I welcome the Government approach of allowing local arrangements to be formulated at local level. We get ourselves in an awful mess if we are prescriptive about how things should operate, when there are many different local circumstances in different parts of the country. The Government should be congratulated on their hands-off approach. There are reservations, however, about the possibility of non-elected members being able to have a vote on transport authorities. In Sheffield, the city region is partly in South Yorkshire and partly in north Derbyshire, north Nottinghamshire and north Lincolnshire. A lot of people who come to Sheffield to work or for entertainment or other reasons live outside not only the city or county, but the region. There must therefore be possibilities for expanding the local passenger transport authority boundaries with the consent of, and after consultation with, the authorities and population in other areas, if we are to have a sensible long-term approach to passenger transport in the area. Again, the Government's flexible approach allows for such local arrangements to be introduced if they are thought appropriate.

My hon. Friend the Member for Sheffield, Hillsborough and I are probably two of the few people in Sheffield who have put their heads over the parapet and said that we support, in principle, the idea of a congestion charge scheme in the city. Such a scheme is probably inevitable in the medium term, let alone in the longer term. I am pleased that the Government now recognise that the decisions about such schemes in cities should be made at local level. I shall draw a contrast: if local authorities can be trusted to get this right, cannot they be trusted to get quality contracts right too? In one case an unfettered power is being given—although there must be consultation, ultimately the decisions lie with the local authority—but the same thing is not quite being offered on quality contracts.

One thing rightly pointed out by hon. Members—my hon. Friend the Member for Tyne Bridge (Mr. Clelland) has mentioned this—is the need to improve public transport before congestion charge schemes are introduced, because there must be that alternative. I accept that getting the money up front is difficult, but the New Local Government Network has come up with an idea on tax, income and funding as a general principle for local government, and central Government ought to examine it. It suggests that local government should be able to anticipate the projected future revenues of a congestion charge scheme and borrow against those so that it can fund up front the capital improvements necessary in public transport before the scheme is fully introduced and motorists have to pay. Ideas have been proposed in this area, and I hope that Ministers will examine them.

One of the things that makes my heart sink is when someone walks into my surgery to complain about a local bus service, because I know that, in reality, I will probably not be able to do anything about a legitimate grievance. Other hon. Members have touched on that point. I have been in this House since 1992, and I have argued strongly on many occasions for a change in the legislation on passenger transport, because the bus service provision substantially disadvantages many of my constituents. The Bill offers the opportunity for many of my constituents who do not have it to get the bus services that they need and deserve. I welcome and support the Bill.

5.7 pm

Paul Rowen (Rochdale) (LD): May I apologise for missing the start of the debate, Madam Deputy Speaker? I had another meeting to attend, which was tied in with my Front-Bench responsibilities.

I join other hon. Members in welcoming the broad provisions in the Bill, particularly the end to deregulation. All who represent urban areas have seen the devastating effect that deregulation has had on our communities and on the bus services on which many of them rely so heavily. If one looks outside the urban areas and visits rural areas, one will see that the bus network has virtually disappeared; as hon. Members have said, buses are infrequent.

Perhaps with one or two exceptions—places such as York, Cambridge and Brighton—deregulation has not worked, primarily because, as the hon. Member for Manchester, Blackley (Graham Stringer) said, we replaced what was largely a public monopoly—most bus companies were run by local councils—with a private monopoly; in most areas, it was replaced by five major bus companies operating in the conurbations. As he rightly said, the interests of those bus companies are about profit and maximising the amount of subsidy that they can get, rather than about providing a public service.

I served on a passenger transport authority, where I saw what happens each year as it prepares its budget. I have seen how the bus companies juggle which services they will deregister to maximise the subsidy and how the PTA is then forced to make cuts in its regular subsidised service or to increase costs to students and, in the past, to pensioners. Such a system does not have a good effect in terms of enabling proper planning and ensuring that the bus service and bus network meets the needs of the local community.

Deregulation has served those five major bus companies, especially when one compares the profits that those bus companies make with the return that they get in London, where there is a regulated network. In London, the return is 7, 8 or 9 per cent., but in Greater Manchester and Yorkshire, it is double that. In those urban areas, the private bus companies have profiteered at the expense of passengers and they are not providing the services that we want them to provide.

I do not accept the claim by the hon. Member for Sheffield, Attercliffe (Mr. Betts) that the past was a golden age. I remember one of my first actions as a local councillor was trying to get GM Bus, as it was at the time, to change a bus route, which proved impossible. When deregulation was introduced, we were promised that it would enable that responsiveness to passenger demand. That has not happened, and instead we have seen the withdrawal of bus services. An area such as Rochdale is primarily served by one company—FirstGroup—which provides a poor quality of service that does not meet local needs. Meeting local needs is not the company's aim, because its aim is maximising profit.

I welcome the proposals in the Bill to introduce regulation, whether through quality contracts or quality partnerships. We have talked a lot about the ills of the past 20 years this afternoon, but we must start to consider what will happen now. As the price of oil increases—I am shocked that the Department for Transport works on an oil price of only $50 a barrel, when the reality is that it is already double that and likely to increase—and people are increasingly unable to use their cars, they will want to rely on public transport, so we need to develop those services. They need to be integrated and, at the same time, we need to address the environmental issues.

Some of the problems that affect urban areas outside London are that our buses are less environmentally friendly, much older and do not deliver a very good service. That is why they are not attractive to people and why light rail is so much more attractive. One of the disappointments of the Bill is the fact that the total bus subsidy that is paid to the operators as well as to the passenger transport authorities has not been put together. I am talking about the vehicle excise duty rebate, which at the moment is going straight back to the bus companies. I know that the Government are consulting on that point, but it would make much greater sense if, during the passage of the Bill, we could include the VED rebate as a part of the subsidy and forming part of the quality contract. If we want to encourage bus operators to run buses that are full, modern and environmentally efficient, we should grant the subsidy to those operators that can deliver those benefits. That would be a powerful incentive.

Other hon. Members have talked about the hurdles that are in place for quality contracts. We have had two Transport Acts now, but only one quality partnership contract has been signed. The problem is not, as the Minister suggested earlier, stopping other bus operators muscling in, because that is a problem only in a limited number of areas. In fact, such contracts are missing because the bus operators do not want to play ball and allow their frequencies and their fares to be controlled. At the moment, the operators have the whip hand.

We have seen two failed attempts at introducing quality partnerships and quality contracts, and the Government need seriously to consider the proposals that are being made. I have always taken it as a fundamental principle that the best people to decide on which services there should be in an area are directly elected local people, whether they are councillors, MPs or whatever. The problem with the quality contract legislation is that although there are two stages beyond the transport authority's making a decision, I know what will happen with the likes of FirstGroup, Stagecoach and so on. They will prevaricate, delay, hold out and make it impossible for local authorities and transport authorities to get contracts up and running.

My hon. Friend the Member for Lewes (Norman Baker) had the right idea—although the transport commissioners or the transport tribunal ought to be consulted, the decision ought ultimately to rest with the transport authority. That puts the responsibility where it should be, but it does not take away bus operators' ability to go to the High Court if they are not happy with the decision. Let us be clear that when we are talking about quality contracts or quality partnerships, the system is the same as that which operates so successfully with the railways. We are talking about a franchise that people bid for.

There need to be safeguards for small operators. Two in my local authority, Bu-Val and Rossendale, provided a service when First Bus refused to do so. I hope that when the quality contract for Rochdale is decided, those two operators will be properly included. Let us make it clear: if we are setting a quality contract, we do not have to set every route and give every route to one operator. There needs to be a dialogue. The problem at the moment is that it all goes one way. If the bus operators cannot get their way, they walk away from the service.

The Bill gives those powers to transport authorities, and I welcome that. I hope that in Committee Ministers will consider how we can simplify the process as well as speed it up and put the responsibility back where it belongs, with local authorities.

Finally, I want to talk about road user pricing. I am disappointed that the Government have bottled out of introducing national road user pricing. I remember coming into the House when the Chancellor was Secretary of State for Transport; at that time the Government were talking about running a pricing pilot for freight and lorries. The idea was to make it cost-neutral for British lorries but to introduce a system that ensured that the foreign lorries that use our roads and pay nothing would have to contribute. Such systems operate in Austria and the Czech Republic. When a driver gets to the border, they have to buy a beacon. They register it and they are then charged for the miles that they use on that road.

[Paul Rowen]

Such a scheme would have brought in an additional £250 million in revenue for the Government that could have been used to improve transport. It would have involved no extra tax for anybody in this country, because we would want to make it cost-neutral for British lorries. It would have removed the unfair disadvantage that many of our hauliers face when foreign lorries come over the border from Ireland or wherever. The hon. Member for Peterborough (Mr. Jackson) spoke earlier about the traffic offences that such drivers commit. If they had a beacon, they would be registered and easy to chase up.

The scheme would have given us extra resources, and the Government ought to go back to it. Opening the hard shoulder on our motorways at times of peak traffic is not a solution. As I said earlier, we do not merely need solutions for what has happened in the past 20 years; we need to talk about future problems and what needs to be done. A national road user pricing scheme needs to be introduced, and I think that launching it for lorries would have been non-controversial and allowed the Government to evaluate the pilot and put the scheme into operation.

I support the power of local transport authorities to introduce their own schemes. I have supported Greater Manchester passenger transport authority in putting forward its scheme, but I have always made it clear that we must have investment up front. As I said earlier, we should be talking about dealing with the problems of the future, not those of the past. If we are to move people from cars to public transport and get that modal switch, public transport must be cheap, clean, efficient, environmentally friendly and readily available. In far too many of our conurbations, that is not currently the case and there is no choice.

There must be an integrated transport system, with rail, light rail and buses working together. I am disappointed that the Government have not approved the Greater Manchester scheme yet, and I hope that they do. I hope that in Greater Manchester we can demonstrate that such schemes can deliver the sort of service that is not being delivered elsewhere. It is essential that we do so nationally, and I am disappointed that the Government have bottled out of any discussion of, or meaningful move towards, a national system of road user pricing.

Notwithstanding that, the Bill is welcome and represents a vast improvement on the situation that we faced in the past. The bus has arrived late—11 years too late, in my view—but thank goodness that the Government have listened and that in future, we will perhaps have buses that are regulated and on time, and fares set by democratically elected politicians.

5.21 pm

Stephen Hesford (Wirral, West) (Lab): I begin by declaring an interest over and above the fact that I legitimately represent my constituents, a point to which I shall return in a moment. Prior to the 2005 election, in common with many Members who have spoken, much of my mailbag was about the appalling public transport situation in my constituency and the surrounding environment. Hon. Members will have different ways of expressing their relationship with their electorate at election time, but as a result of the sheer volume and persistence of that mail, I gave a personal pledge in my election address to seek re-regulation of local bus services to some extent in this Parliament.

Having been re-elected in 2005, I immediately wrote to the then Secretary of State for Transport about the matter, to urge that it be taken forward. As other Members have said, the process has been slow, because the Government placed their faith in the Transport Act 2000—not unjustifiably, although we have ultimately had to revisit our position. Quality contracts could not quite get over the hurdle that was set in that Act. When I originally wrote, and certainly when I made my election pledge, I privately said to myself, "I don't know whether we are going to make progress." It was a risk, but I felt I had to do it, so I declare that personal interest. I know that other hon. Members have been plugging away at the matter for a lot longer than I, and I am glad to be on board with them.

I shall say a little more about how we got to where we are. There was a change of Secretary of State when my right hon. Friend the Member for Paisley and Renfrewshire, South (Mr. Alexander), who is now the Secretary of State for International Development, took up the post in 2006. When there is a change, we often think that we might be able to make a bit more progress. I went to see my right hon. Friend the then Transport Secretary on 23 October 2006, a date that I am given to understand was the 20th anniversary of deregulation. I cannot remember whether the meeting was open or for Labour colleagues only, but my right hon. Friend announced that the Government intended to revisit the question of regulation, I think for the first time since 2000. That news was very welcome to me and to many other hon. Members, although I shall return to the Opposition's response in a few moments.

My right hon. Friend was not able to say that regulation was a done deal, or that everything had been sorted out. As today's debate has shown, problems remain that need to be discussed. The matter has never been straightforward, but at least we are now able to have the debate and to make progress. I hope that the Bill will become law and thereby change the lives of people in three sections of the community that I represent. I shall say more about that later, too.

In a small way, it was an historic meeting. Coincidentally, the next day I had a meeting with the former Chancellor, now my right hon. Friend the Prime Minister. The questions of whether we could afford regulation, and what model we should adopt, remained uncertain. I told the former Chancellor that the Transport Secretary wanted to make progress but that we needed the Treasury's agreement. We did not expect a blank cheque to pay for the proposals, but it was clear that there needed to be agreement and co-operation between the Departments involved if the scheme was to work.

The then Chancellor said, "Stephen, I completely understand what you are saying. If we can't get a grip of this type of measure, what are we in government for?" That is precisely the task before us today—to take matters forward. In that regard, I commend both of the right hon. Friends to whom I have referred already, and also my right hon. Friend the Minister of State who opened the debate. She has taken up the story and brought the proposals to fruition.

My right hon. Friend the former Transport Secretary said that the proper provision of transport was a matter of social justice for all our constituents, and I think that that puts the Bill in the right context. That is why I find the Opposition's response so surprising. As I said earlier, I made an election pledge to my constituents that a Bill along these lines would be brought in, but I did not anticipate that it would not get cross-party support. I was not expecting a fight, although now I am looking forward to it.

This Bill divides the Government from the Opposition. The hon. Member for Chipping Barnet (Mrs. Villiers) will probably say that there is clear blue water between us. I welcome that, as it gives me an opportunity to explore the Opposition's lack of support for the Bill.

The Opposition's approach is anti green, in that it rejects the idea of congestion charges—although I am more interested in the question of bus regulation. Their approach is also anti localism, in that it would take away discretion in this area from local authorities. The Opposition's approach is also very much centred around London and the south. It is anti the rest of the country, because the measure will help the parts of the country that are not London. It is a very small view. Of course, the Tories can make their electoral calculations. I do not know whether bus companies—Stagecoach and others—make electoral contributions to the Tory party; perhaps we could be told. That might be part of the story; I do not know. I am struggling to understand why the difference in opinion has come about. I do not think that I am the only one to have been taken by surprise by it.

The reasoned amendment could not have been put in clearer terms. It is about re-regulation, as I call it—I know that that is not the Front Benchers' preferred phrase, but it is my shorthand—and refers to

"preventing free competition between bus operators".

That is where the Opposition have located themselves—they are not with the ordinary folk who need to use the buses, but completely on the other side. There is an issue to be teased out there.

Let me come on to why I made the issue the subject of an election pledge, and the people who are contacting me in large numbers. We all have stories to tell about the issues that result in the biggest postbags. There are a range of such issues, and as I say, the issue at hand is one of them. As other right hon. and hon. Members will know, the subject is frustrating, because one cannot do anything about the problem. We can lobby and have discussions—I have had countless discussions with the private operators—but we do not get anywhere. The operators give us the flannel, and the public relations soft soap. They know that they have us over a barrel.

I have said that three parts of my community are particularly affected. I shall give some insights into the stories that those people commonly tell. On the issue of surprise, hon. Members will no doubt have seen the Help the Aged briefing produced for Second Reading. It begins by saying that the organisation welcomes the Bill. Why is that? Well, it is no coincidence or surprise to me that one of the three groups of people in my constituency who come to see me in large numbers on the issue are the elderly, who are particularly affected by the sometimes rogue operation of private bus services. The elderly do not have choices; they simply have the bus service—or, more commonly, they do not have the bus service.

Help the Aged gives a little example to show the unsatisfactory way in which the system interacts with the elderly. It mentions a community of elderly people who live at the bottom of a hill, and a bus service that was moved to the top of the hill. That has happened in my constituency. The people affected find it extremely difficult to get from the bottom of the hill to the top. It sounds so simple, but it is life-changing for those people. We are talking about an elderly community in sheltered housing, and those people's one means of getting out. Hon. Members have made the valuable point that bus services allow such people to get to the shops, to get a chance to go to hospital and to visit other parts of the constituency. Under the scheme that is to be introduced on 1 April, they will be able to get around the country, but without that, or if they feel excluded from getting on the bus, all those things are denied to them.

Without being over-dramatic about it, one could say that the life chances of those elderly people were affected. They have put in, paid their taxes and brought up kids and grandkids. It is a time in their lives when things should be made easier rather than more difficult, and they should not be excluded by being unable to join in. The measure will enable us to get a grip of those issues. There will always be stresses and strains—other Members have spoken about quality contracts and the like—but there will be occasions when we can win. I hope there will be more occasions when we win than when we do not. We will have to see how the system operates.

Another group in my constituency who wrote, making the case, although not in such large numbers, were mums with kids. Some took the kids to school and were trying to stop people driving Chelsea tractors to school, but more commonly, they were mums who do not have a car. Some took young children shopping with them. They reported that services that used to run in a way that helped their lives were cut off or late, or did not turn up, or were so unreliable as to make those trips not worth while.

One could predict that those two groups would be affected by the lack of bus services, but the third group—young people—stunned me. While I was receiving correspondence and being lobbied by the first two groups, several mums came to see me independently. One mum told me that her 17-year-old daughter had gone to the pub in another village. Perhaps she should not have been going down to the pub, but I will not censure her for that. The girl had come out of the pub at 11 pm and gone to the bus stop on her own. She was waiting in a fairly isolated little village and the bus did not come.

What can be done about a vulnerable young girl in that potentially horrible situation? It was not her fault. She had behaved responsibly. I could not get from the bus operator a sensible explanation of why that had happened or any recognition that there was anything wrong. I was told that it was one of those things. Fortunately in that case nothing happened, but we have all read about less happy outcomes. I do not want to be part of a system that inherently allows that to happen.

[Stephen Hesford]

I put on the record my thanks to my local passenger transport executive, Merseytravel, which for a number of years has been pushing for measures such as quality contracts. I look forward to the time when it becomes an integrated transport authority, stepping in in some of the cases that I have outlined. I welcome the Bill and I welcome what my right hon. Friend and others have done. I look forward to the fight in due course and to explaining the issue to my constituents, who will be amazed that there is still something to talk about.

Several hon. Members *rose*—

Madam Deputy Speaker (Sylvia Heal): Order. I inform hon. Members that Front-Bench speeches are due to start at 6.30 pm. Quite a few Members are still hoping to catch my eye; perhaps those speaking will bear that time in mind.

5.39 pm

Mr. David Jones (Clwyd, West) (Con): First, I apologise for not having been here for the opening speeches; unfortunately, I have been engaged in the Welsh Grand Committee for most of the day.

I am particularly anxious to speak in this debate as I wish to address the uniquely Welsh aspect of the Bill. It starts in clause 115, which is designed to create framework powers conferring legislative competence on the Welsh Assembly. It would do so by inserting a new matter in field 10 of part 1 of schedule 5 to the Government of Wales Act 2006, effectively conferring competence for the making, operation and enforcement of road charging schemes for vehicles on Welsh roads. That provision concerns me considerably, as no equivalent provision is proposed in respect of English roads. Indeed, Members will recall that when a similar proposal was mooted last year, it attracted opposition in the form of 1.7 million signatures on the Downing street website. Until recently, at least, it appeared that that had resulted in the proposal being abandoned.

As with the framework powers inserted in the Planning Bill, the clauses on framework powers appear to have been inserted relatively late in the day. The proposal was not contained in the draft Bill that went out to consultation in May 2007 and could not therefore be considered by the Transport Committee when it performed pre-legislative scrutiny in summer last year.

Furthermore, it is clear from the *Hansard* record of a debate in another place that even in November last year, Ministers were not fully aware of the background to the proposal. Lord Bassam of Brighton dealt with the clause rather perfunctorily, saying:

> "All that I can say of value...at this stage is that the Welsh provisions were put in place very much at the behest of the Welsh Assembly. We aim to work very closely with Assembly Members in putting this legislation together."—[*Official Report, House of Lords,* 20 November 2007; Vol. 696, c. 802.]

Proposals to impose charges for the use of roads will inevitably cause concerns, and such concerns have been raised on several occasions in Welsh debates. The former Secretary of State for Wales, the right hon. Member for Neath (Mr. Hain), consistently sought to downplay the impact of the proposals by asserting, as he did during Welsh questions last year, that the powers sought by the Welsh Assembly Government were

> "not meant to impose nationwide tolls in Wales or anything of the kind"...they are specifically targeted to help in specific instances, including the M4 relief road."—[*Official Report,* 21 November 2007; Vol. 467, c. 1177.]

We do not need to examine the clause in any great detail to see that if it is anything, it is not specifically targeted. Indeed, were it specifically targeted to create an M4 relief road by tolling, my party would have no objection to it.

On 13 November last year, the Welsh Assembly Transport Minister gave a briefing to Members of this House. He made no mention at all of the M4 relief road, but said that the Assembly Government had been

> "looking at the debate across the UK over road pricing"

but had not yet adopted policy to introduce road charges. However, he said that the Assembly Government would like the power to do so. In other words, that Government have no idea of the use to which they would put the road charging powers, but would nevertheless like those powers. The vagueness and opacity of that Government's stance was underlined by an Assembly Government statement, made by the same Minister on 4 December 2007. He said:

> "The Assembly Government has yet to decide what role, if any, road pricing may play in addressing current and future transport challenges.
>
> This power will however enable us to adopt a coherent approach towards any road pricing proposals that may come forward within Wales or any future UK scheme.
>
> The Bill makes clear that the revenues from any trunk road pricing scheme would have to be used for transport purposes in Wales."

Clause 115 does indeed provide that the proceeds of any charges imposed for the use of roads in Wales would have to be applied

> "towards purposes relating to transport",

but that is a particularly wide expression. In other words, the charges, or the proceeds of the charges, need not be applied to the infrastructure over which the road passes, or even to any other closely associated infrastructure—it can be used for any purpose related to transport.

A particular worry of mine, expressed by Conservative peers in another place, is that such a provision effectively amounts to a tax-raising power in favour of the Assembly that goes beyond its competence as set out by the Government of Wales Act 2006. A Government spokesman in another place denied that that was the case, saying that the application of the proceeds of the charge to "purposes relating to transport" meant that it was not a tax because the proceeds would have to be applied for a defined purpose. However, I remain concerned that it would amount to a charge, given that although the proceeds of the scheme would have to be applied for "purposes relating to transport", there would be nothing to prevent the Welsh Assembly Government from applying the proceeds of the charge to the transport budget line and then removing from that budget line an equivalent sum freeing up the sum so released for purposes other than transport. That seems to amount to taxation by the back door and to go well beyond what was contemplated by the devolution settlement set out in the 2006 Act.

My greatest concern, however, is that the imposition of the charge for the use of Welsh roads would amount to a significant additional financial burden on Welsh business. That fear is shared by industry representatives from across Wales. The Freight Transport Association says:

"Our Welsh members are concerned that in using Wales as a guinea pig for this scheme, they are putting Welsh businesses and jobs at risk. For example, a company based in Cardiff pitching for business in Wiltshire may soon have to face a Cardiff congestion charge, Welsh road pricing and Avon road pricing schemes to deliver the products, versus a company based in Kent that would not. It would not be surprising who would get the contract for the work."

North Wales Tourism—the organisation that represents hospitality businesses from across north Wales—points out that some 90 per cent. of holidaymakers arrive in north Wales by car, and states:

"As a tourism membership organisation representing over 1,300 SMEs throughout North Wales and as a member of the Wales Tourism Alliance, we would strongly oppose the introduction of any road pricing schemes on any roads within Wales. Road pricing would most certainly have a detrimental impact on the tourism industry which is crucial to the economy of North Wales. Tourism contributes in excess of 15 billion pounds per annum to the local economy and provides employment for over 35,000 people. Road pricing for Wales in isolation would most certainly provide England and Scotland with a significant competitive edge. In North Wales one of our main competitors is England's Lake District and this would further divert business away from our region."

NFU Cymru and the Farmers Union of Wales have expressed concern about the impact that road pricing would have on agriculture, which has recently been hit hard by foot and mouth disease and bluetongue and is a significant user of the road transport network.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): Does my hon. Friend agree that if the clauses on Wales were altered in such a way that they pertained to a specific road relief scheme, we would have no problem with the legislation? The trouble is that even when the Plaid Cymru Minister came from the National Assembly to explain the provisions, at no time did he specifically mention a scheme. He has allowed a wide-reaching clause to be drafted, at his request, that will cause great difficulty to all road users in Wales if it is implemented and then acted on.

Mr. Jones: My hon. Friend is quite right. Not only did that Minister make no mention of the M4 when he came to the House, but no mention was made of it in the Welsh Assembly Government's statement. As far as I can see, the only mention of the M4 relief road, which I would support, was made by the right hon. Member for Neath. It is one thing to propose a toll relief road, which I would support, and I believe that other Conservatives would, too, but it is an entirely different matter to impose trunk road charges throughout Wales that would significantly disadvantage the Welsh economy.

The Freight Transport Association referred to Wales being used as a guinea pig for road pricing. Given the Chancellor's recent remarks in the Budget statement, when he said that he was setting aside funding to develop road pricing technology, the suspicion arises that Wales is again being used as a guinea pig. Wales was used as a guinea pig for council tax revaluation and rebanding, which was subsequently abandoned in England because it proved so unpopular in Wales. I am, therefore, very concerned at the inclusion of clause 115. If it were intended as a targeted measure, I would support it, but it is not. It would effectively be a tax on the use of Welsh roads.

Norman Baker: I would like to question whether Wales is a guinea pig. The issue in question is that the National Assembly is able to recoup funds and use them for transport purposes, but if we had a national road pricing scheme, which would follow from the guinea pig arrangements, money could be taken by the Exchequer in London to abolish road tax, for example. It would then be difficult for the Exchequer to take money that has already been allocated to the Welsh National Assembly.

Mr. Jones: It certainly would be the case that Wales was used as a guinea pig. The simple fact remains that Welsh road users would have to pay for the use of the trunk road infrastructure in Wales, but that would not apply in England.

If the Welsh Assembly has not yet developed a policy on road pricing, which appears to be the case from the statements I have seen from Welsh Assembly Ministers, there is no reason why it should not wait until the Chancellor's proposals have been developed on a UK-wide basis. At that stage, there can be a debate on road pricing in this House, which would no doubt be lively, and if the Government win the day, a uniform pricing structure could be imposed throughout England and Wales. But to disadvantage only Welsh business and Welsh road users is frankly unacceptable. I believe that the devolution of legislative competence to the Welsh Assembly is properly the subject of scrutiny in this House, and I do not believe that the proposals in the Bill stand up to such scrutiny. I therefore express my most serious reservations, and I strongly support the amendment.

5.53 pm

Kerry McCarthy (Bristol, East) (Lab) *rose—*

Hon. Members: Hear, hear!

Kerry McCarthy: I am glad finally to have the opportunity to speak in this debate, and I am glad that my getting to my feet has been welcomed so warmly by some of my colleagues. My patience has been rewarded.

I welcome the opportunity to speak because it is no exaggeration to say that the Bill could have more of an impact on the lives of my constituents in east Bristol than anything else we are debating in Parliament at the moment. That is because public transport is such a huge issue for them. It is interesting that we have heard three contributions so far from the Conservatives, and I think I am right in saying that there has been virtually no mention at all of public transport in their speeches.

The hon. Member for Peterborough (Mr. Jackson), who is no longer in his place, focused on what he admitted was the narrow issue of the prosecution of owners of foreign vehicles. We have just heard a contribution from the hon. Member for Clwyd, West (Mr. Jones) that focused solely on the road-charging powers being given to the National Assembly for Wales. Earlier, we heard the right hon. Member for East Yorkshire (Mr. Knight), who is no longer in his place either—

Mr. Greg Knight: Yes I am.

Kerry McCarthy: I am sorry; I did not spot the right hon. Gentleman. His contribution was more than half an hour long, but was based, as far as I could see, entirely on the view of the motorist, and he cited a

[Kerry McCarthy]

range of motorist organisations. Apart from making a plea for historic vehicles not to have to be adapted for wheelchair access, he made no mention of other public transport in his constituency. That says an awful lot about the priorities of Opposition Members.

We have, however, heard some excellent speeches from some of my hon. Friends. That is because many of them recognise that public transport is a key factor in social inclusion and something that we must tackle if we are to address poverty and exclusion. That is certainly a factor in my constituency and in the Bristol conurbation as a whole, where congestion is a problem and road traffic is among the slowest in Britain. I have seen figures cited for the average speed of between 13 and 16 mph, but anyone who travels through Bristol in the rush hour will know that that is incredibly optimistic. Indeed, anyone who can manage 3 mph is doing quite well.

We have also suffered from overcrowded and overpriced commuter rail services. A deal was recently reached with First Great Western to try to move that forward, but people who use the service to get to work in Bristol have faced serious problems. We also have an underused local branch line—the Severn Beach line—running through my constituency, which has suffered from endless cancellations. Somebody who misses the 5.30 am train and has to wait for the next one at 6.30 am will suffer incredibly and might lose their job. Thankfully, more frequent services are being introduced in May, but there is a lot of ground to be made up.

The issue that I receive the most complaints about are the unreliable, overpriced and shabby bus services. It is no coincidence that my hon. Friends the Members for Sheffield, Hillsborough (Ms Smith) and for Sheffield, Attercliffe (Mr. Betts) talked eloquently about the problems with bus services in their constituencies, because FirstBus runs the services there as well as in Bristol. I hope that the measures in the Bill will be able to address the problem.

Unless we can sort out the public transport system, things will eventually just grind to a halt in Bristol. There is already a concern about businesses not wanting to be located in certain parts of Bristol, because it is impossible for people to get to work on time or even to get to work at all because of the cancellation of some services. People going to meetings spend a huge amount of time sitting in traffic jams. Business West is supportive of some of the measures in the Bill, because it hopes that they will address those issues.

Employment is another key issue. We have a big regeneration project in the centre of Bristol called Cabot Circus, which will create about 4,000 new jobs. I hope that those jobs will be filled by people from the deprived inner-city wards that I represent and from some of the wards in Bristol, South which have comparatively high unemployment rates, too. However, as some of my hon. Friends said, unless people can be sure that they will be able to get to work on time and that there are bus services to the areas where they live, they will find it difficult to take up those jobs and to keep them. FirstBus's punctuality rate in the last period for which statistics are available, up to October-November 2007, is 80 per cent. That just is not good enough, because I would imagine that most of the 20 per cent. of occasions when FirstBus is not punctual are during peak times, which is when congestion is worst.

The Government have a drive to get more lone parents into work when their children reach a certain age, which I support because we want to tackle child poverty. However, the Select Committee on Work and Pensions has just published a good report on that, and all the evidence shows that the issue for lone parents is not finding work in the first place, especially in Bristol, where there are some 10,000 vacancies in the economy. Rather, the issue is what is known as churn—people entering jobs but not being able to keep them. Sometimes that is because of the hidden costs associated with the jobs—for example, losing the right to free school meals or free prescriptions—but the cost and reliability of transport are also major factors, particularly for parents with child care responsibilities. They need to base their working lives around getting the kids to school on time, getting to work, then making sure that they are back at the school gate at 3.30 or 4 o'clock. Too many lone parents to whom I have spoken are finding that, because they cannot rely on the bus service, they are having to get cabs as a last resort. If they are working for not much more than the minimum wage, having to find a cab fare once or twice a week can make the difference between being better off in work—and being able to keep that employment—and deciding that they would be better off on benefits, despite all the associated long-term poverty that that would bring.

I also want to mention a minor point about which I have received a number of complaints in my constituency. FirstBus has now introduced a no-change policy on its buses. If the bus driver did not have enough float to give a passenger the correct change, the passenger used to be able to use their ticket to claim the change from another driver or use their ticket on another service. I am not quite sure how the ticket was earmarked to show that they were owed that money, but they were able to claim it back in that way. FirstBus has now introduced a policy whereby the passenger has to go to a travel shop within a week to claim the money that they are owed. So if someone with child care responsibilities who is juggling a busy life pays for a £1 bus fare with a £10 note, and the driver is unable to give them change, they will have a week to go into the city centre to claim back the money. That is effectively taking the money out of their pocket, and they will also have to incur extra costs by going to collect their change. I have written to FirstBus about this, as I believe that that policy needs to be challenged.

My hon. Friends the Members for Tyne Bridge (Mr. Clelland) and for City of Durham (Dr. Blackman-Woods) mentioned concessionary fares for young people. Representatives of the Youth Parliament and the Youth Cabinet in my constituency, and in Bristol as a whole, have also lobbied me about that matter, and I hope that it is something that we can investigate further.

Some good progress has been made. We are considering a package of showcase bus routes in Bristol, and one that has recently opened runs through my constituency in east Bristol. The Department for Transport has earmarked about £42 million as a contribution towards the project. If all the proposed showcase bus routes across the West of England partnership area—not just in Bristol—come on track, there will be 35 to 40 new bus routes, which will make a major difference.

However, a lot more needs to be done. This all hinges on the issue of integrated and strategic leadership. That is why I believe that the provisions in the Bill on integrated transport authorities are so important for such places as Bristol. If we look at all the things we could do to improve transport, we find that most of them will be very difficult to achieve unless the four local authorities that work together on the local transport plan can do so in a much more co-ordinated way than they do at the moment. For example, a long time ago, there were plans for about 19 park-and-ride schemes around the outskirts of Bristol. Obviously, Bristol would have been the beneficiary of those schemes, in that the congestion there tends to be the result of people travelling into the city to work, to shop or for leisure activities. However, it was impossible to get the agreement of the local authorities that surround Bristol to base the park-and-ride schemes in those areas. In the end, about three schemes were established before the whole thing ground to a halt. If those four local authorities could work together in a more co-ordinated way, there would be a significantly greater chance of setting up more of those schemes.

We also need to try to achieve a significant increase in rail capacity, once the current problems with the franchise have been sorted out. Most people accept that the franchise that was entered into when First Great Western won the bid met the current demand but did not anticipate future demand. I believe that there is a lot of latent demand, and that if we run better rail services and increase capacity, many more people would be prepared to use the trains than at the moment.

The most important issue relates to buses, however. My hon. Friend the Member for Sheffield, Hillsborough and, I think, my hon. Friend the Member for Crosby (Mrs. Curtis-Thomas) spoke of the advantages of having a transport authority that could introduce improvements to bus services. Bristol has certainly reached the stage at which a quality partnership or, probably, a quality contract will be the solution. It is quite clear that deregulation has not worked; I get more complaints about bus services than almost any other local issue. If we can move towards having an integrated transport authority for what is known as CUBA—the counties that used to be Avon—we can start to look at how we can exert more control over our bus services.

Let me finish by dealing with congestion charging. I occasionally receive letters from constituents complaining about the possibility of such charging and my past support for it. The authors of every one of those letters have in common a lack of faith in the public transport system, which is why they insist on their right to use their cars. There is always the problem of whether we are putting the cart before the horse, but the money raised from pilot schemes dealing with hypothecation can be put into improving public transport. That is a really good move, but we also need to ensure that some of the money comes through for things like the showcase bus routes first. Unless we have done something significantly to improve the bus services as well, when we start charging people it will cause a huge amount of resentment.

Finally, on the two issues of the integrated transport authority and road charging, many business groups in my constituency are certainly very supportive, as long as the policies are implemented properly. As the Bill passes through Parliament, I hope that it will give us the power to take action on both those fronts.

6.6 pm

Mr. Lee Scott (Ilford, North) (Con): I apologise for not being in my place for all of this debate, but I have been serving on the Transport Committee this afternoon. I would like to make just two brief points that I have also raised in that Select Committee in the past. The first is about congestion charging.

I want to make it clear that I am not against the principle of congestion charging in any shape or form. What I am against, however, is using congestion charging as a means of taxation, particularly when it does not ease congestion or take into account the consultation that is supposed to happen before it is introduced. I am, of course, referring to congestion charging in London, which could be applicable elsewhere. If congestion charging is brought in to ease road congestion—that is obviously what it is meant to do—that is fine, but there must be full consultation at local level, which must then be taken into account. That has certainly not been the case in London. I can vouch for this personally, as I drive here two days a week and use London transport for the rest of the week, so I know that congestion has not eased in any way—and nothing will convince me otherwise. I believe that people should be honest about the reasons for introducing congestion charging.

That brings me, secondly, to the conditions in which people are expected to travel. We currently experience conditions of travel—I am thinking of my constituents in Ilford, North, but this is applicable across London and, indeed, across much of our country—that are so bad that it would be illegal to transport animals in them. I am not being over-dramatic about that; I am being exact. Standing with someone else's chin in one's face in absolutely abysmal conditions is terrible; and paying an exorbitant amount of money for that privilege makes it worse. What I therefore want is quality local transport that people wish to travel on. That will truly ease the congestion and allow the congestion charge to do what it is meant to do and make things better for all.

I wish to add one brief final point, which I believe my hon. Friend the Member for Peterborough (Mr. Jackson) raised in my absence. It is to do with foreign vehicles on our roads and how the enforcement of the congestion charge and other matters can be carried out in respect of those vehicles. There are increasing numbers of foreign vehicles on our roads. In some cases, they are not fit to be on our roads, because they have not had the equivalent of our MOT done in their own country and they cause a variety of hazards. Yet their owners do not pay fines and do not obey our laws, which surely need to be enforced. If it could be carried out, enforcement would make a vast difference across our country. It would contribute more income and would help to make the congestion charge fair for owners of all vehicles alike.

I did not want to take up much of the House's time today; I just wanted to raise those few points.

6.9 pm

Judy Mallaber (Amber Valley) (Lab): I very much welcome the Bill and am pleased to have an opportunity to take part in the debate. I was in the Chamber for the introductory speeches, and am sorry that I missed the middle part of the debate. I am as amazed as my hon. Friends—our amazement is shared by Liberal Democrat

[Judy Mallaber]

Members—at the opposition of Conservative Members to the Bill. It seems perverse and strange. The Tory script about road pricing is also becoming slightly monotonous.

Derbyshire has some good-quality local partnerships, but I know the frustrations of its public transport unit and councillors about the limitations on what they can do to preserve, promote and save bus services when operators want to pull the plug or jack up fares. Other Members have quoted examples of such frustrations, and how they have had to be dealt with. I want to focus on the Bill's community transport provisions, which have been mentioned only briefly: clauses 52 to 54, which amend sections 19 and 22 of the Transport Act 1985.

I come to the debate via discussions of the concessionary fares scheme, its impact on community transport in Derbyshire and how to retain the excellent gold card scheme promoted by the excellent Labour county council—a scheme that is well in advance of our very good new national scheme. Last night, my hon. Friends the Members for High Peak (Tom Levitt) and South Derbyshire (Mr. Todd), with whom I have worked closely on the matter, flew the flag, and I want to carry on today by explaining some of the connections.

Just before I came into the debate, I spoke to the chief executive of Amber Valley community transport, who described the Bill as a "lifeline" for our local dial-a-bus services. I shall come back to explain why that is the case. It is partly because of the way in which Derbyshire services operate, which might not be the same as other community transport services. I applaud community transport, which is itself a lifeline for many people who would otherwise be isolated at home and unable to access commercial scheduled services. Anything that can be done to promote that service, which the Bill does by providing additional flexibility, is very important.

Amber Valley community transport was founded in 1986, when it managed to get three staff and a small group of volunteers. It mushroomed, and today has 18 vehicles, a staff of 40 and support from more than 100 volunteers. It operates dial-a-bus, dial-a-ride, rural bus challenge and contract services for groups. In Amber Valley alone, it transports more than 1,500 people a week on 250 journeys, with 36 different scheduled services. Dial-a-bus has 500 trips a week to eight different towns. Eight community transport services in Derbyshire all operate on a similar basis.

A complex range of services is provided to a large number of people, and that is why it is pleasing that the Bill contains provisions enabling the community transport sector to have more flexibility in relation to two aspects: the vehicles that can be used and allowing drivers of community bus services to be paid. That will have an important impact. I will return to the impact on our dial-a-bus services and concessionary fare schemes, but I will give another example of how the new provisions will help.

Clause 52 would remove the current restriction that prevents the use of public service vehicles with fewer than nine seats under a section 19 permit. The effect will be that younger drivers, who have licences to drive but not necessarily for larger vehicles, will be able to operate scheduled community transport services. That will provide a broader range of drivers who can operate dial-a-ride services for, say, single wheelchair users, not the large buses. That will greatly increase the number of people who can use that service, which individuals pay for, but at a subsidised rate. That service provides assistance to a large number of people in our area. That is the first example of how the flexibility can be used.

The second example relates to the relaxation on volunteer drivers. That is important for us because we have an excellent gold card scheme, operated county-wide, under which the dial-a-bus schemes in Derbyshire have been brought within the free fares scheme. That might have been lost because of the difficulties of translating it into a new scheme. Our services in Derbyshire differ from those in many other areas because they are scheduled—there are 36 different scheduled services in Amber Valley alone—and have printed timetables.

I first got involved in the scheme with my hon. Friend the Member for High Peak when community transport came to us and said, "Why don't we get the fuel duty rebate? We run scheduled, registered services, according to a printed timetable. If we were a commercial service, we would be getting fuel duty rebate, but because we're not, we don't." We trailed around Transport Ministers—they kept changing at the time; I am pleased that we now have a bit of stability—and eventually, to our great delight, a Budget came along that extended the fuel duty rebate to community transport.

The argument is relevant to this debate. It seemed unreasonable to say that because someone was disabled or elderly with mobility problems, that person could not get on to a scheduled bus service and would therefore have to pay more, because, unlike with a commercial service, there was no fuel duty rebate for the services used. Why should it also be the case that that person cannot access the concessionary fares scheme when we have scheduled services with printed timetables?

The services are demand-responsive. If a commercial operator bought an adapted mini-bus and was prepared to pick up in isolated areas, it could register as a demand-responsive service under the concessionary fares scheme. Yet community transport could not register under the scheme even though it has a timetabled service that picks up disabled and elderly customers for shopping trips to local towns. It uses volunteers to assist in doing that, and I have travelled on those buses and helped those people on their shopping trips. It is an important lifeline for them to get their shopping every week. However, by virtue of the Bill and extremely useful discussions with Transport Ministers and officials, we have ensured that the Bill recognises paid drivers, which means that our dial-a-bus services will be registered section 22 services. As they have organised and regular scheduled timetables, they will be eligible to come under the concessionary fares scheme with a few adaptations. I thank Ministers for giving us that flexibility and enabling us to do that.

One of the most important things to come out of that is the need to have partnerships, which is why the Opposition's opposition to the Bill is so bizarre. The whole point is to promote partnerships. My little example of how it will help our community transport services highlights the partnership that we have developed on our new scheme with excellent help from Transport Ministers and officials and a visionary Labour county council, which helped to develop and support it in the

first place. The council has agreed to retain the subsidy to community transport while it moves on to the new system. That is very important. Derbyshire county council is excellent. It always gets top ratings in the Audit Commission reports, not just for transport, but across the board. It is a fine example, particularly as a former Conservative Prime Minister was extremely keen to get rid of it. Derbyshire county council was a real bête noire of previous Conservative Governments, and it is interesting that it is now one of the councils that is most applauded by the Audit Commission.

The partnership between the Government, a Labour county council and an excellent community transport service—its staff and volunteers are brilliant—is what we need to make progress. They are helping people to stop being isolated and get out of their homes, and providing a range of services that are critical to the social mobility, fairness and justice that we say we want. I believe that those are the most important developments that the Bill and our transport system could bring about, and I applaud all the elements that have made them possible. I hope that we shall go from strength to strength in developing and expanding our bus services even further.

6.20 pm

Rob Marris (Wolverhampton, South-West) (Lab): I welcome the Bill. My constituency contains a metropolitan authority, and I have some interest in transport because I am one of the few Members, if not the only Member, who used to be a bus driver. I drove a bus for three years before entering the House. However, I appreciate that the Bill is not just about buses.

I was very saddened by the speech of the hon. Member for Chipping Barnet (Mrs. Villiers). I have done quite a lot of work with the hon. Lady on Finance Bills. We have worked on two or three so far, and she has shown herself to be thoughtful and well prepared. However, most—although not all—of her speech today revealed that the Conservative party's transport policy, particularly on public transport, is an absolute shambles.

The hon. Lady said that the higher patronage of London buses had much more to do with subsidies than with regulation. Nevertheless, perhaps understandably, she would not commit her party to increased subsidies in metropolitan districts such as mine in the west midlands, where subsidies are far lower than in London—unfairly, I must tell Ministers. That represents a contradiction in the Conservative party's policy. Another contradiction is that the hon. Lady said that she wanted competition laws to be amended so that discussions could take place between operators on co-ordination—I stress that she was not suggesting the introduction of cartels—although the Conservative amendment seeks

"free competition between bus operators".

The hon. Lady said that voluntary arrangements were preferable to statutory ones, and that because many voluntary arrangements around the country were working well, we did not need statutory arrangements for quality contracts and so on. At the same time, however, she readily agreed—I think that the facts are blindingly obvious to all of us—that bus patronage outside London, particularly in the metropolitan areas, had fallen. That is a third contradiction.

A key factor on which I think there is general agreement among Labour Members, although apparently there is none on the Conservative Front Bench, is that regulation has been a major factor in increasing bus patronage in London, although it is not the only factor. I readily concede to the hon. Lady and her party that the increased subsidies in London have been helpful, which is why I would like them to operate in my metropolitan area in the west midlands and other metropolitan areas. She said that she preferred voluntary arrangements to statutory ones, but as patronage has fallen outside London, the availability of voluntary contracts has clearly not worked very well in the rest of the country.

Mr. Stewart Jackson: Will the hon. Gentleman give way?

Rob Marris: I will give way briefly.

Mr. Jackson: The hon. Gentleman is right: there is unity among Labour Members in terms of their visceral, anti-competitive approach and their desire for enforced top-down bureaucracy and regulation. However, it is a bit of a cheek to lecture us on disunity and not having a consistent policy when some of his colleagues have said that the system will not work because it will marginalise the authority and autonomy of local councillors. Some of them have said that they would rather have quangocrats running their bus services. That represents a lack of consistency on his side of the House.

Rob Marris: The hon. Gentleman brings me nicely to my next point. The hon. Member for Chipping Barnet said that her party strongly opposed clause 104 because she wanted the consultation requirement to be strengthened, but let us consider the changes that clause 104 would introduce. The explanatory notes state that the clause

"does not affect the existing powers, also contained in section 170"—

of the Transport Act 2000—

"for local authorities to decide for themselves to consult on or hold inquiries into such schemes."

This is of relevance to a point made by the hon. Member for Peterborough (Mr. Jackson). Clause 104 addresses removing top-down measures and it says that local areas can still hold inquiries, but that is decried by his Front-Bench colleagues. That is another contradiction in their position.

The hon. Member for Chipping Barnet said she wanted a greater number of voluntary arrangements, but she also said that a deregulated bus system is the best way of proceeding. Labour Members do not want it both ways, but she does. Either she wants these voluntary arrangements, and a light-touch competition law so there can be discussion between operators, or she does not. Her reasoned amendment says she wants free competition, and she also says that a deregulated bus system is the best way. I do not believe that a deregulated bus system is the best way. History has shown us that since 1986.

I pay tribute to the hon. Lady for having been so generous in taking interventions from many Members, including me. I intervened on her when she said that funds raised by local congestion charging projects should stay local and be devoted to transport. That sounds

[Rob Marris]

awfully like hypothecation to me, and when she kindly let me intervene, I asked her whether the Conservative party is now in favour of hypothecation. I have an open view on hypothecation, but the leading Opposition party ought to have a clear position one way or the other on it, because she cannot have a little bit of hypothecation; it is a principle, and either her party agrees and buys into the principle, or it does not.

Mrs. Villiers: Will the hon. Gentleman give way?

Rob Marris: I shall do so in a moment.

Ms Angela C. Smith: Will my hon. Friend give way?

Rob Marris: No, because of lack of time.

I was not aware that the Conservative party had embraced hypothecation until the hon. Lady spoke. I put that to her in an intervention, and she said that this was not going to be hypothecation. I cannot see what it is in that case; it seems to be a big contradiction.

Mrs. Villiers: It is the Government who have claimed that the money raised will be devoted to local transport projects. I want to hold them to that promise and make sure that they cannot wriggle out of it.

Rob Marris: The hon. Lady said earlier today that she and her colleagues will test the relevant clauses strongly in Committee, to do all that they can to ensure that no such circumvention is possible and the funds stay local and remain devoted to transport. That is not simply saying, "I want to keep the Government on the hook"; it is saying, "Our policy is to have these local funds kept locally." That might be a good idea, but it is hypothecation. The Conservative party has embraced hypothecation, certainly on transport. That is a new policy from its Front Bench, and when I heard it I was somewhat taken aback—and I was further taken aback when I was told that it was not hypothecation. All Labour Members were a bit surprised when the hon. Lady said that.

The Bill is welcome. It will be welcomed in metropolitan areas such as the west midlands, and it is sad that Her Majesty's Opposition have a policy which is a complete shambles and full of contradictions. It demonstrates once again that they are not fit for government.

6.28 pm

Stephen Hammond (Wimbledon) (Con): May I first put on record my thanks to the Minister for inviting me to a meeting with her officials last week to discuss some of the issues in the Bill?

The Minister treated us to a rose-tinted opening to this debate, frequently ignoring both history and reality. The history that bus patronage fell fastest between 1950 and the mid-'80s was conveniently sidestepped. The important fact that investment in our bus fleet is now at its highest was forgotten. A lot of the time the Minister was, like her Government, mired in complacency.

Over the last two years, I have had the pleasure to participate in six Westminster Hall debates on buses. *[Interruption.]* Is the hon. Member for Manchester, Blackley (Graham Stringer) laughing? If so, that is because they follow a predictable pattern of which both he and I are aware. Labour Members rant ancient socialism and bureaucratic central control, and do not want to listen to examples of where partnerships are working. I then cite examples of where those partnerships are working and where bus services are improving and have improved, and we all troop off to do something else afterwards, no one having convinced anyone of anything. Today, we will follow that pattern. I could have exactly predicted so many of the contributions from Labour Members, and interesting though those were, they failed to convince anyone.

The contributions that I heard from my hon. Friends were interesting. My right hon. Friend the Member for East Yorkshire (Mr. Knight) gave a typically coherent and clear speech exposing the flaws in the Government's position on road pricing. He talked clearly about the impact of the coercion of local authorities by national Government with no regard to local transport needs.

My hon. Friend the Member for Peterborough (Mr. Jackson) made a number of interesting points about the need for tighter restriction on foreign-registered vehicles. My hon. Friend the Member for Clwyd, West (Mr. Jones) raised well-founded concerns about the clauses on Wales and the possibility that the Bill would be a way of introducing tax-raising powers for the Welsh Assembly. My hon. Friend the Member for Ilford, North (Mr. Scott) made a short speech, which included the important point about the need to consult on congestion charge schemes.

I listened with interest to the hon. Member for Lewes (Norman Baker). He was quick to criticise my hon. Friend the Member for Chipping Barnet (Mrs. Villiers) by saying that she was making an incoherent argument, but at no stage did he answer her principal reasoning, which was that quality contracts and statutory quality partnerships have not been taken up because so many people have realised that they cannot be taken up, that they are wrong-headed and that they are not the way forward. He failed to give any answer to that point.

The hon. Member for Sheffield, Hillsborough (Ms Smith) told us that she would make a brief contribution, and at one stage during it she talked about buses being the No. 1 issue in her postbag. The No. 1 issue in my postbag and in that of the majority of my hon. Friends is some of the failings of her Government: her Government closing local post offices without regard; her Government causing chaos on welfare and tax credits; and her Government's inability to grasp the problems of the immigration system. Those are the top three issues in my postbag. *[Interruption.]*

The hon. Member for West Bromwich somewhere— *[Laughter.]* The hon. Member for Wolverhampton, South-West (Rob Marris) mentions buses in Wimbledon, and he, of course, brings me on to the real problem with them: the fact that Transport for London is a regional body, not a local one. When the suggestion was recently made that it needs to space out some of the bus stops to help with particular problems in respect of children waiting outside our town centre, it failed to listen. We do have problems with buses in Wimbledon—

Rob Marris: You need more central regulation.

Stephen Hammond: No, I do not want regional authorities to be involved.

The hon. Member for Wirral, West (Stephen Hesford) made an interesting contribution, notable for two things—his failure to condone under-age drinking and his indication that he makes election promises that he does not keep. I guess that that will be noted by voters at the next general election.

The Local Transport Bill covers a broad array of topics, ranging from commercial bus services to road pricing, community transport and local transport governance. It is not a technical Bill; it is a wide-ranging Bill that has a wide-ranging impact on local transport in this country. As my right hon. Friend the Member for East Yorkshire said, it is a proverbial curate's egg; it is good in parts, but thoroughly objectionable elsewhere. The hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) said that it is bad manners to eat an egg whole—it would certainly be bad manners to eat this egg whole.

On average, each person makes 1,000 trips each year, 40 per cent. of which are of less than 2 miles in length. Although it is true that people travel further and more frequently than before, a large number of those trips are over a short distance. The key to delivering successful local transport plans lies in delivering measures that generally and genuinely deliver a modal shift from cars to public transport. That can be achieved only through providing services and infrastructure that address the transport needs of the public. Put simply, the public must be taken where they want to go, when they want to go, in a safe and convenient manner—this Government have failed to do that at any stage during that past 10 years.

With those points in mind, I shall consider some of the Bill's provisions in the short time available. It would amend the duties of local transport authorities in terms of producing and implementing local transport plans, and provides that the policies must cover all aspects of transport, rather than only transport facilities and services as currently required. Under the Bill, those policies must also take into account the protection and improvement of the environment. Considerably more detail must be provided on that requirement.

The key point is that a local plan can be effective only if it is truly local. It will not be effective if it is tainted by flawed national objectives and ambitions imposed by national Government on local transport plans, as we have seen happen so often in the past 10 years. In its scrutiny of the draft Bill, the Transport Committee rightly made the point that the over-prescription of guidance has increased the costs and production time of local transport plans without creating any greater certainty about funding fulfilment or delivery. We want to avoid a situation in which the Government provide extra funding through local transport plans and seek to override local aspects of such plans—we saw that happen with the transport innovation fund. That is ill advised, as several of my hon. Friends pointed out in the debate.

The Bill would give the Secretary of State the power in future to increase the number of passenger transport authorities—or integrated transport authorities as they will be known. The new integrated transport authorities will have the sole responsibility for writing local transport plans in their area. It will be important to understand the new role and functions of those bodies and to determine whether the change of name is anything more than a cosmetic exercise.

A further element of transport governance that the Bill will change is the role of traffic commissioners. The Bill seeks to establish a new statutory office of senior traffic commissioner. In theory, that could help make more effective the important work done by the traffic commissioner network, but there must be doubts surrounding the extent to which the Secretary of State can issue guidance to the senior traffic commissioner who can then issue directions and guidance to other traffic commissioners. It will be important to know the exact extension of the power of the traffic commissioners and whether they are suitable to undertake their new roles. Indeed, the Government must confirm to what extent they expect traffic commissioners to have a role in economic regulation.

Several hon. Members have mentioned road pricing. The Government's position on that seems to change from ministerial speech to ministerial speech. We have U-turn followed by U-turn, so we can truly say that the Government are running around in circles. The Government's position in the Bill was excellently explored by my hon. Friend the Member for Chipping Barnet earlier—they dither on road pricing, but there cannot be any confusion about our policy on it. We have been clear from the outset that we agree with the 1.8 million people who signed the Downing street petition, and we will oppose any proposals for a spy in the sky national road pricing scheme.

The Minister claimed several times that we were not listening to the people. Well, on this issue the Minister and her Government are clearly not listening to them. A national scheme is unpopular and unrealistic, but I suspect that road user charging or an increased use of tolls may well be part of the Government's strategy for tackling congestion. As my hon. Friend the Member for Ilford, North made clear, these schemes must be local and require local consent and, as my right hon. Friend the Member for East Yorkshire pointed out, they must not be used as the Trojan horse for a national road pricing scheme.

The Bill proposes to establish on a statutory footing a passenger watchdog for buses. In principle, we welcome that move, as we have seen that it works well in the rail industry. The key question is what form the new body will take, now that the Government consultation on the subject has ended. The National Consumer Council is right to make it clear that the body should have a remit to improve bus travel and advocacy. We support that position.

We have heard several notable contributions on community transport. The Bill aims to support the further development of the community transport sector by removing unnecessary restrictions and by strengthening the system for issuing permits to community transport providers. That is a welcome move and any proposals that help to strengthen the community transport sector will enjoy our support.

The key part of the Bill is about quality partnerships and contracts. The Government have recognised that the fundamental driver behind improvements to local bus services is an effective partnership between the local authority and the operator. In the draft consultation, "Putting Passengers First", the Government said:

"A key ingredient of success has been effective partnership".

That can be seen up and down the country. We have cited the case several times already, but one needs merely to ask operators in Brighton and Hove how

[Stephen Hammond]

they have achieved 50 per cent. growth and they will say that it is down to a good working partnership with the local authority.

Operators invest in higher quality services, new vehicles and staff training, and local authorities invest in traffic management schemes to give buses priority and to provide better bus stations, shelters and passenger information.

Norman Baker: There are indeed effective partnerships, but what is the hon. Gentleman's answer for the ineffective partnerships or those that are entirely absent?

Stephen Hammond: Clearly, problems in the bus industry need to be addressed. It is absolutely clear that re-regulation by local authorities that imposes on operators or local communities something that might or might not be appropriate is not the way forward.

Mr. Betts: The hon. Gentleman comes from a party that is supposed to favour local democracy and empower local communities. He has just talked about local authorities imposing on communities. What happens if there is demand in a local community for the introduction of a quality contract? Would the hon. Gentleman allow the community to have its say?

Stephen Hammond: The hon. Gentleman talks about localism. My hon. Friend the Member for Chipping Barnet answered that point earlier. Localism is not just about local authorities; it can be about local communities, too.

Bus patronage outside London is declining, but it has been declining since 1945—a long time before the bus industry was deregulated in the 1980s. In fact, deregulation saw a stabilisation of bus patronage. Many hon. Members will remember that the last major transport legislation in 2000 failed to deliver the rail capacity increases that we needed, delivered only two out of 25 tram schemes and failed in its road objectives. Many people across the House should be concerned that this Bill will follow that history and will be an equally huge failure.

We support some parts of the Bill, but its major thrust causes us concern. Our reasoned amendment says to the Government, "Take the Bill away. Think harder about those sections." Our position is perfectly right, proper and principled, in contrast to the feigned surprise of the Minister. Our amendment will ensure that the Bill can be improved, as it should be, and I urge hon. Members to support the amendment.

6.44 pm

The Parliamentary Under-Secretary of State for Transport (Jim Fitzpatrick): It is a pleasure to follow the hon. Member for Wimbledon (Stephen Hammond), a fellow London MP. We enjoy excellent bus services in this great capital city, courtesy of TFL and on behalf of Mayor Livingstone and the citizens of London, in contrast to the various bus experiences that we have heard from hon. Members from different parts of the country.

This has been an interesting and wide-ranging debate on important legislation. As has been said, the purpose of the Bill is to empower local authorities not only to transform local transport in their areas but to provide transport that is better designed around the needs of their communities. Many right hon. and hon. Members have spoken about the importance of buses to their constituents and the progress that has been made in the past decade on reversing the downward trend in patronage that this Government inherited in 1997.

Kerry McCarthy: Will my hon. Friend give way?

Jim Fitzpatrick: If my hon. Friend will allow me, I shall make some progress. If I have some time at the end, I shall be happy to give way. I have a 50-minute speech to fit into 15 minutes, which will not be possible.

Hon. Members have also spoken about the need to do still more to empower their local communities, so that people get the quality of service that they deserve. The Bill will allow local authorities to do just that.

I shall respond to some of the points made in the debate before making some concluding remarks to reinforce why the Bill should be read a Second time and why the Opposition's amendment should be voted down. My hon. Friend the Member for Tyne Bridge (Mr. Clelland), who spoke first after the Front-Bench speeches, said that he would speak briefly, but he spoke strongly about his constituents' experiences, including those of his visitors today from Gateshead. He explained in detail why he supported the Bill.

The hon. Member for Lewes (Norman Baker), speaking from the Liberal Democrat Front Bench, agreed with my right hon. Friend the Minister of State that the Tory position of opposing the Bill through their amendment is quite incredible. Between them, they very effectively exposed the weakness of the Conservative position. The Opposition say that regulation plays no part in London's success, but will not commit themselves to deregulating. The hon. Member for Chipping Barnet (Mrs. Villiers) cites Brighton and Hove as a good example of success, but omits to mention that Brighton and Hove council supports the Bill, as do many other local authorities including, I believe, Conservative ones.

The hon. Member for Lewes made a number of points. He stated that unelected members should not be given a vote on the integrated transport authorities. The intention behind the Bill is that it will be for authorities in an area to review whether an ITA's membership should include persons other than representatives of the local authorities that make up the ITA area, and what the voting arrangements should be. In making appointments to an ITA, authorities will be bound by the political balance requirements of the Local Government and Housing Act 1989 and other relevant legislation.

The hon. Gentleman asked whether the traffic commissioners have the expertise to take on their new bus roles. I am sure that he is aware that they already have significant powers in the bus sector. For example, they have the power to issue operator licences in the bus and coach sector. Details of all local bus services must be registered with the local traffic commissioner, and they have a remit to investigate if bus services have been registered but are not being run properly and to take action against operators when things are going wrong.

They will not be taking on new work in a vacuum; they are highly professional decision makers, experienced in applying the law, and have earned the respect of the industry through their expertise and experience.

The hon. Gentleman asked whether the Bill will change bus services that are working well. He and other hon. Members mentioned Brighton and Hove, Cambridge, Norfolk and so on. This is an enabling Bill, giving local authorities the powers that they need to improve their bus services. As such, there is no requirement on authorities to make any changes. If they feel that bus services in their area are working well, they will simply not use the powers available to them. Of course, at any later date they will be able to use the powers that the Bill devolves to them if they feel that changes are needed.

My hon. Friend the Member for Sheffield, Hillsborough (Ms Smith) graphically described the problems that her constituents are experiencing and the importance of the Bill to them. She said that this issue was at the top of their agenda, and I commend the amount of work that she has done to ensure that their concerns are raised effectively. She made a number of points, many of which will be dealt with in Committee. Specifically, she asked for clarification of the public interest determination. The quality contracts schemes and how public interest will be determined by the approvals board are contained in clause 19, which sets out the clear public interest criteria that must be met in making a scheme. The Department will publish guidance to assist both local authorities and the approvals board. Indeed, we published the first draft of that guidance in December.

Clive Efford: Will my hon. Friend give way?

Jim Fitzpatrick: If my hon. Friend will allow me, I shall make some progress. I will try to give way toward the end of my speech.

The hon. Member for Chipping Barnet and the right hon. Member for East Yorkshire (Mr. Knight) claimed that the Bill watered down the requirements for consultation on local road charging. However, local charging authorities will retain all their existing powers to consult interested persons and the public, and to hold local inquiries.

The Bill merely removes the Secretary of State's powers to consult and hold an inquiry, and to require a local charging authority to do the same. Those powers were needed when the Secretary of State had the role of approving local services, as they enabled her to ensure that a proper local consultation process or inquiry had been held in connection with a scheme that had come before her for approval. However, in the absence of that approval role, there is no need for the Secretary of State to interfere in decisions by a local authority about what is best for its area.

The hon. Member for Chipping Barnet and the right hon. Member for East Yorkshire also claimed that the Bill was about national road pricing. It is not: the implementation of any such scheme would require further legislation, and the fact that more than 80 per cent. of current congestion is in urban areas means that that is where the immediate priority lies. The Bill focuses on giving local authorities greater freedom so that they can tackle their local congestion problems.

The right hon. Member for East Yorkshire also asked for clarification about historic vehicles, in which I know that he has a keen interest. Clause 50 makes it clear that the use of historic buses for tourists would not be prohibited: its provisions apply only to taxis and private-hire vehicles that are used to provide local bus services and which are deemed to be wheelchair accessible. Accessibility will be determined by the local authority, in accordance with any guidance issued by the Secretary of State. I hope that that clarification satisfies the right hon. Gentleman.

The amendment says that the Bill should be denied a Second Reading because it

> "encourages...Quality Contract Schemes...fails to give due weight to...consultation and local consent...and because it transfers revenue-raising powers to the National Assembly for Wales".

The Bill gives local authorities a range of options to choose from, according to their local circumstances. Where partnerships are working, they can continue to flourish, but where they are failing to deliver real improvements in services—as is demonstrably the case in some areas—it is important that local authorities have other options at their disposal to deliver improvements that will benefit passengers. That is why quality contracts schemes need to be a more realistic option, and why the Bill will enable quality partnership schemes to cover service frequencies, timings and fares.

On local road charging schemes, it is right that decisions designed to tackle congestion should be taken at a local level. It is clearly important that local authorities consult those who would be affected by a scheme, but they must determine how best to engage with interest groups in their areas. Moreover, it is not novel to transfer revenue-raising powers to the National Assembly for Wales; it is already open to the Scottish Parliament to make provision for trunk road charging in Scotland. Any proposals for charging on Welsh trunk roads would be subject to full scrutiny by the National Assembly.

After the distractions posed by road pricing, my hon. Friend the Member for Manchester, Blackley (Graham Stringer) returned the Chamber's attention to the Bill's central concern—the provision of decent bus services. He asked a number of questions about the details of the Bill, and he gave notice that he would return to those details in Committee. I am sure that he will do so.

The hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) made his usual thoughtful contribution, and we are grateful for his qualified assessment of the Bill's usefulness, and for his statement that he would support it this evening.

My hon. Friend the Member for Pudsey (Mr. Truswell) then delivered a stinging rebuke of deregulation. In response to an intervention, he explained to the hon. Member for Peterborough (Mr. Jackson) that the blame for poor bus services could be laid at the door of previous Conservative Governments. He offered an analogy with arson, saying that one does not blame the fire brigade that tackles an arson fire: instead, one blames the arsonist responsible for it.

As an ex-fireman, that analogy had real appeal for me, but my hon. Friend the Member for Pudsey added that it was deregulation that had caused the problems with bus services, and that is something that we are dealing with. He then detailed the work that he was doing with, and on behalf of, his constituents to improve

[Jim Fitzpatrick]

his local bus services. I acknowledge his concerns about procedures, and his final comment was that we should "end the nightmare", as he described it.

The hon. Member for Peterborough raised a series of legitimate road safety concerns, but I was somewhat confused by the fact that although he asked us to go further in relation to the clauses he mentioned, he is declining to support giving the Bill a Second Reading. That just does not make sense to me.

My hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts) made a powerful contribution detailing his and his constituents' experiences, good and bad. He expressed his support in general terms, and also expressed his aspirations for more support for proposals including that for a successful Sheffield tram.

The hon. Member for Rochdale (Paul Rowen) raised the issue of bus company subsidies and encouraged the Government to look more seriously at finding solutions on quality contracts this time. My hon. Friend the Member for Wirral, West (Stephen Hesford) told us about his election address and about writing to the previous Secretary of State for Transport on the issue. I congratulate him on his success, and I expect that he will want to secure a place on the Bill Committee, to ensure that he fully delivers for his constituents. He clearly described the political dividing lines on the Bill, and I hope that the Bill proves a useful campaign tool for him, as well as satisfying his electorate. I am sure that the description he gave of the Conservative party being on the side of the bus operators, while he is on the side of the passengers, will resonate with the good people of Wirral, West.

My very patient hon. Friend the Member for Bristol, East (Kerry McCarthy) got an opportunity to raise the issues of concern to her. She compared transport to other essentials for her constituents, and especially mentioned parents who are juggling work and child care. She demonstrated how in touch she is with her constituents, describing the problems encountered in Bristol and explaining why the Bill is important, not least to young people. She raises transport issues, including cycling issues, regularly with the Department, and I am sure that she welcomed the Secretary of State's recent funding statement. My hon. Friend the Member for Amber Valley (Judy Mallaber) and my hon. Friend the bus driver from Wolverhampton, South-West (Rob Marris) were the last Government Back Benchers to speak; they reinforced the arguments on the need for the Bill.

The hon. Member for Clwyd, West (Mr. Jones) raised Welsh issues, and the hon. Member for Chipping Barnet made much of the framework powers. Those powers were introduced at the specific request of Ministers in the Welsh Assembly Government. The Bill devolves a new framework power to the National Assembly that will enable it to make provision about charging on Welsh trunk roads. There is nothing novel about that, as I said earlier. It is already open to the Scottish Parliament to make provision for trunk road charging in Scotland. The Bill does not allow for charging on all roads in Wales. Charging on local authority roads—95 per cent. of the Welsh road network—would remain a matter for the relevant local authorities, not the Welsh Assembly Government.

Ministers in the Assembly Government have made it clear that if they were to propose charging on trunk roads in Wales, it would be specifically in the context of new road developments in the areas with the worst congestion problems. Furthermore, it would be for the National Assembly for Wales to consider whether it would be appropriate to exercise the powers, and if so, how to do so. That would be done through making what is called an Assembly measure. Any measure would have to be debated by the Assembly and would be subject to its scrutiny procedures. We are absolutely clear that those powers do not enable tax-raising. The Government of Wales Act 2006 does not allow tax-raising powers to be devolved, and clause 115 of the Bill makes it clear that it deals with schemes for imposing charges.

I have not had a chance to speak about the passenger champion—an issue raised by hon. Members on both of the Chamber—or the detail of other aspects of the Bill. As I say, I have a 50-minute speech and fewer than 15 minutes in which to deliver it, so much will be done in Committee.

In conclusion, the Bill makes real the Government's commitment to devolving greater powers and responsibility to local authorities. It does so in respect of three areas—local bus services, local transport governance and local road charging schemes. It is only by creating those real, new opportunities for local communities that we can achieve the transformation of local transport that is still needed in so many areas. The Bill will create real, new opportunities for local communities, and I urge every local authority to exploit those new opportunities to their fullest potential. I ask my right hon. and hon. Friends to vote against the Opposition amendment, and I commend the Bill to the House.

Question put, That the amendment be made:—

The House proceeded to a Division.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I ask the Serjeant at Arms to investigate the delay in the Aye Lobby.

The House having divided: Ayes 156, Noes 347.

Division No. 135] **[6.59 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burt, Alistair
Butterfill, Sir John
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Francois, Mr. Mark
Garnier, Mr. Edward

Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Key, Robert
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Milton, Anne
Mitchell, Mr. Andrew
Mumson, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Ottaway, Richard
Paice, Mr. James
Paisley, rh Rev. Ian
Paterson, Mr. Owen
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rosindell, Andrew
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simmonds, Mark
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Swayne, Mr. Desmond
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Wiggin, Bill
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Wright, Jeremy
Young, rh Sir George

Tellers for the Ayes:
Mr. Richard Benyon and James Duddridge

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brake, Tom
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Catbin, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hanson, rh Mr. David
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hermon, Lady
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hopkins, Kelvin
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hume, Chris
Humble, Mrs. Joan
Hunter, Mark
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw

James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Hara, Mr. Edward
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, Angus
Robertson, John
Rogerson, Dan
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Short, rh Clare
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Taylor, Matthew
Taylor, Dr. Richard
Thomas, Mr. Gareth
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Weir, Mr. Mike
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Tony Cunningham and Mr. Sadiq Khan

Question accordingly negatived.

Main Question put forthwith, pursuant to Standing Order No. 62 (Amendment on second or third reading), and agreed to.

Bill accordingly read a Second time.

LOCAL TRANSPORT BILL *[LORDS]* (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(7) (Programme Motions),

That the following provisions shall apply to the Local Transport Bill [*Lords*]:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 8th May 2008.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of any message from the Lords) may be programmed.—*[Mr. David.]*

Question agreed to.

DEFERRED DIVISIONS

Motion made, and Question put forthwith, pursuant to Standing Order No. 41A(3) (Deferred divisions),

That, at this day's sitting, Standing Order No. 41A (Deferred divisions) shall not apply to the Motions in the name of Secretary Hazel Blears relating to Local Government and Secretary Alan Johnson relating to the National Health Service.—*[Mr. David.]*

Question agreed to.

LOCAL TRANSPORT BILL *[LORDS]* [MONEY]

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52 (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Local Transport Bill [*Lords*], it is expedient to authorise the payment out of money provided by Parliament of:

(a) any expenditure incurred under or by virtue of the Act by a Minister of the Crown or government department, and

(b) any increase attributable to the Act in the sums payable under any other Act out of money so provided.—*[Mr. David.]*

Question agreed to.

LOCAL TRANSPORT BILL *[LORDS]* [WAYS AND MEANS]

Motion made, and Question put forthwith, pursuant to Standing Order No. 52 (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Local Transport Bill [*Lords*], it is expedient to authorise—

(1) the charging of fees in respect of the cancellation or continuation in force of the registration of services under section 6 of the Transport Act 1985;

(2) the payment of sums into the Consolidated Fund.—*[Mr. David.]*

Question agreed to.

EUROPEAN COMMUNITY DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Committees),

INSOLVENCY AND SECOND CHANCES

That this House takes note of European Union Document No. 13832/07, Commission Communication, Overcoming the Stigma of Business Failure—for a Second Chance Policy—implementing the Lisbon partnership for growth and jobs; agrees that it is desirable to make a distinction between honest and dishonest failure; acknowledges the Commission's assertion that Member States need to encourage entrepreneurs who have failed through no fault of their own to try again; and further acknowledges that the interests of creditors of the failed business, and potential creditors, suppliers and customers who support the new venture need to be sufficiently protected.—*[Mr. David.]*

Question agreed to.

Mr. Deputy Speaker (Sir Alan Haselhurst): I propose to put motions 7 and 8 together.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

LOCAL GOVERNMENT

That the draft Bedfordshire (Structural Changes) Order 2008, which was laid before this House on 10th March, be approved.

NATIONAL HEALTH SERVICE

That the draft Local Involvement Networks (Duty of Services-Providers to Allow Entry) Regulations 2008, which were laid before this House on 18th February, be approved.—*[Mr. David.]*

Question agreed to.

Mr. Deputy Speaker: I propose to put motions 9 to 12 together.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

CHILDREN AND YOUNG PERSONS

That the draft Safeguarding Vulnerable Groups Act 2006 (Prescribed Criteria) (Transitional Provisions) Regulations 2008, which were laid before this House on 5th March, be approved.

TOWN AND COUNTRY PLANNING

That the draft Town and Country Planning (Fees for Applications and Deemed Applications) (Amendment) (England) Regulations 2008, which were laid before this House on 27th February, be approved.

BETTING, GAMING AND LOTTERIES

That the draft Categories of Casino Regulations 2008, which were laid before this House on 26th February, be approved.

That the draft Gambling (Geographical Distribution of Large and Small Casino Premises Licences) Order 2008, which was laid before this House on 26th February, be approved.—*[Mr. David.]*

Question agreed to.

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Monday 31st March, Standing Order No. 17 (Delegated legislation (negative procedure)) shall not apply to the Motion in the name of Mr David Cameron relating to Banking (S.I., 2008, No. 432).—*[Mr. David.]*

JUSTICE

Ordered,

That David Howarth be discharged from the Justice Committee and Mr David Heath be added.—*[Rosemary McKenna, on behalf of the Committee of Selection.]*

PETITIONS

Hugh Sexey's Hospital

7.17 pm

Mr. David Heath (Somerton and Frome) (LD): I am pleased to have the opportunity to present a petition on the subject of the future of primary care, and I am indebted to my constituent, Mr. Ted Damamme, who raised the petition with fellow residents of the historic Hugh Sexey's hospital in Bruton. The petition is signed by the master of Hugh Sexey's hospital, the Right Reverend Neville Chamberlain, and the other residents. It expresses concern that I share, despite the reassurances of Ministers, that a policy of introducing polyclinics, particularly in rural areas, will do irreparable damage to general practice, which is so much appreciated.

The petition states:

The Humble Petition of the Rt. Rev. Neville Chamberlain (Master of Hugh Sexey's Hospital) and others of like disposition,

Sheweth,

That Her Majesty's Government's plans for the re-organisation of primary care in the country, with particular reference to rural areas such as theirs, will dramatically effect the way in which General Practice is currently organised and funded, and will severely harm the services they currently receive from their excellent local surgery.

As residents of Hugh Sexey's Hospital, a remarkable retirement home, where the average age of the residents is 80+, and where every effort is made to remain self-sufficient and independent (constantly advocated as a desirable object), the loss of their local surgery would be catastrophic.

Wherefore your Petitioners pray that your Honourable House shall call on Her Majesty's Government to reconsider its plans,

[Mr. David Heath]

and treat each differing area, urban and rural, to detailed consideration, with particular reference to the needs of vulnerable groups in each community, and not allow public money to be taken away from local NHS surgeries and given to private companies.

And your Petitioners, as in duty bound, will ever pray, &c.

[P000160]

Means Tested Benefits

7.19 pm

Jo Swinson (East Dunbartonshire) (LD): I am pleased to submit a petition on adjusting the permitted earnings disregard. The petition is presented on behalf of FOCUS, or Freedom of Choice United Services, which is an organisation within the Richmond Fellowship Scotland that campaigns to challenge stigma and improve the conditions of people on incapacity benefit. The petition, which has been signed by 3,512 people to date, seeks to help people on mean-tested incapacity benefit by raising the permitted earnings disregard. Raising the earnings disregard will allow people receiving the benefit to work and to earn more, by easing the limits placed on them in the work place. The petition states:

Permitted earnings enables people to increase their skills and confidence in the knowledge that their benefits will not be affected. In some cases this can be a stepping stone to future employment.

The Petitioners therefore request that the House of Commons urges the Government to introduce legislation making an adjustment to the £20 Permitted Earnings disregard to get it back to its original value and that this revised amount is then increased each year in line with inflation.

And the Petitioners remain, etc.

[P000130]

Co-operative Model in Education (Portsmouth)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. David.]*

7.21 pm

Sarah McCarthy-Fry (Portsmouth, North) (Lab/Co-op): I am grateful for the opportunity to raise a matter that is very important indeed, namely how we can use co-operative values to improve education in such places as Portsmouth. I am very pleased that we have opened the first co-operative trust school, at Reddish Vale technology college. I want to explore whether this approach would help to raise educational attainment in my constituency of Portsmouth, North.

Nowhere is education more important than in such cities as Portsmouth, where throughout the '80s and early '90s too many of our young people were denied their chance in life, held back by crumbling schools and chronic underinvestment from central Government. Too many people who, given the opportunity, would have gone far were left without qualifications or skills.

It is fair to say that since 1997 the situation has markedly improved. In Portsmouth, planning has begun on a five-year project to redesign, rebuild, refurbish or remodel all the city's secondary schools between now and 2012, as part of the Building Schools for the Future project. Results are improving, too. In 1997, only 26 per cent. of our young people in Portsmouth, North got five good GCSEs. That figure has now doubled to 54 per cent., but that means that nearly half our young people are still missing out.

The issue is not just about qualifications; it is about self-worth, self-esteem and self-confidence, about giving young people the belief that they, too, can succeed—the self-belief that in many middle-class homes is instilled from the very start. Still too many young people in Portsmouth think that university is the preserve of the middle classes and something that "isn't for them". Too many still leave school to take low-paid work, with no prospect of training or advancement.

Education is vital—too vital, I think, to be left to the academic world alone. Mutuo, the co-operative think-tank, has suggested that

"there is now a need and an opportunity to develop new solutions and models of service delivery that can unleash the benefits of commitment from a wider range of stakeholder groups."

I wholeheartedly agree. City academies and trust schools go some of the way, but for them really to work, they must be truly accountable. That is where co-operative principles come in. With the move towards trust schools, there is a unique opportunity for co-operatives to influence and develop schools further, to build on existing experience and to forge closer links with the local community. Parents, teachers and local people would all have the opportunity to become trust members and would all be able to have their say about daily decisions and the priorities of most importance to them.

One of the biggest challenges, especially in socially deprived areas, is ensuring that parents have the confidence and the skills to play their part. If the parents have had a bad experience in school, they are understandably reluctant to come forward. The modern co-operative movement has a proud record of community participation

and involvement over its long history. Co-operative trust schools will be able to draw on considerable experiences to deliver results.

By the end of last year, some 300 schools across England were either trust schools or in the pipeline to become trust schools. In my view, through greater collaboration and through mergers of successful schools, we can pave the way to achieving the rising standards that we seek.

For the co-operative movement, engagement with education is nothing new. Education and opportunity have been driving co-operative ideals since the very beginning. Education was one of the guiding principles of the Rochdale pioneers, who are generally regarded as the founders of the modern co-operative movement. As co-operative societies became successful, they quickly developed their own educational programmes, together with reading rooms, libraries, meeting halls, and social and cultural activities. By the late 19th century they had created national structures to share resources and materials, and had introduced classes, study programmes and examinations for members. They pioneered correspondence courses and study circles, formed their own college, and supported the development of co-operative colleges in many other parts of the world. Active engagement and a clear set of values that resonated with the schools were the formulae for success.

David Taylor (North-West Leicestershire) (Lab/Co-op): I am grateful to my hon. Friend and fellow Labour/Co-operative MP for giving way. She is perhaps about to mention the fact that the co-operative movement also developed its own political party, a sister party to the Labour party. Is she surprised that, on the Benches opposite, where there has been a recent expression—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. It is out of order, in an Adjournment debate of this kind, to make a point of that nature. This is a personal motion that has been brought forward by the hon. Member for Portsmouth, North (Sarah McCarthy-Fry).

Sarah McCarthy-Fry: I thank my hon. Friend for his intervention. That is a point that I might come back to later in my speech.

The set of values and commitment to active engagement was also one of the reasons why many of the schools became part of the network and clearly wanted to work with co-operative enterprises. But what does a co-operative model mean for education in the early part of the 21st century? Are co-operative values still relevant? I believe so. By harnessing co-operative values in education, we can raise standards and ensure greater parental and community involvement. A co-operative model means that, rather than pitting school against school, we can increase collaboration and co-operation among schools in order to share best practice and resources. My right hon. Friend and fellow co-operator the Secretary of State for Children, Schools and Families has suggested that there is

"significant future potential for a co-operative model"

in education, and I quite agree. If we think about what makes a good school, it is clear that the involvement of teachers, pupils, parents and the community is what makes that good school successful. It is precisely this involvement that co-operative values are able to instil.

One of the reasons that I am proud to be a Labour and Co-operative MP is that co-operative socialism is not just a lofty set of ideals divorced from everyday life, but practical politics with a strong history of delivery. Building on its strong and long-standing commitment to education, the co-operative and mutual sector is now actively engaged with a number of schools. It is working with a number of specialist business and enterprise colleges, and is playing a key part in the Manchester academy programme.

By instilling co-operative values and ideas into the curriculum, schools have seen a dramatic effect, significantly enriching the experiences of young people. Levels of student attainment and Ofsted reports clearly demonstrate the benefits of using co-operative values to deliver the breadth of curriculum areas and personal development. Schools using the values as a framework have made exceptional progress in raising levels of achievement. For example, Sir Thomas Boughey high school and co-operative business and enterprise college in Staffordshire has raised the proportion of pupils achieving five or more GCSEs from 46 per cent. in 2004 to 79 per cent. in 2007.

As I said earlier, as well as instilling co-operative values as part of the curriculum, the first co-operative trust school has now opened at Reddish Vale technology college. It is the first of its kind in the UK to be based on a mutual structure, with a wide range of organisations focusing on education and training, employability and local regeneration. Jenny Campbell, the head teacher of Reddish Vale, has said:

"The Trust is a fantastic opportunity for local people to have a greater role in the life of the school. We hope that as the trust develops it will enable better life-long opportunities to all those involved. As the trust develops it will be down to the members who will volunteer to make a difference locally. The developments will give huge opportunities for the curriculum inside school, linked to a wider learning community across Reddish and Brinnington."

There is now a clear potential to develop these new models for trust schools—

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): May I congratulate my hon. Friend on securing this important Adjournment debate? Does she welcome the fact that there is an application in for a co-operative trust in a performing arts school, the Lipson community college in Plymouth, which will build real community cohesion in a way that Conservative Members, on the basis of the spin we hear from them, simply cannot hope to achieve?

Sarah McCarthy-Fry: I thank my hon. Friend for her intervention and I am very pleased to hear about those developments in Plymouth. Perhaps if we can get a similar model in Portsmouth, we can draw on Plymouth's experiences to help us to move it forward.

We have seen new mutuals in other parts of the UK public sector—leisure trusts and foundation hospital trusts, for example, which are models built on traditional public sector values. They are rooted in and actively engage the local community in running key services.

I think there are three main reasons to develop the co-operative model. First, it draws on a long-established heritage of self-help and self-improvement and a globally shared set of values, which could make a positive contribution to the outcomes schools are seeking to deliver and provide the basis for a distinct contribution

[Sarah McCarthy-Fry]

to diversity of provision. Secondly, the co-operative approach is based on offering membership to different groups of people with an interest in education, such as parents, staff and the local community, and provides a mechanism for active engagement of those stakeholders. Finally, it can provide a mechanism for accountability, helping to ensure that those in positions of responsibility remain sensitive to the needs, views and aspirations of the different groups of interested people, and that the respective views of these stakeholders can be balanced in an appropriate way to suit the needs of the organisation. That is how accountability can become a driver of efficiency and success.

The co-operative trust school model offers opportunities to build new channels of engagement locally, involving students, parents, employers, further and higher education providers and local organisations. If successfully channelled through the trust, it should enable the school to strengthen links with the local community and benefit from the support of a wide range of local expertise.

Educational research has repeatedly demonstrated that one of the most important factors in improving educational achievement is raising the level of parental involvement. Offering membership of the trust to parents—not just those of the young people currently attending the school, but those of its feeder schools and destination colleges—could provide a powerful mechanism for actively engaging them in their children's learning.

Perhaps of even greater significance are the opportunities in an educational establishment for member development. An important element of the co-operative heritage is the part played by the co-operative organisation in providing opportunities for members to develop their own potential through education, participating in their organisation and using the membership processes for self-improvement. Lifelong learning has been a core element of a co-operative approach for many years. In areas of high deprivation and social need, that could be significant.

I acknowledge your earlier ruling, Mr. Deputy Speaker, but it is important to mention the so-called Conservative co-operative movement. I had expected the Conservative Benches to be brimming with people and ideas about how we can embed co-operative values into cherished public services. The right hon. Member for Witney (Mr. Cameron) has said that it is a "shame" that the co-operative movement is associated with the left. I am sorry to disappoint him, but I would contend that that is no accident, because it is the Labour party that has unstintingly supported co-operatives over the years—[Hon. Members: "Hear, hear."] We should not forget that it was the Building Societies Act 1986 that enabled massive waves of demutualisation—in typical Tory fashion, promoting a get-rich-quick scheme for the few at the expense of everybody else. Nor should we forget that it was the Tory Government who abolished the co-operative development agencies, which provided support for social enterprises, or that we had to wait for a Labour Government before we could update co-operative legislation in Parliament.

It is indeed Labour that has the proven track record with the co-operative movement. It includes 29 Labour/Co-op MPs and I am delighted to see so many of them in their places supporting this evening's debate. We have conducted a review of co-operative and credit union legislation and backed the establishment of new mutuals in all sorts of areas, including, of course, the launch of the Reddish Vale technology college. That is what Labour and the co-op movement have achieved together—not making speeches or jumping on bandwagons, but taking solid action built on our shared values. The Opposition continue to talk about those issues, but they are merely copying their neighbours' work—something that was very much frowned upon when I was at school!

How do we take this issue forward? I will discuss with the LEA and local schools how the co-operative approach could work in Portsmouth. My right hon. Friend the Secretary of State for Children, Schools and Families, as a Labour and Co-operative Member, takes a profound interest in co-operative values, and how we can embed them in our public sector organisations, particularly in education.

Does the Minister agree that an expansion of the co-operative model would be an excellent way of achieving the step change in educational achievement in constituencies such as mine? What help and support could he offer LEAs such as Portsmouth, and individual schools, if they went down that route? Education is the key to unlocking the potential of all our young people, and we owe it to them to do all that we can to achieve that.

7.35 pm

The Minister for Schools and Learners (Jim Knight): My right hon. Friend the Secretary of State for Children, Schools and Families and I discussed whether there was a model for a mutual response by Ministers to an Adjournment debate from the Dispatch Box. We decided, however, that such a response would probably be ruled out of order. It falls to me, with the silent co-operation and support of my mutual and right hon. Friend, to respond to the debate.

I congratulate my hon. Friend the Member for Portsmouth, North (Sarah McCarthy-Fry) on securing the debate. She is a strong advocate of her constituents' interests, and her speech demonstrates her obvious passion for improving schools in Portsmouth. As Schools Minister, I very much share that passion. I was in Portsmouth recently to discuss education with some of her constituents. The trust school model, and particularly a co-operative trust school model, can help us to achieve such improvement, not just in Portsmouth but across the country.

Collaborative and co-operative working is essential for raising standards across public services, particularly in schools. We want to use every ounce of vision, talent and know-how that we can muster from across the statutory, private and third sectors to improve outcomes for young people. Trust arrangements are a crucial way of capturing that. At their heart, trusts have governance models that encourage sustainable relationships with external partners that can bring renewed drive and expertise to the school. Partners can vary from universities and businesses to charities and community groups, and they can work with one school or across a number of schools nationally or locally. There is no one blueprint for what a trust looks like.

What all arrangements have in common is the capacity to transform schools for the better. That, to use the parlance of the day, is their raison d'être. We

know from the experience of voluntary-aided schools and academies that long-term relationships with external partners strengthen the ethos and leadership of a school. They can also help us to create a more diverse and enriched system, providing greater choice and opportunity for pupils and partners. For all those reasons, the Government are actively encouraging schools to acquire trust status.

Since we introduced the arrangement last September, 42 trust schools have begun operating, and a further 270 are in the pipeline. I am delighted to say that the Co-operative college is currently acting as a trust partner for six schools, in Doncaster, Stockport—we have heard about Reddish Vale from my hon. Friend—Newcastle, Norfolk, Essex, in the constituency of my hon. Friend the Member for Basildon (Angela E. Smith), and Kingston upon Hull. Clearly, where trust arrangements can help us to put more control over schools in the hands of parents and the communities that they serve, we should warmly encourage them. That is very much the spirit of the argument of my hon. Friend the Member for Portsmouth, North, and I agree with it wholeheartedly.

My hon. Friend has explained the co-operative movement's links with schools and the local community in Portsmouth. Of course, that makes it a very interesting potential trust partner for the area. I agree with her that acquiring trust status would allow the movement to build further partnerships with schools, as well as forging stronger community links between education providers, businesses and other local partners. I am sure that the co-operative movement would have a great deal to contribute in Portsmouth, helping to drive up standards through a formal long-term working relationship with local schools. I would welcome further discussions between my officials and the movement to take that forward. I will return to that towards the end of my speech.

There is also an important national context, which could be very exciting for the future of schools around the country. As my hon. Friend points out, the co-operative model for trust schools is already being trialled—I have listed the schools involved. Much mention has been made of Reddish Vale technology college, and the Andrew Marvell business and enterprise college is another example. Both are pathfinder trust schools.

We are therefore already laying the ground for getting the co-operative movement more involved in education. I believe that its influence can grow in the months and years ahead. My officials are already in discussion with the co-operative movement about a possible national model for co-operative trust schools. I look forward to receiving their detailed proposals with interest, because I see real, unique strengths in co-operative trust schools: a strong set of values informing the ethos of the school—values that are rooted in community self-help, as my hon. Friend described, in ethical enterprise and in achieving more together than on our own. That ethos in turn creates a strong stakeholder model involving parents, staff and pupils in producing an education service that meets the needs of, and is directly accountable to, its local community.

We know that the biggest determinant of a good school is well-led, strong teaching. We know that the biggest determinant of the success of a child is good parenting. We know that pupil involvement in schools and their own learning improves results further. Co-operative schools are a fantastic opportunity to deliver all three of those things. This is the opportunity to do that, with this Government delivering on co-operative schools.

Some comment has been made contrasting our approach with that of the Opposition, who are, sadly, not in their places. Their foray into this territory appears no more than a cheap attempt to grab a few headlines—another "here today, gone tomorrow" cheap trick.

David Taylor: Does my hon. Friend agree it is not possible to laminate a political philosophy like co-operation on to an unacceptable party such as the Tories and hope that they will get away with it in this context or, indeed, in any other?

Jim Knight: I mentioned the importance of values in informing the ethos of co-operative schools, and the values that the co-operative movement stands for are not the sort that can be invented overnight. They are written into our DNA as a party and movement. They cannot be magicked into existence for the purpose of a press release. In, I think, November last year, the Leader of the Opposition launched the Conservative co-operative movement with a grand hurrah, specifically mentioning the idea of co-operative schools. Obviously, they had already been invented. He had come to that a little late. Since then, however, we have heard, well, nothing. Where are they now? Nowhere. I have tried to find out more. I visited www.conservativecoops.com. The site has a few stories about food co-ops on its one page and nothing more. There is nothing about schools. The Conservative party's commitment to co-ops is devoid of values, substance or any action. No surprise there then.

We can remain confident that Labour is the party of co-operation. It is written into our DNA, as I said, and we will continue to develop mutualism and co-operation in the public sector, championed by, among others, my right hon. Friend the Secretary of State, who is, I think, the third Cabinet member to be a Co-operative Member of Parliament; the Prime Minister's Parliamentary Private Secretary, my hon. Friend the Member for Basildon (Angela E. Smith)—I am delighted to see her in the Chamber—my right hon. Friend the Member for Cardiff, South and Penarth (Alun Michael), who was, I think, the second Cabinet member to be a Co-operative MP; and my other hon. Friends who are here this evening.

Let me return to the specific situation in Portsmouth and make a suggestion that may help my hon. Friend the Member for Portsmouth, North. She should be aware that the local authority in Portsmouth is currently considering its plans for wave 6 of Building Schools for the Future, the capital programme for building and refurbishing schools. We are very interested in how we can link capital improvements to schools in an area to improvements in the diversity and self-governance of schools. In other words, we want to renew both the fabric and the philosophy and governance of schools at the same time, to maximise the impact.

We expect local authorities to look carefully at the potential benefits of bringing new providers into the system and enhancing parental choice. That of course involves considering whether trust partnerships can add value to the process of rebuilding and realigning schools in their area.

Linda Gilroy: Does my hon. Friend agree that the co-operative governance model offers opportunities to bind in businesses such as those in Plymouth's cultural

[Linda Gilroy]

industries with institutions such as the performing arts college in Lipson that no other model can really offer?

Jim Knight: I certainly agree with that. It is some time since I visited Lipson community college, but I was very impressed by what I saw there. Plymouth is a centre for the creative industries, and if that college can pursue a co-operative trust model and bind in long-term relationships on the basis of co-operative principles and a co-operative ethos while incorporating strong partners from the creative industries in the region and the sub-region around Plymouth, it will be an extremely good proposition for parents and learners in my hon. Friend's city.

I do not know the extent to which my hon. Friend the Member for Portsmouth, North has discussed the matter with her local authority, but this would clearly be a good time for her to do so, because it should be on the authority's agenda as one of a range of options for raising school standards. I am sure that the authority would welcome discussion with the co-operative movement about the contribution that it could make in her city.

The Government welcome with open arms any organisation or movement within reason—and certainly one as ethical as the co-operative movement—that demonstrates a clear, unambiguous commitment to improving the quality of schools through trust arrangements. Everything I know about the co-operative movement suggests to me that it can do exactly that in Portsmouth and across the country, so I welcome my hon. Friend's championing of its cause. I hope very much that we shall see her efforts bear fruit in the form of improved standards, more choice, more stakeholder engagement and accountability in her city, and more control for parents and children in Portsmouth and beyond in the years to come.

Question put and agreed to.

Adjourned accordingly at fourteen minutes to Eight o'clock.

House of Commons

Thursday 27 March 2008

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

BROADS AUTHORITY BILL *(BY ORDER)*

Order for Third Reading read.

To be read the Third time on Thursday 3 April.

BOURNEMOUTH BOROUGH COUNCIL BILL *[LORDS] (BY ORDER)*

CANTERBURY CITY COUNCIL BILL *(BY ORDER)*

LEEDS CITY COUNCIL BILL *(BY ORDER)*

LONDON LOCAL AUTHORITIES (SHOPPING BAGS) BILL *(BY ORDER)*

MANCHESTER CITY COUNCIL BILL *[LORDS] (BY ORDER)*

NOTTINGHAM CITY COUNCIL BILL *(BY ORDER)*

READING BOROUGH COUNCIL BILL *(BY ORDER)*

Orders for Second Reading read.

To be read a Second time on Thursday 3 April.

Oral Answers to Questions

INNOVATION, UNIVERSITIES AND SKILLS

The Secretary of State was asked—

Higher Education (Access)

1. **Clive Efford** (Eltham) (Lab): What steps he is taking to assist universities in attracting the best students irrespective of background. [196478]

The Secretary of State for Innovation, Universities and Skills (Mr. John Denham): We support a range of policies to ensure that talented people from all backgrounds are able and willing to develop their potential through higher education. They include the Aimhigher programme and the gifted and talented education programme, which run alongside universities' own outreach activities and the continuing development of better links between schools and higher education. We are also improving the level of student financial support, so that from September, at least two thirds of all students will receive a full or partial grant.

Clive Efford: I am grateful to my right hon. Friend for that answer, but may I draw to his attention some of my concerns about the number of young people from state schools going to Oxford or Cambridge? I hear reports from pupils who go to open events at those universities that the impression given to them is that they will not be given any preferential treatment just because they come from a state school. That might be the right thing to say, but the way it is said can put people off applying and working towards the goal that they may have set themselves of going to those universities. What can my right hon. Friend do to deal with that issue, to address the fact that the number of state school pupils going to those universities has stalled, and to encourage pupils to reach their full potential?

Mr. Denham: We continually stress to all universities, but particularly the most selective, the importance of continuing to make progress on widening participation. It would be wrong to suggest that no efforts are being made; I visited Cambridge university a few weeks ago and met a group of students from Leicestershire, none of whose parents have been to university. They were part of the outreach programme. We have to not only work on the universities' admissions programmes, but look at the links between universities and the skills held at a much younger age, because it is at that younger age that people are likely to form the attitude, "This institution is not for me." On Cambridge, the House will welcome yesterday's announcement—although I have to say that it is nothing to do with the Government—that Mr. Harvey McGrath has made a £4 million endowment to Cambridge university specifically to help with its programme to widen participation.

Mr. Philip Hollobone (Kettering) (Con): Would the Secretary of State kindly agree to meet a delegation from the borough of Kettering to discuss how students from all backgrounds in the borough might be able to attract a new university to the town?

Mr. Denham: I suspect that I will do very little else for the next six months but meet the delegations of a number of right hon. and hon. Members who aspire to have a new university campus in their area. I would be delighted if the hon. Gentleman was one of them. It is clear that the new university challenge has inspired many communities across the country to realise what an important contribution a higher education institution can make to participation in higher education, economic development and economic regeneration. I am pleased to see how many areas and towns are now developing university plans.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my right hon. Friend agree that the recommendation of the former Select Committee on Education and Skills that Oxford and Cambridge change their application system so that it marries into the overall university application system would, at one stroke, encourage far more able young people from non-traditional backgrounds to apply to Oxford and Cambridge?

Mr. Denham: My hon. Friend makes an important point. As I am sure he knows, just a few weeks ago, Cambridge university, at least, announced that it was doing precisely what the Select Committee recommended. It is bringing its application procedure and application forms into line with the rest of the Universities and Colleges Admissions Service system. Following on from the question of my hon. Friend the Member for Eltham (Clive Efford), it is important that universities that are

highly sought after look at every aspect of their process to make sure that there is nothing in it that puts off, even inadvertently, talented students from backgrounds where people would not normally be sent to a higher education institution.

Mr. Rob Wilson (Reading, East) (Con): The Secretary of State often boasts about the Government's efforts to widen participation, but is it not the case that widening participation funds for a majority of Russell group universities have recently been cut? For example, Cambridge has been cut by 39 per cent., Oxford by 37 per cent., Bristol by 23 per cent., University college London by 13 per cent., and so on. Is that how the Government plan to help the poorest students get to our best universities?

Mr. Denham: It is important to understand that there have been no changes to the formula that determines how money to widen participation is allocated to universities. Part of the formula rewards universities that are successful in attracting students from a wider range of backgrounds. Many other funds are available to universities, including those that go into bursaries and other means of attracting students from such backgrounds, and it is clearly a responsibility on the universities that are making least progress to do better.

Mrs. Ann Cryer (Keighley) (Lab): Does my right hon. Friend feel that universities are doing enough by way of going into schools, even primary schools, to encourage children to aim higher? In my constituency there are many children who have no family members who have been to university. They have no knowledge of what university is about, and they need encouraging. I even have in my constituency many children who have one parent who has never been to school. Those children are disadvantaged because they are not aspiring to the level of education that they could aspire to, and they need encouragement. The universities could help so much by going in and explaining to the children what they would be able to derive from a university education.

Mr. Denham: My hon. Friend raises an extremely important point. There is a high volume of activity by universities. A recent report produced by the vice-chancellor of Exeter university, Professor Steve Smith, collated examples of activities by every university involved with schools. We need to do a number of things. First, we need to determine which of those activities are most effective at promoting participation, out of the many different activities that currently take place. Secondly, we need better structural links between universities and schools, whereby schools become involved not just in one-off projects with universities, but through deep lasting links dealing with the curriculum, aspirations and all those issues. We also need to build on the work that has begun as part of the "Aimhigher" programme, which involves working directly with parents and grandparents, particularly in communities where aspirations are low. We are beginning to understand that trying to inspire young people is more difficult if the messages are not reinforced by other family members.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): Does the Secretary of State agree that one of the problems that we have in the House—we have heard about it already from the Opposition Benches—is the talk about "the best universities"? What we want to do is get the best students into our universities. Will the Secretary of State do all he can to make sure that every university in the country is valued for what it does as an institution, instead of having the absurd notion of a league table to which people should aspire?

Mr. Denham: I entirely agree with the hon. Gentleman, and I have made a series of speeches over the past few months stressing the importance of mutual respect for the different types of universities. We should not pretend that all universities are the same, because they are not, or that all universities are suitable for each individual student, because they are not. It is important that each university is seen to be excellent at what it chooses to do, and that the right students can get to the right university for their particular abilities and aptitudes. Like the hon. Gentleman, I do not like the language that suggests that some places are good and some are not very good, when in fact they are doing different types of education for different types of students, but very often doing it equally well.

Science and Innovation Campuses

2. **Helen Southworth** (Warrington, South) (Lab): What his policy is on the development of science and innovation campuses. [196479]

The Minister for Science and Innovation (Ian Pearson): The Government are fully committed to developing Daresbury and Harwell as world class science and innovation campuses. As we say in our White Paper "Innovation Nation", published two weeks ago, the vision is that they should be places where new collaborative approaches to research, innovation and learning are developed. They will be environments where scientists from a wide range of disciplines can work together in a mutually supportive manner. The campuses will be prime locations for the international research and development sector, and will contribute to developing the UK's internationally renowned scientific and high technology skills base. Public sector organisations will work alongside businesses exploiting research to develop and profit from innovative products and services. Small, medium and large public and private organisations can also co-locate to their mutual benefit.

Helen Southworth: I hope my hon. Friend will soon visit Daresbury science and innovation campus so that he can see for himself the success that is being achieved there in bringing science, innovation and technology companies into the UK. The quality of science at Daresbury laboratory is crucial to that success, so will he ensure that the Science and Technology Facilities Council retains and expands key scientific skills at Daresbury laboratory and ensures future success there?

Ian Pearson: I thank my hon. Friend for that question. In direct reply, I should say that I hope to be able to visit Daresbury next week; I am sure that I will see world class science being conducted there. I want to stress that as a Government we have a vision for the development of Daresbury as a science and innovation campus that conducts world class research and innovation. Over the next few years, we anticipate the development of critical

areas of expertise. Through its project manager, Daresbury will be leading on the new light source project. Over the next few years, we hope to see the build-up of the Cockcroft institute, a detector systems centre and a centre for computational science.

Adam Afriyie (Windsor) (Con): Despite the Minister's warm words, there is clearly a crisis with science funding overall. On the "Today" programme of 11 December, he was asked whether he would help with the £80 million science budget deficit. He replied that

"we will have to see what the review says."

On three separate occasions during the interview, he led us to believe that the Wakeham review would look at science budgets. Yet in February we discovered that it will not look at science budgets at all. The question is: does the Minister intend to renege on his commitment to review the science budget? A simple yes or no will do.

Ian Pearson: I have made the position on the science budget very clear. We have more than doubled that budget in the past 10 years; it will have tripled by 2010-11, approaching £6 billion per annum. There is a situation with regard to the Science and Technology Facilities Council; that is why my right hon. Friend the Secretary of State asked Bill Wakeham to conduct a review of the health of physics as a discipline. I do not know what the hon. Member for Windsor (Adam Afriyie) does, but when we have a review, we wait for its findings and then consider what it says.

Mr. Mike Hall (Weaver Vale) (Lab): My hon. Friend will be aware that Daresbury laboratory has been at the forefront of innovative scientific research for the past 40 years. I am delighted that he has committed himself and the Department to ensuring that it plays a full part in the generation of the new light source. I believe that that new light source will be the future for the laboratory and I would like somebody on the Science and Technology Facilities Council to advocate specifically on behalf of Daresbury; that is where there is a gap at the moment. I press my hon. Friend to ensure that the council has a voice for Daresbury.

Ian Pearson: I thank my hon. Friend for all his work promoting Daresbury as a science and innovation campus. As he will be aware, the new light source project is headed by Professor Jon Marangos from Imperial college. Dr. Frances Quinn is the project manager at Daresbury. The STFC estimates that 19 of the 25 to 28 staff years to be devoted to the project will come from Daresbury. There will be further oversight by the STFC through a new light source board, to be chaired by Professor Tim Wess of Cardiff university. He is also the chair of the STFC's physical and life sciences committee. This is an exciting new project. The people who understand the detail of new light source projects advise me that a robust business case can be prepared for such a project. We look forward to the consultations that will take place in the coming months.

Ian Lucas (Wrexham) (Lab): New universities with science and innovation campuses, such as the one that we hope to have very shortly in Wrexham, often have the closest relationships with industry. What can my hon. Friend do to ensure that such universities have equal access to research funding, which should not be allocated on a purely historical basis?

Ian Pearson: One of the great things that we have seen over the last 10 years is increased and sustained investment in the science budget, with greater business interaction between the university research base and companies in particular areas. Research funding is provided on the basis of peer review proposals through the research councils, so it is not based on historical performance at all. It will be up to universities to submit good quality applications to be considered by the research councils. One of the exciting things that has happened as a result of the new spending round is that, for the first time, there are big cross-council research programmes that address some of the biggest challenges facing the world today, such as living with environmental change, energy and so on. There are opportunities for researchers to put forward project proposals to work in those exciting areas, which could be hugely important for the UK and globally.

Apprenticeships

4. **Tony Baldry** (Banbury) (Con): What recent estimate he has made of the number of people taking level 3 advanced apprenticeships. [196481]

The Minister for Lifelong Learning, Further and Higher Education (Bill Rammell): Over the past decade, we have more than doubled the number of people starting apprenticeships overall, from 65,000 in 1996-97 to an estimated 180,000 in 2006-07. The number of people starting an advanced apprenticeship in 2006-07, the last full year for which figures are available, was 57,000 at level 3—5,000 more than the previous year.

Tony Baldry: Is not the reality that the UK is training fewer people at level 3 than we were 10 years ago and that the number of apprentices in training is actually falling? Do we not need a system of apprenticeships that is much more responsive to the needs of employers and does much more to engage employers in wanting to take on apprentices?

Bill Rammell: The numbers of young people studying at level 3 are most certainly not falling, and I have to say that the figures speak for themselves. Eleven years ago there were 65,000 apprentices; today there are 180,000. Yes, we need to do more to engage employers, which is why we set up the apprenticeship review, and I urge the hon. Gentleman to work with us in engaging with employers on that. However, 11 years ago there was not much of a debate about how much apprenticeships had expanded, because they had been allowed to die, as the Conservative party did not care how many people started or completed an apprenticeship, and there was absolutely no focus on quality.

Ann Coffey (Stockport) (Lab): Approximately 38 per cent. of all young apprentices in Stockport are in advanced apprenticeship programmes, which is a good number. Does the Minister agree, however, that it is

also important to ensure that those apprentices complete their programmes, and has he made any recent assessment of completion rates?

Bill Rammell: I thank my hon. Friend for that question; I know that she takes a real interest in these issues. If we look at completion rates, we see that in 2001-02 the rate was 39,000, and in 2006-07 it was 103,000. We have gone from a 25 per cent. completion rate to a 63 per cent. one. We can remember the days when we were way behind Germany, which was seen as an exemplar in this area, but our completion rates are now almost at the German level. I am not complacent, but I think that we have a lot to be thankful for in terms of the investment that we have put in and the gains that we have made in the last 11 years.

Mr. John Hayes (South Holland and The Deepings) (Con): If we want to reduce the decline in the number of level 3 apprenticeships that my hon. Friend the Member for Banbury (Tony Baldry) mentioned, we need greater clarity in their delivery. Last week, in a written statement, which we had no opportunity to debate in this House, it was announced that the Learning and Skills Council is going, to be replaced by a bewildering array of new quangos. There will be a new skills funding agency with responsibility for a new national apprenticeship scheme, but local authorities will also be responsible for delivering apprenticeships in their areas, and accountable to a new young people's learning agency. Further education colleges will have to deal with all of them. It is like the government of Byzantium. Doubtless, the Minister will want to tell us what economies he expects to make, so will he tell us how many bureaucrats will go, and how much taxpayer's money will be saved as a result of the changes?

Bill Rammell: I can tell the hon. Gentleman that already, under the existing Learning and Skills Council, there has been a significant reduction in bureaucracy, which has gone directly to support front-line provision. On his question about apprenticeships at level 3, we need to focus on completion rates. In 2002-03, there were 18,400 completions, while in 2006-07, there were 30,800. Those people have gone through the system, been given skills and are now supported. With regard to his comments on the new arrangements that we set out last week, in my experience, college principals—I have met many of them—broadly welcome the approach that we are setting out—*[Interruption.]* The hon. Gentleman needs to get out and about more often if he is not getting that message. There are already two separate commissioning processes pre-19 and post-19, and we are bringing those together. I believe that the system can work, and I urge him to talk directly to college principals to find out their real views.

Research and Development

5. **Mr. Andy Reed** (Loughborough) (Lab/Co-op): What steps he is taking to increase collaboration between universities and businesses to improve research and development. [196482]

The Minister for Science and Innovation (Ian Pearson): University and business interaction has improved significantly over the past 10 years. As my hon. Friend will know from his close contact with Loughborough university, we have seen a sea change in university-business collaboration. The Government are further encouraging collaboration through increasing the funding for the higher education innovation fund, through the Technology Strategy Board programmes and through research councils focusing on boosting their economic impact.

Mr. Reed: I am grateful to my hon. Friend for that answer. As he is aware, Loughborough university developed simply because of its enormous strength in linking academic strength with business, which has gone from strength to strength ever since Schofield set up the university all those decades ago. Will my hon. Friend join me in welcoming the work of the Energy Technologies Institute, which has demonstrated exactly how we can get business and academic researchers to work together, not just in a business sense, but to make an environmental impact? Will he join me in visiting the companies that are involved, including at the Loughborough Innovation Centre and at Intelligent Energy, which has done an enormous amount to make progress on fuel cell technology and has secured further private sector funding in the past few weeks? Will he then commit the Government to promoting that technology, so that we can get it to market, which is the crucial part, on which I should like the Government to do a little more?

Ian Pearson: I very much welcome the Energy Technologies Institute, which is located at Loughborough university, but will operate on a distributed model. One reason why the independent panel decided in favour of the consortium involving Loughborough university being the home for the hub was the world-class research being conducted there. I had the opportunity to visit the engineering department at Loughborough university last year, but I would certainly be happy to go back and see some of the excellent work to which my hon. Friend refers.

Miss Anne McIntosh (Vale of York) (Con): Many universities and businesses in this country collaborate with their European partners, using the facility of the European research and development programmes. Equally, many do not. What can the Minister do to bring forward the excellent resources that are available, including huge financial resources, in order to encourage research and development between universities and business in this country and other member states?

Ian Pearson: We are doing a lot through the work of the Technology Strategy Board, which will be co-ordinating spending of around £1 billion over the next three years in collaborative research and development between business and our university research base. We have also asked the Technology Strategy Board to look into how we can improve our already good performance in accessing programmes through the European Union's framework programme 7. The UK university sector does better than that of any other country at accessing FP7 funds, but I am keen that UK businesses should get a bigger slice of the action. We are working hard on trying to ensure that that happens.

Fiona Mactaggart (Slough) (Lab): I have the privilege of representing one of the 10 most productive towns in the United Kingdom, yet our university—Thames Valley university—appears to be abandoning

Slough. Despite that productivity, often in new technologies, science and the biotechnology industry, we do not have the university-industry link that helps in so many local authorities. What can the Minister do to help towns such as Slough to develop that vibrant business sector and to make partnerships with the other universities, which are far away, in order to create opportunities to build on what we have already achieved?

Ian Pearson: My hon. Friend makes a good point, and she is certainly a great champion for Slough and the business community there. We announced in our White Paper, "Innovation Nation", which was published a fortnight ago, that we want to set up new partnerships for innovation, which might provide an opportunity for a good discussion about how we might maximise and build on the links that already exist. Although there has been a big change in university-business interaction over the past 10 years, there is still more that we can do to promote the knowledge base in our universities and ensure that it is commercially exploited. Strengthening those university-business links must be a priority for us, and I would be happy to meet my hon. Friend to discuss the circumstances in Slough.

Innovation

6. **Mr. Quentin Davies** (Grantham and Stamford) (Lab): What steps he is taking to encourage innovative enterprises. [196483]

The Secretary of State for Innovation, Universities and Skills (Mr. John Denham): Our White Paper, "Innovation Nation", sets out the steps that the Government are taking to encourage innovative enterprises to make Britain the best country in the world in which to run an innovative business. Measures outlined in the White Paper include extending the successful innovation platform initiative, sponsored by the Technology Strategy Board, doubling the knowledge transfer partnership programme, introducing innovation vouchers for small and medium-sized enterprises, and increasing Government procurement opportunities for the most innovative enterprises.

Mr. Davies: I am grateful for that answer. What can be done further to increase innovation in the public sector?

Mr. Denham: The public sector must not be neglected as an area for innovation. There are many good examples of public sector innovation, including NHS Direct, which has set a world standard for that new way of delivering a public service. However, as the White Paper recognises, there are areas in which we need to improve, particularly to ensure that innovation that takes place in one part of the public sector can quickly be picked up in other places. It is important to ensure that the ways in which targets are set, or the ways in which services are commissioned, lay themselves open to enabling people to find new ways of achieving the right outcome for patients, students or whoever. A key part of the White Paper is to develop within government a real strengthening of the capacity of senior civil servants, commissioners and others responsible for developing public services, to ensure that the way in which we develop our public services increases the opportunities for innovation rather than diminishes them.

Innovation

7. **Dr. Brian Iddon** (Bolton, South-East) (Lab): What steps he is taking to encourage young people to participate in innovation in science and technology; and if he will make a statement. [196484]

The Minister for Science and Innovation (Ian Pearson): The Government are adopting a range of measures to encourage young people to participate in science and technology. They include support for the science, technology, engineering and maths network—STEMNET—and for national science and engineering week, which, as my hon. Friend will know, took place earlier this month and involved more than 3,000 events up and down the country celebrating and promoting the importance of science right across our society.

Dr. Iddon: Will my hon. Friend congratulate Paul Abbott on his idea to create the Bolton technical innovation centre for STEM subjects, which is modelled on the music centre concept? I should like to thank all those organisations that have funded this unique venture during the four years that I have been associated with it. Does my hon. Friend agree that the centre could act as a model for other regions to encourage young people to innovate in science and engineering?

Ian Pearson: I know that my hon. Friend has put an enormous amount of work into the Bolton technical innovation centre, and I would certainly like to congratulate Paul and all those who work at the centre, who I know are doing tremendously good work. There are many different ways in which young people can be inspired to embark on careers in science and engineering. For example, we have 18,000 science and engineering ambassadors going into schools across the UK, and the ones I have met show the real enthusiasm that can be engendered in students about the importance of taking science subjects at GCSE and A-level, and of going on to study them at university. Following the recent Select Committee inquiry into the funding of centres such as the Bolton technical innovation centre, we are committed to carrying out a thorough review of the effectiveness of this type of centre and of other delivery agents as potential mechanisms for encouraging people to take up careers in science and to be enthused by the subject. That review will take place over the coming months.

Stephen Williams (Bristol, West) (LD): When I was at school, I was fortunate enough to be taught by a history teacher who went on to earn a national reputation in his subject. His enthusiasm and knowledge of his subject were among the factors that led to my studying history at university. Sadly, however, too many young people studying physics today are unlikely to be taught by a properly academically qualified physics teacher. What steps is the Department taking to encourage more physics graduates to enter the teaching profession, so that they can enthuse the physics pupils of today to become the physicists of tomorrow?

Ian Pearson: The hon. Gentleman is absolutely right about the importance of having good, inspiring teachers across a wide range of subjects, whether it be physics, history or any other discipline. Over a number of years, the Government have made some significant investment

in continuing professional development and in trying to get more physics teachers in our schools. We have funded bursaries for teacher training and provided £5,000 golden hellos for physics graduates who want to teach the subject in schools. So a great deal of work is already going on, but are we complacent about the current situation? No, we are not. It is very important to get the right quality of science teachers in our schools and we need to continue to work towards that with our colleagues in the Department for Children, Schools and Families.

Kelvin Hopkins (Luton, North) (Lab): I hear what my hon. Friend says about what the Government are doing to encourage young people to study science, but the fact remains that a disproportionate number of them are drawn to law, accountancy and similar professions rather than science. The reality is that the remuneration of those professions is much higher than that of scientists. Does my hon. Friend accept that something must be done to raise the status and remuneration of scientists to draw more people in?

Ian Pearson: As a Government, we are doing what we can to promote the importance of science to our economic prosperity and our future social well-being, and we work with a range of other organisations, such as the learned societies, which do a great deal of work to promote the status of science and engineering as careers. The evidence clearly demonstrates that scientists and engineers coming out of our universities are regarded by employers as having a very valuable background. We want to encourage more of them to go directly into science and engineering, but some will take up careers in the City, and I believe that the City has benefited from having well trained scientists, engineers and mathematicians, which I applaud.

Tony Lloyd (Manchester, Central) (Lab): Does my hon. Friend agree that we should also celebrate the role of further education colleges in this area? World-class science undoubtedly exists in this country, but translating it into practice requires the intermediate skills that only further education can provide. Does he recognise that we need proper parity of esteem between further education and higher education in this country?

Ian Pearson: My hon. Friend is absolutely right to promote the importance of the further education sector. One of the key features of the Leitch review is that we need to do more on skills at all levels. The FE sector has a vital role to play in ensuring that our young people and our adult work force have the skills that will be required in the UK economy in the decades ahead. Concentration and focus on the FE sector, as well as continuing support for the university sector, are very much on our agenda as a Government.

Higher Education (Access)

8. **Mrs. Sharon Hodgson** (Gateshead, East and Washington, West) (Lab): What assessment he has made of the role of higher education institutions in encouraging members of the community who would not traditionally apply to university to do so. [196485]

The Minister for Lifelong Learning, Further and Higher Education (Bill Rammell): We are committed to ensuring that we do not waste the talent of, or deny the opportunity to, anyone who could benefit from higher education. Higher education institutions are playing a key role in that, paying £96 million in bursaries, benefiting well over 70,000 low-income students in 2006-07, as well as being actively involved in the Aimhigher programme, their own outreach activities and the increasingly important work they are doing in schools and colleges.

Mrs. Hodgson: Does the Minister agree that one way Members can encourage and increase the number of people from the underprivileged sectors of the community to get to university is by working proactively with higher education institutions? For example, I am planning to take a group of young people from my constituency to Durham university so that they can see for themselves what is on offer, which should help to dispel the myth that higher education is not for them. Would the Minister encourage other hon. Members to do the same?

Bill Rammell: I most certainly would and I congratulate my hon. Friend on the work that she is doing. I believe that Members of Parliament—many of whom are from their own communities, are rooted in those communities and come from the same background as many of those young people—talking about the benefits of higher education and encouraging young people to access it at the earliest opportunity is indeed one of the ways we can break down the barriers and unlock the talents of all our people.

Christine Russell (City of Chester) (Lab): Does my hon. Friend agree that another way to help young people to raise their aspirations might be to give them a little taster of university life? One way of doing that would be to encourage universities to open up their facilities so that local young people can enjoy the theatres and swimming pools that many of our universities have—actually, they have been financed by public funds. The Minister will be aware that the children's plan envisages five hours of sport and five hours of cultural opportunities for children each week. This must be a really good opportunity for the universities, too.

Bill Rammell: I very much agree with my hon. Friend. The things that she is talking about are already part of the business of many universities in this country. For example, more than 2 million people attend public lectures and performances put on by higher education providers. UK academics provide more than 30,000 working days in support of museums and galleries and related activities. Indeed, our new University Challenge initiative rightly emphasises that higher education providers make a real difference to the cultural life of towns, not least through facilities that benefit both students and communities. The earlier that we can get such opportunities for young people, the more likely they will be to go on to university.

Apprenticeships

9. **Mr. David Hamilton** (Midlothian) (Lab): What discussions he has had with ministerial colleagues on the supply of skilled workers from new apprenticeships. [196486]

The Secretary of State for Innovation, Universities and Skills (Mr. John Denham): We are regularly in discussion with ministerial colleagues responsible for other Government Departments. There has been support from across the Government for the expansion of apprenticeships set out in our apprenticeships review, including the development of more public sector apprenticeships. My right hon. Friend the Chancellor of the Exchequer announced an additional £60 million for skills development, including advanced apprenticeships, in the recent Budget.

Mr. Hamilton: I thank my right hon. Friend for that answer. Apprenticeships have been frozen in Scotland, so I congratulate him on the work that he is doing down here in England and in Wales. Will he have further dialogue with the Treasury to see whether he can use his reserved powers to try to assist employers and apprentices so that young lads and lasses in Scotland are not disadvantaged by the Scottish National party Administration?

Mr. Denham: I certainly understand my hon. Friend's concerns. The skills strategy that the Scottish Executive recently produced contained only two mentions of apprenticeships in 61 pages, and no targets. Of course, our apprenticeships review says that we want to build on what we have already achieved, following the disasters of the previous Administration, to reach a position in a few years in which one in five young people can expect to go through an apprenticeship. This is a devolved matter. We have no direct way of influencing the Scottish Executive, but I wish that they shared our ambition for our young people.

Mr. Andrew Mackay (Bracknell) (Con): Will the Secretary of State explain why 59 per cent. of 16 to 18-year-olds failed to complete their apprenticeships in the last year for which figures are available?

Mr. Denham: That comes from the party that used to have no concern at all about whether anyone completed their apprenticeships! The reality is that the completion rate in the apprenticeship system has risen from 23 to 63 per cent. As my hon. Friend the Minister for Lifelong Learning, Further and Higher Education said, that compares very well with international standards. We have achieved that by tackling weaknesses in the system when people need training providers to be replaced or to improve, and that is what we continue to do.

The right hon. Member for Bracknell (Mr. Mackay) needs to acknowledge the Government's incredible success in rebuilding apprenticeships after they had been destroyed by the previous Administration. When he does that, I will be happy to discuss with him the extra measures that need to be put in place. However, I say to him that if he is interested—

Mr. Speaker: Order.

Training (Young People)

10. **Mr. Mark Harper** (Forest of Dean) (Con): What steps he is taking to improve training opportunities for 16 to 24-year-olds. [196489]

The Minister for Lifelong Learning, Further and Higher Education (Bill Rammell): Our plans to expand and improve apprenticeships in England are set out in "World-class Apprenticeships". We will ensure that the foundation learning tier is available to young people for whom a programme below level 2 is appropriate. We will introduce new diplomas offering a mix of practical and theoretical learning for 14 to 19-year-olds from September 2008. We are also improving the provision of high-quality, impartial careers information, advice and guidance to young people and adults.

Mr. Harper: I am grateful to the Minister for that reply. I listened carefully to his reply and to answers to previous questions, so I am rather confused about why the number of young people between 16 and 24 who are not in full-time education or employment is now 1.24 million. That is 15 per cent. higher than in 1997, which does not seem to be a tremendous record of success.

Bill Rammell: Whether we are talking about apprenticeships, in which starts and completions are significantly up compared to 10 years ago, or whether we are talking about the proportion of 18 to 24-year-olds who are in the NEET—not in education, employment or training—category, which has fallen from 19.4 to 18 per cent., I am the first to admit that we need to do more, but I will not take lectures from the Conservative party on those issues, where we have made huge progress. We need to be focusing on apprenticeships and developing the diplomas. If we can do both those things successfully, we can achieve our ambition of raising the statutory education and training leaving age to 18.

There has been one area of deafening silence in recent months—

Mr. Speaker: Order. Perhaps I can get some silence.

Sustainable Development

11. **Mr. David Kidney** (Stafford) (Lab): If he will make an estimate of the number of university and further education courses in which the study of sustainable development is a required element; and if he will make a statement. [196490]

The Minister for Lifelong Learning, Further and Higher Education (Bill Rammell): Universities and colleges are well placed to contribute to the sustainable development agenda. Sustainable development is embedded in many further and higher education courses ranging from construction and the built environment to business management. With regard to environmental studies, there are some 950 higher education courses and some 200 further education courses.

Mr. Kidney: I am grateful to my hon. Friend for that reply. As he surveys the demanding targets that our Government have accepted to cut carbon emissions, get more of our energy from renewable sources, minimise waste and recycle more of our waste, does he accept that those targets will drive a massive increase in sustainable development technologies in this country, which in turn will demand skills that our work force do not have today? Does he agree that we need an

immediate, big increase in sustainable development studies—academically and vocationally—so that we have that skilled work force in time? Last Thursday, I volunteered Rodbaston college in Stafford as a centre for such vocational training.

Bill Rammell: I genuinely thank my hon. Friend for the work he does in this area as chair of the west midlands sustainable development group of further education colleges. He has recently written to me about bringing in a delegation, and I am more than happy to meet him.

I certainly agree with my hon. Friend on the need significantly to increase the education and training opportunities in those crucial emerging industries. Indeed, yesterday evening I was talking about that very subject with the sustainable waste industry group. Sector skills councils have a hugely important role to play in discussing qualifications and articulating what needs there are in their business sector.

Sustainable development is already embedded in many FE and HE courses. I want that to expand, and I expect it to do so. With our efforts, and those of my hon. Friend, we can take that agenda forward.

Topical Questions

T1. [196503] **John Robertson** (Glasgow, North-West) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Innovation, Universities and Skills (Mr. John Denham): Lest we forget, in 1997 there was no dedicated capital budget for further education colleges. Today, I can tell the House that tomorrow I shall announce further details of the record £2.3 billion investment in FE college capital projects over the next three years. I can also say that we will require all new projects to meet the highest building standard for sustainable design—the BRE environmental assessment method, or BREEAM, excellence standard—and have a taskforce in place to advise on how we can get all new buildings to be zero-carbon by 2016.

I will also be setting out—for the first time, I think—how the Government's strategy will require the inclusion of mandatory training plans for apprenticeships and work-based learning in all contracts to develop newly planned buildings.

John Robertson: Following on from the Government's nuclear energy White Paper, my right hon. Friend will be aware of the creation of the national nuclear academy, which is welcome, but is he also aware of the Dalton institute at Manchester university, which is doing so much work in this area? Can he assure me that the two institutions will be linked together and that they will be talking to each other? Will he also talk to colleagues north of the border both to look after the four nuclear power stations and the skills that will be required in the years ahead and to alleviate the problem that we have with the minority Administration—

Mr. Speaker: Order.

Mr. Denham: I understand that the chief executive of the National Skills Academy already has strong links with the Dalton institute, and I appreciate my hon. Friend's interest in the subject. We will encourage those discussions to go further.

With regard to provision north of the border, the nuclear skills academy is developing work with four Scottish colleges, but I have to say that the only public sector money to go into that development has come through the English Learning and Skills Council. As yet, there has been no public support from the Scottish Executive, which suggests that some of those projects would be in peril if the separatists got their way.

Mr. David Willetts (Havant) (Con): Will the Secretary of State join me in congratulating all members of the Select Committee on the excellent report that they produced today on the withdrawal of funding for equivalent or lower-level qualifications? Does he accept the Committee's conclusion that it

"cannot support the decision to cut funding to ELQ students in this way",

and can he think of any report from either Education Select Committee that has been as critical of Government policy as this one?

Mr. Denham: Of course we respect the work of the Select Committee, and as a former Select Committee Chairman I appreciate the work that Select Committees do. In this particular case, however, although we will respond to all the detailed recommendations in due course as we properly should, we do not share the Select Committee's judgment. Had we not made the decision on ELQs, thousands of people who for the first time have a chance to go to university would have been denied that opportunity. I am afraid that that is the hallmark of the hon. Gentleman's party: with every word that it speaks, it closes the door on thousands of people who want to take advantage of higher education.

Mr. Willetts: I remind the Secretary of State that, according to the report,

"the Government has not shown convincing evidence that the withdrawal of funding"

will achieve their objective of enabling more suitably qualified individuals to enter higher education for the first time. The Select Committee does not accept the claim that he has just made.

Will the Secretary of State clarify one crucial point? In a written answer, the Minister for Lifelong Learning, Further and Higher Education said

"no strategic decision has been taken about whether to reallocate further ELQ funding after 2010-11."—[*Official Report*, 25 February 2008; Vol. 472, c. 1304W.]

The Kremlinologists do not quite understand what that means. Does it mean that the withdrawal of ELQ funding is permanent, or does it mean that it could be reinstated in 2011?

Mr. Denham: It is on the question of unmet demand that I disagree most profoundly with the Select Committee's judgment. If we take it at face value, the Government should abandon all efforts to expand further and higher education. In recent years there has been an enormous expansion in participation by the very students whom we want to benefit—mainly older,

part-time students, who have been coming to our universities in ever-increasing numbers. I simply do not agree that, given that 6 million members of the population have the equivalent of the A-level qualifications that would enable them to participate in higher education, there is not an unmet demand.

The position is clear. We have decided to allocate £100 million of the more than £300 million that is currently allocated to ELQs. We do not plan to reverse that decision, but as yet we have made no decision on whether it should go further in the future. My own view is that we have got the balance right between redistributing opportunity for those who have not had a chance to go to university, and maintaining opportunities for those studying strategic and vulnerable subjects to acquire ELQs.

T2. [196504] **Mrs. Sharon Hodgson** (Gateshead, East and Washington, West) (Lab): Tomorrow I shall attend a Unison union learning rep event in Newcastle. Union learning reps do a tremendous job in giving second chances to people whom the education system may have failed for some reason. What further support can be given to the union learning reps programme, so that we can continue to transform the lives of the people who participate?

Mr. Denham: I am delighted by the proactive way in which my hon. Friend is responding to the promotion of educational opportunities. She is absolutely right. We estimate that in the last year, union learning reps—who are all volunteers—brought 150,000 adults into learning. We hope that the extra £3 million that we are providing for the unionlearn programme from the next financial year will increase the number of reps, and that 250,000 people will be brought into learning for the first time.

The programme works because someone at work, someone whom a person knows and trusts, has said "You could do it." There is no better way of introducing someone to learning than the work that union learning reps do.

T3. [196506] **Mr. Eric Joyce** (Falkirk) (Lab): The business start-up rate in my constituency is just above the Scottish national average. What is my right hon. Friend doing to help small and medium-sized companies to innovate, and can he convey any of that to the Scottish Executive?

Mr. Denham: There are national UK programmes that are directly relevant to my hon. Friend's constituency. I would urge innovative businesses to work with the Technology Strategy Board and with higher education to take advantage of the knowledge transfer partnerships, two of which are operating in or near his constituency. My hon. Friend will be aware of R and D tax credits and, in England we are developing innovation vouchers, a way of providing small companies with, essentially, consultancy from higher education. As far as I am aware, the programme is not currently available north of the border, an issue on which he might like to press the Scottish Executive, who should be following our lead on this.

T4. [196507] **Bob Russell** (Colchester) (LD): The Secretary of State will be aware that the power industry has reduced its work force significantly since privatisation in 1990 and that there is now a skills crisis in the power engineering profession. With universities offering few suitable courses, will he agree to meet a delegation from British Power International, a company based in my constituency, to see how we can tackle that crisis?

Mr. Denham: I would be delighted to have such a meeting, at which we could discuss a number of ways forward, such as the way that companies can work with a higher education institution to develop foundation degrees, or ways that the money that we have made available for co-funded courses—part employer-funded, part higher education or publicly funded—could be made available to workers already in the industry who need to raise their skill levels. There are many things that the Government are doing to try to tackle strategic challenges in the economy and I would be more than happy to discuss those further.

T5. [196508] **Mr. Adam Holloway** (Gravesham) (Con): Does the Minister share my concern at the very large numbers of people given indefinite leave to remain and British citizenship in recent years who are unable to speak English? What can we do about this?

The Minister for Lifelong Learning, Further and Higher Education (Bill Rammell): It is critical that those people here for the longer term learn English, and get opportunities to do so, to help them to integrate into our society. That is why we are currently consulting on how we can better target the current significant expenditure on English for speakers of other languages to ensure that it actually contributes to genuine community cohesion.

T6. [196509] **Ann Coffey** (Stockport) (Lab): I am very pleased that in Stockport we have 1,572 young people aged 16 to 18 in apprenticeships involving employers across a wide sector. However, does my right hon. Friend agree that, if we are to achieve our objectives, extra effort has to be made by providers to involve in apprenticeships those young people who are not in education or training?

Mr. Denham: I welcome the question and would make one or two points in response. The first is that the Government are prepared, and believe it is right, to raise to 18 the participation age in education. That will create an environment in which some young people who are dropping out, certainly, of education and, often, of work will get a work-based education in the future, which could well be as an apprentice. It is a shame that the Conservative party does not understand the importance—

Mr. Speaker: Order.

T7. [196510] **David Taylor** (North-West Leicestershire) (Lab/Co-op): Will the Secretary of State respond to the report launched here a few hours ago from the UK Youth Parliament, the result of almost 6,000 returned surveys of 15 to 18-year-olds in England? The good news is that 60 per cent. wanted to go into higher

education. The less good news is that one in three of that 60 per cent.—i.e. 20 per cent.—felt that they would not be able to afford it. In view of that, does the Secretary of State feel that we are on target to get 50 per cent. of 18-year-olds into higher education by 2010, as we said we would in 1997?

Bill Rammell: I met members of the UK Youth Parliament yesterday to discuss that very report. I am never complacent but, for this academic year, acceptances are up by over 6 per cent., applications for next year are up by over 7 per cent. and the proportions applying from lower socio-economic groups are continuing to increase year on year. That is happening for a range of reasons, one of which is the significant expansion of non-repayable student grants that the Government are introducing from this September.

Mr. Philip Hollobone (Kettering) (Con): A week today, the new Windmill avenue campus of the Tresham institute in Kettering will be officially opened. Would the Secretary of State like to congratulate all those involved in the project, especially the students and staff, and confirm his commitment to continuing investment in education in Kettering?

Mr. Denham: The hon. Gentleman will have heard my earlier reply when I said that whereas in 1997 there was a zero capital budget for further education, there is now a £2.3 billion budget over the next three years. A few months ago, I visited another site of that college, in Corby, at an event to mark the signing of the skills pledge. I have seen the excellent work it does. I congratulate everybody involved in extending the work of the college, and I hope it continues to be successful in future.

T9. [196512] **Ben Chapman** (Wirral, South) (Lab): As a result of a very welcome tranche of Learning and Skills Council funding in my constituency, one of the campuses of the further education college is under threat because the college is being required to site on two premises, rather than three. Will the Minister take an interest in that issue—although it is now subject to consultation—and in the fullness of time take account of the college's place in the community, and of its culture and history?

Bill Rammell: I am aware of the proposals from Wirral metropolitan college, and I will be happy to discuss the issue with my hon. Friend. The consultation is at an early stage. Genuine consultation will be required, and there will be a need to demonstrate that there is a genuine provision of increased further education opportunities. Nevertheless, whatever the proposal coming forward, it is manifestly the case that such colleges have a better opportunity to expand their provision because of the significant increase in investment in capital funding that this Government have delivered.

Business of the House

11.31 am

Mrs. Theresa May (Maidenhead) (Con): May I ask the Leader of the House to give us the forthcoming business?

The Leader of the House of Commons (Ms Harriet Harman): The business for the week commencing 31 March will be:

MONDAY 31 MARCH—Motion to approve a Ways and Means resolution on the Housing and Regeneration Bill, followed by remaining stages of the Housing and Regeneration Bill, followed by a motion to consider the Northern Rock plc Transfer Order 2008.

TUESDAY 1 APRIL—Second Reading of the Counter-Terrorism Bill.

WEDNESDAY 2 APRIL—Opposition day [9th allotted day]. There will be a debate entitled, "The Economy, Repossessions and the Housing Market", followed by a debate entitled, "The Government's Flawed Policy on Heathrow". Both debates arise on a Liberal Democrat motion.

THURSDAY 3 APRIL—Topical debate: subject to be announced, followed by motion on the April recess Adjournment.

The provisional business for the week commencing 21 April will include:

MONDAY 21 APRIL—Second Reading of the Finance Bill.

TUESDAY 22 APRIL—Remaining stages of the Pensions Bill, followed by a motion relating to the statement of changes in immigration rules.

WEDNESDAY 23 APRIL—Opposition day [10th allotted day]. There will be a debate on an Opposition motion, subject to be announced.

THURSDAY 24 APRIL—Topical debate: subject to be announced, followed by a general debate, subject to be announced.

FRIDAY 25 APRIL—Private Members' Bills.

Mrs. May: I thank the Leader of the House for giving us the forthcoming business. As she will be aware, the Human Fertilisation and Embryology Bill has caused huge controversy, but six weeks after First Reading we have still not been told how it will be handled in the House. When will she make a statement on that?

This week, the Justice Secretary announced that the Government would be consulting on changes to the method of electing Members to this House. As Leader of this House, will the right hon. and learned Lady confirm that no changes to the voting system will be imposed or introduced without cross-party consent?

On Monday, we will be debating the remaining stages of the Housing and Regeneration Bill. The Bill received pre-legislative scrutiny last summer and finished its Committee stage at the end of January, but this week, only three sitting days before debate on Report, the Government have tabled 136 amendments and new clauses, on top of the 300 amendments they had already tabled in the past two months. The right hon. and learned Lady is responsible for managing Government business. She also has a responsibility to ensure that Members can scrutinise Bills properly. As Leader of the House, does she really believe that that is the right way to manage business and scrutinise important legislation?

Last week, it was reported that the Transport for London commissioner has asked his communications team to set up an "anti-Boris unit". Transport for London has also told taxi drivers that they cannot issue receipts with "Back Boris" on them, and has threatened to withdraw funding from the Metropolitan police if its road traffic officers continue to criticise the safety record of bendy buses. Is that not a flagrant abuse of power? May we have debate on Transport for London?

It has emerged this week that almost half our hospitals have turned away women in labour because they did not have the space for them. That lack of care for pregnant women has put their health and the health of their babies at risk, yet this Government still plan to close more local maternity services. May we have a debate in Government time on cuts in maternity service?

Last year, the Government introduced passport interviews designed to weed out bogus candidates, but 38,000 checks and £93 million later not a single applicant has been rejected under the scheme. Is that not another example of the Government wasting taxpayers' money? May we have a debate on the procedures for issuing passports?

This week, the National Union of Teachers voted to forbid military officers giving careers advice to schools because they would glorify war. That is on top of the decision that the Government made last year to abolish the Ministry of Defence's defence schools presentation team. Why are lawyers, accountants and doctors allowed to promote their profession to schools, but soldiers are not allowed to talk about defending our country? May we have a debate on the careers advice being given to our young people in schools?

The former Home Secretary, the right hon. Member for Norwich, South (Mr. Clarke), has published a doomsday list of Labour MPs who are at risk of losing their seats, which shows the results depending on a mere 7,500 voters. The former Secretary of State for Transport, Local Government and the Regions, the right hon. Member for North Tyneside (Mr. Byers), recently criticised the Government's tax policy. I wonder whether that is why both of them were put on the list for a Delegated Legislation Committee starting at 8.55 am today. Even the Leader of the House is reported as having criticised the Prime Minister's communication skills and as having said to him:

"When you talk about opportunity, nobody knows what you're talking about".

Do not all those examples show that the Government are incompetent, that they waste taxpayers' money, that they have no vision for this country and that there is only one man to blame—the Prime Minister?

Ms Harman: The right hon. Lady asked about the Human Fertilisation and Embryology Bill. Obviously, there is concern that it is properly handled and that proper scrutiny is given by this House. We will make the arrangements for handling it clear in good time before it comes to this House, following discussions with all parties.

[Ms Harman]

The right hon. Lady made a point about the voting system. She will be aware that we have introduced a number of different voting systems in different parts of the country and that there was no provision in the draft Constitutional Renewal Bill for reforming the voting system. We have said in our manifestos that there would not be any change to the voting system for this House without its having been voted on by the people of this country in a referendum.

The right hon. Lady mentioned that a large number of amendments to the Housing and Regeneration Bill have been tabled. I must say to her that it is desirable and it is best—it facilitates the best scrutiny in this House—if all the technical, drafting and policy issues are sorted out in advance of a Bill's publication, so that it can make progress and the Government's position is clear. Sometimes it is necessary to table late amendments if a response is being made to proposals from hon. Members and if the Government agree to table amendments. Generally speaking, I agree that we do not want large rafts of amendments to be tabled, because it is difficult for hon. Members to scrutinise on that basis. I shall remind all my ministerial colleagues of the point that she makes, with which I think the whole House would agree.

The right hon. Lady went on to highlight a number of issues about London. She raised issues about the Metropolitan police in London and she will know that, following proposals from a number of hon. Members from all parties, that is the subject of today's topical debate, so all those issues can be discussed then. I shall consider her suggestions for a topical debate on the subject of Transport for London.

The right hon. Lady mentioned what she alleged was a lack of care for pregnant women. She should know that since we came to government there are more midwives than there were under the Conservative Government, that each midwife deals with fewer births and can therefore give greater care to pregnant women, and that there is a lower number of deaths of women and babies at birth. I suggest that she focus on the quality of care and the outcome for the mother and the baby, which is what really matters. The outcomes for mothers and babies are improving. Of course, no one wants the uncertainty that comes when a woman who expects to give birth in a particular place has to be moved to a different hospital, but sometimes, such as when there is a question about intensive care facilities, there has to be a transfer. By and large, I would not want the right hon. Lady to give the impression that midwifery services are deteriorating. They are not; they are improving. Of course, they could always be improved further, and the Government will endeavour to ensure that that happens.

The right hon. Lady mentioned the question of careers advice in schools in relation to our armed forces. The Government strongly back the single services team, which goes into about 1,000 schools at the invitation of those schools and tells children about the work that goes on in the Army. Schools have a number of visits from people from all walks of life, and it is obviously right that the forces should be part of that, at the invitation of the school.

The right hon. Lady's last issues were a basket of party political point scoring, so I will not respond to them.

Keith Vaz (Leicester, East) (Lab): When can we have a debate on the excellent Byron review, which was published this morning? It accepts finally, and for the first time, that children can be affected by violent video games and access to the internet, that that process needs to be monitored carefully, and that we need a new partnership between parents and the industry. Will the Government accept the recommendations in full? If they are prepared to accept them, when can the House debate the matter, as so many Members on both sides are keen to do so?

Ms Harman: I congratulate my right hon. Friend on his long-standing work on and concern about these issues. That would be a good subject for a topical debate, and I accept what he says as a proposal for such a debate. I thank Tanya Byron for her work. It is common sense that there should be clear labelling so that we can understand the different levels of videos and games. She is absolutely right that there needs to be joint work and that responsibility lies with the Government, the industry and parents, who all need to take action and work together on this.

I want, too, to acknowledge the work of the Internet Watch Foundation, which works with the industry and provides a hotline for parents. The Government accept the findings of the Byron report. We will produce an action plan, but before that it would be a good idea to have a debate in the House.

Simon Hughes (North Southwark and Bermondsey) (LD): May I follow the last exchange by joining the tribute to the Chairman of the Home Affairs Committee? I support the call for a debate on the labelling of videos and also on the management of amusement arcade machines, which often have equally violent scenes. It is obvious nonsense that we have never managed to get a grip on the sort of violence youngsters can see in places to which they have easy access. If we can debate that soon, it would be welcome.

On the Housing and Regeneration Bill, may I couple the protest that the right hon. Member for Maidenhead (Mrs. May) made with a reminder to the Leader of the House that she said on the Floor of the House that, when the Government tabled a large number of new clauses or amendments, she would consider providing extra time so that that did not eat into the time for consideration of Opposition new clauses and amendments? May I ask that, as a matter of urgency, she seeks to apply that to next week, so that all the Government business has the time that it needs, but that the amendments that the Opposition table also have the proper time? May we also have the time that the Bill really needs for Report, not the nonsense of trying to fit a quart into a pint pot on Monday?

Later on Monday night, we will have the welcome debate on the transfer order on Northern Rock. I shall leave the substance of that issue to one side, but given the absolutely damning report on the Financial Services Authority's four major and many minor failures of scrutiny, may we have an early debate on

why we have an authority that is meant to regulate but is clearly not up to regulating the banking industry?

If the Leader of the House would rather have a wider debate, may I suggest that we have a whole-day debate in Government time on the regulation not just of the banking industry but of the water industry—people in many parts of England do not think that they are getting very good value for money—of the public utilities, for which people think that they are paying huge amounts for relatively poor service, and of the railway industry? Last weekend, we had what was called the Easter improvement programme, whereby many people did not get any rail services and many were not able to book in advance. Looking at regulation would be welcome, because it is not working in Britain. The whole idea was that regulators would be effective, not toothless watchdogs.

I welcome the announcement that we will have a debate on Russia in Westminster Hall on 3 April. I remind the Leader of the House that she said she would look sympathetically on a debate on UK-China relations, which is no less urgent now than it was when bids were made for it in the past couple of weeks.

The draft Constitutional Renewal Bill was published the other day, which was very welcome. Before the pre-legislative Committee starts its work, may we have a debate about the proposed role of Law Officers? It is a ring-fenced issue, and there is now a clear proposal that there should be no interference with decisions except in matters of national security, however that is defined. Some of us think that what happened over the BAE Systems prosecution brought this country into severe disrepute. We need to get out of a system in which there is clear political interference in an inquiry into whether criminal offences have been committed.

Finally, we have had an announcement today that five police authorities—Lincolnshire, Cheshire, Leicestershire, Cleveland and Warwickshire—are to have their budgets capped, even though Lincolnshire police authority, for example, is asking for only £2 a week on council tax so that it can police Lincolnshire properly. May we have a debate urgently about these issues, so that the public can realise what nonsense the council tax system is, and that it is even more of a nonsense when councils are not allowed to raise and spend the council tax that they want? Police authorities, like councils, want to be able to get on with the job, and the Government's system is preventing them from doing so.

Ms Harman: I suggest that the hon. Gentleman raise his final points about resources for police authorities and local government spending with my hon. Friend the Minister for Local Government in the statement to follow.

I am grateful for the hon. Gentleman's welcome for the Byron review and the report that has come out of it. I notice that the official Opposition jeer every time the Prime Minister announces that he is setting up a review. This was a review that he set up that has actually enabled people to put forward their views, so I hope the Opposition will think better next time they jeer at reviews. Obviously everybody in the House thinks that this review was a good idea.

The hon. Gentleman reinforced the point that the right hon. Member for Maidenhead (Mrs. May) made about Housing and Regeneration Bill amendments. I will consider it, but it is difficult to make promises because I do not want to create unrealistic expectations having already announced the business. Because of the lengthy debate that we had on Europe, there is a queue of important Second Readings that we need to get to. I sympathise with his point, but I cannot promise that I will be able to do anything about it. I shall certainly consider it.

On Northern Rock, as the hon. Gentleman said, there will be a debate next week on the order. I think that the FSA has produced a frank report, and lessons need to be and will be learned. The Treasury Committee has also produced a report and the Government are considering its recommendations. I suggest that the hon. Gentleman does not write off all regulators, as regulation is very important.

The hon. Gentleman also raised the question of UK-China relations. He will know that there is a debate on the subject of Tibet in Westminster Hall next week and I am sure that several hon. Members will seek to use that opportunity.

The hon. Gentleman mentioned the role of the Law Officers, and that will be addressed in the draft Constitutional Renewal Bill. During the course of our debate on that Bill, he will no doubt be able to repeat the points that he has just made, only even more fully and at greater length.

Laura Moffatt (Crawley) (Lab): The issue of children has rightly come up already in business questions. Would my right hon. and learned Friend consider a debate on the importance of play? The excellent children's plan published earlier this month demonstrates that organised play for children is a key part of their development. I want this debate to put off local authorities that are short-sightedly thinking of closing play centres on financial grounds alone. I want the issues properly explored to stop them doing so.

Ms Harman: No local authority should cut play services. The Government have put an extra £250 million into children's play services and I know that my hon. Friend has been a great champion of children's services in Crawley. If the Conservative council in Crawley is cutting children's play services, it should not do so, and I suggest that my hon. Friend applies for an Adjournment debate.

Mr. Nicholas Soames (Mid-Sussex) (Con): Would the right hon. and learned Lady remind her ministerial colleagues of the importance of timely and full responses to parliamentary questions? Will she also tell them that it is unacceptable to reply to Members by merely pointing out to them that the answer may be found in a departmental annual report or some other obscure document? If a parliamentary question is asked, it should receive a reply in full. *[Interruption.]*

Ms Harman: Some of my colleagues invite me to say that the hon. Gentleman should read the departmental report, but I sympathise with him. If the report is available, it is not much more trouble to give a full answer. Parliamentary answers should be full and helpful. The House is holding Government Departments and agencies to account and replies should not be provided grudgingly—

Hon. Members: Hear, hear.

Dr. Brian Iddon (Bolton, South-East) (Lab): Since the introduction of the congestion charge in London, I have noticed a significant increase in the number of pedal cyclists using the roads. Many of them unfortunately commit offences, such as going down one-way streets the wrong way, ignoring keep-left bollards and proceeding through red traffic lights. *[Interruption.]* May we have a debate next week on road safety for pedal cyclists?

Ms Harman: I will raise that point with my right hon. Friend the Secretary of State for Transport. Obviously, we want more people to use green methods of transport, such as public transport, buses, tubes, trains, walking and cycling, but we do not want cyclists to break the law and put other people at risk. I know that the issue has been treated as a bit of a laughing matter by some Opposition Members, but it puts pedestrians and other road users at risk when people think that there is one rule for them and another for everyone else. I am waiting for Opposition Members to agree with me on that point as well.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): May we have a debate in Government time on prison over-crowding and the effect on sentencing? The National Association of Probation Officers tells me that 80 per cent. of the 42 probation areas have reported great problems in providing the supervisory service that the courts require. It gives examples:

"Restrictions involve the non-availability of unpaid work; cancellation of one-to-one programmes; and major problems of delays with domestic violence programmes, substance abuse programmes, and community and internet sex offender programmes."

In some areas of south Wales staff have been told not actively to recommend supervision for foreign nationals, because they need interpreters, and they cost money.

Ms Harman: The hon. Gentleman may know that there has been a 67 per cent. increase in resources for the very important work of the probation service since we came into government. We want to see more coming out of that. The public are entitled to expect good supervision for those serving non-custodial sentences and we want to see less prison over-crowding and more people appropriately given non-custodial sentences. I suggest that the hon. Gentleman consider applying for an Adjournment debate to discuss the situation in Wales, which I know is of concern.

Helen Southworth (Warrington, South) (Lab): I also welcome the excellent report by Dr. Tanya Byron. In supporting the request for a debate, I would ask that we also consider the work carried out by the Child Exploitation and Online Protection Centre, and how we can co-ordinate our response to both the review and the centre.

Ms Harman: I welcome my hon. Friend's comments on the report. She makes the important point that the Byron report offers an opportunity to bring together and learn from all the other good services that exist to help parents and the industry to make progress. The Child Exploitation and Online Protection Centre is one example.

Sir Michael Spicer (West Worcestershire) (Con): Will there be votes before the summer recess on the Baker report on pay and the Members Estimate Committee's report on Members' allowances?

Ms Harman: Yes, there will. The House resolved on 24 January to refer the question of setting Members' pay—including a comparator and a mechanism so that we do not have to vote on our own pay—to Sir John Baker for a review. It also agreed that his review should report back with proposals for the House to vote on before it rises for the summer recess. At the same time, the House agreed that all the questions of allowances should be referred to the Members Estimate Committee, chaired by the Speaker, for a root and branch review. Proposals in that regard will also come back to the House to be voted on before the summer recess, so that the whole situation in relation to pay and allowances can be sorted out, the House can work properly, and the public can have confidence in the system.

Mrs. Ann Cryer (Keighley) (Lab): May we have an early debate on the standards of care in residential and nursing homes for elderly people? I understand that the Human Rights Act 1998, which already applies to local authority homes, will be extended to private homes if residents are sponsored by local authorities, and I welcome that. However, I still have deep and abiding concerns about neglect of the elderly in some of those establishments.

Ms Harman: I will draw the points that my hon. Friend makes to the attention of the relevant Secretaries of State. The work of the inspectorates is very important, and I will take up with my right hon. Friend the Secretary of State for Justice the point that my hon. Friend made about the extension of the Human Rights Act to services that are not provided directly by public authorities, but on their behalf.

Mr. Alan Beith (Berwick-upon-Tweed) (LD): Why is the Leader of the House bypassing Committees of this House, including the Justice Committee, the Public Administration Committee and the Lords Constitution Committee, by tabling a motion for a Joint Committee for pre-legislative scrutiny on the draft Constitutional Renewal Bill? Does she realise that that will lead to duplication of work for members of the Committee and for witnesses? Like other recent cases when Joint Committees have been set up without consultation, it has given rise to strong objections from other Committee Chairmen.

Ms Harman: There is certainly no intention to bypass any processes in this House; far from it. However, it is not unprecedented for the Government to propose to the House—I tabled such a proposal today—that there be a Joint Committee of both Houses to scrutinise important legislation. That is what we are proposing—subject to the consideration and agreement of this House—in respect of the draft Constitutional Renewal Bill. Much of the Justice

Committee's important work fed into that Bill, and I am sure that it and other Committees of the House will provide their own scrutiny and will contribute to the Bill.

Fiona Mactaggart (Slough) (Lab): Does my right hon. and learned Friend share my concern about the fact that clauses relating to prostitution were among the many clauses dumped from the Criminal Justice and Immigration Bill while it was being considered in the other place? As she is aware, a team of Ministers is considering how the issue is dealt with in other countries. Will she ensure that when they report, an early opportunity is taken to legislate, including getting rid of fines for women in prostitution?

Ms Harman: I take my hon. Friend's point seriously, and she has done as much work as anybody, if not more work than most, on tackling the problems of prostitution. Originally I greatly regretted the fact that the Government had had to withdraw the clauses on prostitution because of time constraints on the Bill, but on reflection it was no bad thing, because as my hon. Friend says, there is an ongoing review of prostitution, which will take six months. At the end of it, we can look again at the whole system for dealing with prostitution. I agree with her that women in prostitution are victims and should be protected, and it is the men who use and abuse prostitutes who should be treated as offenders. They are the problem, not women who are prostitutes.

Mr. Michael Jack (Fylde) (Con): The Secretary of State for Business, Enterprise and Regulatory Reform made an important speech yesterday advocating the opportunities for the United Kingdom nuclear industry that would result from an expanded number of nuclear power stations. Today, the Prime Minister and President Sarkozy are coming to some form of agreement about Britain and France and the future of our nuclear industry. Will the Leader of the House ensure that a statement is made to clarify the fact that any agreement reached between President Sarkozy and the Prime Minister will not in any way inhibit the opportunity for all players—including companies such as Toshiba Westinghouse, in my constituency—to offer solutions for the future of our nuclear power industry?

Ms Harman: It certainly will not be precluded in the way that the right hon. Gentleman fears that it will be. Obviously, there is a lot of discussion on the new generation of nuclear power to be had between us and other countries in Europe, particularly France, on issues such as tackling waste and dealing with technical skills. I hope that his fears will not be realised, but I will bring them to the attention of my right hon. Friend the Secretary of State for Business, Enterprise and Regulatory Reform.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): May I draw the Leader of the House's attention to early-day motion 1113, in my name?

[That this House welcomes the Industrial Injuries Advisory Council recommendation of November 2007 that the prescribed disease chronic obstructive pulmonary disease be extended to include those exposed to coal dust during screen work on the colliery surface for a minimum period of 40 years to 1983; and calls on the Department of Work and Pensions to complete its assessment of the recommendation as soon as possible so that the few survivors who are eligible to claim an industrial injuries disablement benefit award can do so and discussions can begin with the Department for Business, Enterprise and Regulatory Reform for a full and final compensation payment.]

The early-day motion draws attention to the fact that the Industrial Injuries Advisory Council recommended in November that the definition of the prescribed disease COPD be extended to cover a group of workers who worked on the colliery surface, with screens, for 40 years up to 1983. That decision has been with the Department for Work and Pensions for more than four months. Given that the group of workers concerned are very elderly, will she urge that a decision be made quickly, so that men who are eligible can claim industrial injuries disablement benefit, and can explore whether there is the possibility of reaching a full and final compensation settlement similar to that paid to their colleagues who worked underground?

Ms Harman: Thanks to my hon. Friend's work and the work done by a number of other hon. Members, since this Government came to power we have had the biggest compensation programme in the world. However, he raises a further important point, and I will write to my right hon. Friend the Secretary of State for Work and Pensions to remind him that he needs to get on with making the decision, because the tragic truth is that time is not on the side of people who suffer from such terrible diseases.

Mr. Alan Reid (Argyll and Bute) (LD): The Leader of the House will be aware that the laws on succession to the Crown discriminate on the grounds both of religion and of sex. I was disappointed that the Government did not take the opportunity offered by the Constitutional Renewal Bill to address that discrimination, which I am sure she will agree is unacceptable in modern society. May we have an early statement of the Government's intentions on the matter?

Ms Harman: Unless it is outwith the scope of the Bill, perhaps the hon. Gentleman could propose an amendment on the subject; then the House could debate it.

Sir George Young (North-West Hampshire) (Con): May I strongly endorse the point made by the right hon. Member for Berwick-upon-Tweed (Mr. Beith), and urge the Leader of the House to reconsider the decision to refer the draft constitutional Bill to a Joint Committee?

On Monday we are to debate a Ways and Means resolution on the Housing and Regeneration Bill. The Leader of the House may know that it completed its Public Bill Committee stage eight weeks ago. The Department for Communities and Local Government waited until virtually the last day, and then tabled 37 pages of amendments. Will she ensure that when the Minister opens the debate on the Ways and Means resolution, he or she begins with a contrite apology to the House for that cavalier treatment?

Ms Harman: I think that the majority of the amendments are drafting amendments, tidying-up measures and responses to concerns raised in Committee. As for the time that elapsed before the Bill came back to the

[Ms Harman]

House, it is partly owing to the fact that we spent an awful lot of time discussing Europe in the meantime; it also afforded the opportunity to draft measures, which will come before the House. However, I take the point that hon. Members have made, and I will raise it with the Secretary of State concerned.

Sammy Wilson (East Antrim) (DUP): Last week the security forces in Northern Ireland were on high alert for a Real IRA offensive. At the same time, four BBC journalists were arrested in the presence of leading Real IRA activists on their way to a promotion of a show of strength. Given that the BBC is a publicly funded body, will the Leader of the House make time for a debate, so that the House can join the Chief Constable in expressing outrage at the BBC promoting terrorism at a time when we are trying to bury it in Northern Ireland, and at its pursuing sensational stories instead of pursuing stability in Northern Ireland?

Ms Harman: The hon. Gentleman has made a heartfelt point, and although it is not for Ministers in the Department for Culture, Media and Sport to make editorial decisions about the BBC, I will certainly raise his point with my right hon. Friend the Secretary of State for Northern Ireland, who I am sure will share the hon. Gentleman's views.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Might I suggest to the Leader of the House that we have a debate next week on the legislative process? That would enable many of us to suggest that the explanatory memoranda published should try to set out the reasons for a Bill and identify the problems that it is intended to address. At the moment, an explanatory memorandum simply spells out the detail of a Bill, and does not give people sufficient notice of why the Bill has been introduced in the first place.

Ms Harman: The right hon. and learned Gentleman makes a fair point, and we have tried to make progress in that respect. When we publish the Government's draft legislative programme, we set out all the Bills that we propose to include in it, together with an explanation of the problem that the Bill is supposed to solve. We try to do that, and put Bills out for consultation, too. In addition, last week I put forward our proposals for post-legislative scrutiny, which would allow us to see whether legislation matches up with the intentions behind it. It is a reality check to see whether an Act has done what it was intended to do.

John Hemming (Birmingham, Yardley) (LD): Guidelines from Her Majesty's Revenue and Customs relating to tax credits, which I believe are a wrong interpretation of the law, imply that people whose annual return is sent in late have to pay back all their tax credit. May we have a debate on the merits of that rather silly rule, which means that if an annual return is lost in the post, people have to repay all their tax credits?

Ms Harman: Perhaps the hon. Gentleman could apply for an Adjournment debate on that. I know that it is a subject of concern to many hon. Members.

Mr. Andrew Mackay (Bracknell) (Con): As the Leader of the House seems to be in a responsive mood, may I refer her to next Monday's business? The House faces the problem of considerable congestion, because the Housing and Regeneration Bill, with all those Government amendments—and Opposition amendments as well—is likely to take the whole day, yet we also have an important order on Northern Rock to debate. Will she reflect and come back to us to let us know how that can all be properly resolved?

Ms Harman: As I said, I have sympathy with the points raised on that matter. I also recognise that although the Government may say that the amendments are technical and drafting, until hon. Members have had time to read through them all and work out what they mean, they cannot necessarily be satisfied that that is the case. It is not desirable, obviously, for there to be large numbers of amendments, but as I have announced the business, and as we are tight for time, with a queue of important Bills awaiting Second Reading, I am not sure whether it will be possible to make extra time at this stage. I will consider it.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): May we have an early debate on the report published today by the Independent Asylum Commission, which concludes that our asylum system operates with a "culture of disbelief" and comes often to "perverse and unjust decisions"? If that is true of our system, that system has probably been shaped by the tenor of debate on the issue in recent years. A debate on the report would offer us an opportunity in the House to begin a new sort of debate on the subject of asylum, and perhaps give us a system that would no longer be described as a "blemish" on our international reputation.

Ms Harman: The hon. Gentleman will have an opportunity to make those points at greater length on 22 April, when there will be a debate on the immigration rules. I note that the Independent Asylum Commission said that the system was "improved and improving". Certainly, we would all agree that it needs to improve further.

John Bercow (Buckingham) (Con): May I reiterate the request just made for a debate in Government time on the Floor of the House, not on immigration policy but on asylum policy? Even if the right hon. and learned Lady does not agree with the verdict of the Independent Asylum Commission that the Government's current policy

"falls seriously below the standards to be expected of a humane and civilised society",

does she at least accept that in respect of Sudan, Zimbabwe and Iran there is a growing body of evidence that people being returned to those places are at risk—because of their tribal allegiance, their political views or their sexual orientation—of imprisonment, torture, death, or a grisly combination of all three?

Ms Harman: I will look at the points that the hon. Gentleman raises and consider whether the best response from the Government is to give some time—but the hon. Gentleman and other hon. Members could also raise those points in the April recess Adjournment debate next Thursday. That is one opportunity, but I will reflect on the hon. Gentleman's points.

Lembit Öpik (Montgomeryshire) (LD): In order to get through all the amendments to the Housing and Regeneration Bill on Monday, we will have to cover one page full of amendments every nine minutes. Even John McCririck cannot speak that quickly. The Leader of the House attempts to reassure us by saying that those are drafting amendments responding to concerns expressed in Committee. It is not for her to say that. Does she agree that we need more time for us to be able to carry out our function of scrutiny, rather than reducing the scrutiny process to a lottery, whereby we will not have a proper chance to consider more than 100 amendments that the Government say are necessary but do not have the time to justify?

Ms Harman: I note that the hon. Gentleman is adding to the points that have been made by other hon. Members; I will not take up any further time by repeating what I have already said in response.

Mr. Mark Field (Cities of London and Westminster) (Con): I endorse the comments of my right hon. Friend the Member for Maidenhead (Mrs. May) about maternity and midwifery services. The issue is the quantity, not of the quality, of those services. I hope that the Leader of the House will give some attention to that. On the regulation of supermarkets, the right hon. and learned Lady knows that there have been a plethora of Competition Commission and Office of Fair Trading reports over the past decade or so. Will she ensure that we have a full debate in Government time on all the issues to do with the regulation of supermarkets?

Ms Harman: That is a good idea. I am glad if the hon. Gentleman's party is going to support regulation, which it previously seemed to be wholly against. If the Opposition have seen the point of proper regulation of markets I welcome that, and I will consider his proposal. He also mentioned maternity services. I note that the hon. Member for Buckingham (John Bercow) will personally sample those maternity services next week, and we will expect a report back to the House. May I wish him and his wife the very best of luck?

Mr. David Heath (Somerton and Frome) (LD): May we have a debate on the Rural Payments Agency? We all know about the fiascos of previous years, but I have recently being trying to help one of my constituents, Mrs. Portch of Gilcombe farm near Bruton, and neither she nor anyone in my office can contact anyone in the Rural Payments Agency who has any authority, or even knowledge of their own systems. At least two of the people who answered the helpline indicated that their short-term contracts were about to end, and they did not know whether anyone would be in post this time next month. Is it all going wrong again?

Ms Harman: I will raise the point that the hon. Gentleman makes with my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs, and in particular I will ask him to deal with the individual case that the hon. Gentleman mentions, and ensure that he writes to him forthwith in respect of that case and the system generally.

Mr. Julian Brazier (Canterbury) (Con): I welcome the right hon. and learned Lady's earlier pledge of a debate on the Byron report. May we have a Government response to the very worrying announcements by a group of former airline pilots yesterday, supported by a growing number of scientists, about the dangers of contamination of the air supply in airliners by organophosphates from the engines? The scientist who most recently joined the supporters of that case is the chief scientific adviser to the Royal Australian Air Force. For months and months the matter has gone from one committee to another, meeting behind closed doors. There has been a refusal to co-operate w[illegible] the American inquiry by the Federal Aviation Administration. Is it not time we had a full public inquiry?

Ms Harman: I will refer the hon. Gentleman's comments to my colleagues in the Department for Transport. Perhaps the subject is one that Ministers there might consider for a written ministerial statement.

Dr. Julian Lewis (New Forest, East) (Con): When the Leader of the House has had a chance to check the figures, may we have a statement from her on how much it costs each year to screen letters and packages sent to Ministers and Members of the House for explosive or other hostile devices? Does she agree that it will be possible to save all that money in future if the process becomes redundant—if, for any reason, a comprehensive list of Members' private addresses is ever published on the internet?

Ms Harman: I do not want to say too much on the matter of hon. Members' addresses because, as the hon. Gentleman knows, the question whether there is an obligation under the Freedom of Information Act to publicise hon. Members' addresses is before the courts, and they will adjudicate on it. However, I recognise the points that he makes about security, and no doubt those points will be made strongly before the court.

Mr. Mark Harper (Forest of Dean) (Con): Is the Leader of the House aware that in the draft Constitutional Renewal Bill, part 6—the ominously named "Final Provision"—resurrects a clause that was in the Legislative and Regulatory Reform Bill to give Ministers the power to revoke Acts of Parliament by order? One of the well-known political websites says that, like a vampire, the "Destroy Parliament" clause has returned. Will she take the opportunity today to drive a stake through its heart?

Ms Harman: No, I certainly will not. If it is agreed, as I propose, that the Bill should be handled in this way, the Joint Committee, which will have 11 Members of this House and 11 Members of the House of Lords, will have time to scrutinise it in great depth.

Mr. Philip Hollobone (Kettering) (Con): Proposals have been advanced to transform two schools in Kettering into academies. The extra investment in local education will be widely welcomed by local residents. May we have a statement from the Secretary of State for Children, Schools and Families about when a final announcement about the proposal will be made, and an assurance that it will indeed be two schools that are transformed into academies, not just one?

Ms Harman: I suggest that the hon. Gentleman write to the Secretary of State for Children, Schools and Families on that matter.

Council Tax

12.20 pm

The Minister for Local Government (John Healey): With permission, Madam Deputy Speaker, I should like to make a statement on council tax and the action that the Government propose to take with authorities that have set excessive budgets for 2008-09.

Today the Department for Communities and Local Government has released figures showing that the average council tax increase in England next year will be 4 per cent. That continues the downward trend in council tax increases, and it is the lowest average increase in council tax for 14 years. There are three reasons for that. The first relates to central Government funding: next year will be the 11th successive year in which central Government have increased funding for local government by more than the rate of inflation. Since 1997 our funding for councils has risen by 39 per cent. in real terms; by 2010-11 the central Government grant for local government will have increased by 45 per cent. above inflation.

The second reason relates to local authorities. Local councils, not central Government, set their own budgets and council tax. The figures show that, in the main, local authorities are recognising their responsibility to local residents, making hard choices about local priorities, and above all, continuing to achieve efficiencies. I very much welcome that. We have made £3.85 million available over the next three years to support local government improvement and efficiency.

The third reason is council tax capping itself. I know that it is unpopular among authorities, but they know that the Government are prepared to use their reserve powers to protect taxpayers from excessive council tax increases. We said that for 2008-09 we expected to see average council tax increases of substantially below 5 per cent. We said that we were prepared to act if necessary. We said that that would apply to all authorities. The Chancellor made that clear in his comprehensive spending review statement, and I made it clear on 6 December during my statement to the House on the provisional local government settlement. I set it out again in a letter to all local authority leaders that month.

Next year will see the second lowest average increase since council tax was introduced in 1993. I welcome that. Almost two thirds of authorities have set council tax increases below 4.1 per cent., nearly one in six have set increases below 2.5 per cent., and a further 21 have either set no increase at all or are reducing their council tax bills. I know, however, that many householders are finding that their finances are under pressure—particularly those on fixed incomes, such as pensioners. So given that some authorities are setting double-digit increases, it is right that we should step in to help protect council tax payers. That is why I want to set out for the House today the action that we propose to take over the weeks ahead.

The legislation requires the Secretary of State to determine her excessiveness principles, one of which must relate to an authority's budget requirement—which, broadly speaking, is the authority's spending financed through formula grant and council tax. The Secretary of State can also determine other principles and, as in previous years, the Government have decided to set a second principle based on council tax. The principles, applied equally to all classes of authority, are that an authority's budget next year will be excessive if it has set a budget requirement increase of more than 5 per cent. for next year compared with 2007-08, and a council tax increase of more than 5 per cent. in the same period.

Only authorities that have exceeded both principles are subject to action. For 2008-09, eight authorities have exceeded those principles. They are Portsmouth city council and the police authorities of Bedfordshire, Cheshire, Leicestershire, Lincolnshire, Norfolk, Surrey and Warwickshire. Those have all set budget increases above 5 per cent., up to almost 7 per cent.—with the exception of Lincolnshire, which has set a budget requirement increase of 29 per cent.

In addition, four police authorities have set council tax increases of more than 10 per cent. Warwickshire's is 13 per cent., Leicestershire's 15 per cent., Cheshire's 17 per cent., and Lincolnshire's 79 per cent. That list of designated authorities is made up predominantly of police authorities, yet in the past 10 years we have seen a massive increase in police numbers—an extra 14,000 since 1997. We have also more than doubled investment in policing, by an extra £3.6 billion over the same period. In addition, in December the Government announced the police funding settlement for the next three years, which will give each police authority a guaranteed increase of at least 2.5 per cent. in each of the next three years, with more going to those with the greatest need.

Let me be clear: today I am not announcing a cap on the council tax of those authorities, although I am confirming the start of a process that could lead to that. I am announcing the start of that process, not its conclusion. During the coming weeks, we will listen carefully to the representations that all authorities make to us. All authorities now have a right under the legislation to challenge our proposal. They have a right to raise any specific issues that they believe justify their budget and council tax increases. Before reaching final decisions we will consider carefully and seriously all representations that authorities make. Today, I am writing to the chairs of all eight authorities confirming that my right hon. Friend the Minister for Security, Counter-Terrorism, Crime and Policing and I will meet them should they wish to make their case in person.

Our final decision could be to nominate an authority, which means either capping the authority for the following year or setting a notional budget for 2008-09 that would provide the basis for judging future increases. In this case, there would be no re-billing and authorities would also have a further chance to make representations. Our final decision could be to cap an authority in-year. We could either confirm the cap proposed today or set a different cap. Capped authorities would then need to re-bill for a lower council tax.

Today my officials are writing to the designated authorities, and that will provide the legal basis for informing them of the principles that the Secretary of State has proposed. At the end of the process, I will either inform or seek the approval of the House, as required. It will be the House that takes the final decision on any contested in-year capping.

In conclusion, although I am disappointed that it has been necessary to take action this year, I make no

apologies for it. Authorities can have been in no doubt about the Government's approach. Keeping council tax under control is and will remain a top priority for the Government, and we will act to protect council tax payers from excessive increases.

Robert Neill (Bromley and Chislehurst) (Con): I thank the Minister for his courtesy in giving me advance sight of the statement. That said, there is rather more behind the bald lines of the statement than meets the eye. The background is this: the Government inherited a system of local government finance that worked. Ministers declared in 1998:

"The council tax is working well as a local tax. It has been widely accepted and is generally very well understood."

However, after 10 years of hard Labour—as we are going to debate policing later, the phrase "hard Labour" is not inappropriate—council tax is now the most unpopular tax in Britain. That is not because the concept is flawed, but because people have been ground down by the year-on-year increases in council tax.

The Minister talked about increases. Will he confirm that an increase of "only" 4 per cent. actually means a £53 increase on band D bills from April? Furthermore, does he accept that council tax bills have exactly doubled since 1997, taking the typical bill on a band D home to almost £1,400 a year? Can he tell us where the £14 billion extra a year raised in council tax has gone? Will he concede that council tax rises are equivalent to an extra 4p on the basic rate of income tax?

Does the Minister accept that his comments about pensioners and those on fixed incomes will ring a little hollow to the many people already pressed by council tax increases and other costs of living under this Government? Is it not right—as he hints, but did not explicitly say—that, added to utility bills, council tax hikes will hit those on fixed incomes hardest? Is he prepared to admit that, for a typical pensioner, one third of the increase in the basic state pension has been snatched back by higher council tax? If he is serious about helping pensioners, will he explain why the Government provided a £200 payment for pensioners' council tax in March 2005, but never repeated it? In the absence of an explanation, the less charitable might feel that that was an example of pure pre-election cynicism by the Government. Has the Department estimated the number of pensioners who are likely to end up going to court, and perhaps to jail, as a consequence of their difficulties in paying this year?

The Minister referred to funding settlements. Perhaps he also ought to think about the funding drivers of council tax. Will he concede that beneath the bald figures is the continuing pressure of increased funding demands on local government? For example, there is cost-shunting from health service organisations, and the passing on from central Government to local government of commitments and obligations that are not fully funded, with council tax taking the strain as a consequence. Those commitments and obligations come from Whitehall initiatives, regulations and burdens imposed from the centre, but with the council tax payer picking up the bill.

The Minister commended the behaviour of local authorities in seeking to restrain council tax. I agree with that, but might he have the grace to concede that that downward trend is undoubtedly linked to the fact that my party now controls more local authorities than his party or the third party, and has more councillors? Will he put his rhetoric into action and encourage more councils to follow the example of Hammersmith and Fulham council, which has cut council tax for a second year, but has, none the less, invested about £1.5 million over two years in 24-hour, seven-day-a-week neighbourhood policing? Will he tell his party's mayoral candidate not to make such ill-informed attacks on local authorities in his own bailiwick in future? *[Interruption.]* The hon. Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) must not get so excited. I know that he has wandered in and is in a state of some agitation, but we are dealing with a statement.

Let us consider the consequences of capping. I agree with the Minister that some of the rises in police precepts are unacceptable, but will he accept that drivers to which he does not refer include unfunded initiatives from Whitehall, such as the 101 non-emergency number, a failure to fund neighbourhood police community support officers, and the consequences of 24-hour licensing? I agree that it is no coincidence that unelected police authorities have generally imposed the highest rises in council tax. Does he accept that that says something about the nature of governance in such circumstances? He might want to consider that a strong argument for my party's proposal that directly elected police commissioners set those levels. Rather than the Minister imposing a cap centrally, would he be prepared to consider the far more responsive, democratic and localist solution of submitting council tax increases to a democratic referendum?

Families throughout the country are already struggling to cope with the rising cost of living, and council tax increases will not help. When the Minister checks the figures, I hope that he will concede that even a £4 increase pushes bills up to £115 for a typical household. For the sake of completeness, will he confirm that council tax has doubled under this Government, while councils have been obliged to cut or to impose charges for libraries, social services and weekly rubbish collections? Will he concede that the underlying thrust of his statement is that people are paying more and getting less?

John Healey: I thank the hon. Gentleman for his courtesies, but I am astounded by his assertion that we inherited from the last Conservative Government a system that worked for local government. He should ask local government what it was like, in the four years before 1997, under the last Tory Government, not to have real terms increases in funding, such as the ones they have had under Labour, but to have four successive years of real-terms cuts. He talks about council tax rises in the year ahead, yet, despite professing concern about the level of the rises, he fails to welcome the fact that it is the second lowest level of rises since council tax was introduced. He does not recognise that that has happened through a combination of increasing investment in local government and increasing freedom for local government to set and run its finances.

No tax is ever popular, and I recognise the resistance to the level of certain council taxes. The issue provokes strong feelings, but council tax benefit provides help for those on low incomes, including pensioners, and we are working hard to improve take-up. From October, we will change the system so that more pensioners who are

[John Healey]

entitled to help get it, and I would have hoped that we could get the hon. Gentleman's support, and all-party support, for that move.

The hon. Gentleman accepts that some of the rises are unacceptable, which I welcome. He would accept, therefore, that we are right to take a tough stance at this stage. Although he did not say it, I hope that he accepts that we are right to ensure that all eight authorities I mentioned have the chance to put their case about the specific circumstances that they believe justify the increase in budget and council tax they propose. My right hon. Friend the policing Minister will do just that over the next three weeks.

Finally, I turn to some of the party political points that the hon. Gentleman tried to make. He cites bills for band D properties, but he knows that fewer than one in six households throughout the country pay council tax at band D. If one looks at the average cost of council tax per household, one finds that this year, as last year, Labour councils cost households less, and that rises for households under Labour-controlled authorities are lower than those in Tory areas. Despite what he says, low bills have little to do with Tory-controlled councils. Of the authorities that are setting either zero-increase or reduced council tax for next year, half are Tory and half are Labour, including Labour-controlled Hackney, Labour Oldham and Labour Bolton. There is even one that is controlled by the Liberal Democrats.

The idea that a referendum is a new proposal, or the right way ahead, is faintly ridiculous. It is a double con. It is not new, and it does not change the fact that it will be the Government, through Parliament, who ultimately take decisions about the appropriate level of council tax capping.

Julia Goldsworthy (Falmouth and Camborne) (LD): I, too, thank the Minister for advance sight of the statement and for letting the "Today" programme know this morning, which gave me considerably more notice.

The Minister spoke about the generosity of the funding settlement for local government. Will he acknowledge that, as I think he said, this year's settlement is the tightest for a decade and that it will leave millions of pensioners and families facing inflation-busting council tax increases, which they will struggle to pay? Below 5 per cent. is still above inflation, and there are still problems with the uptake of council tax benefit.

Will the Minister also acknowledge that today's statement will leave millions of households, as well as the affected authorities, in confusion? Bills are already on doormats, direct debits have already been set up and it is probably too late to change them, and we still do not know what the end result of the process that he has initiated today will be, yet we are now just a week away from the new financial year.

Does the Minister accept that the statement represents an above-inflation increase in the costs that local government faces, at a time when it is taking on additional responsibilities that the Government have imposed without sufficient resources? The experience of Portsmouth, which was named in the statement, is a case in point. The Secretary of State promised a rise in Government support of 1 per cent. above inflation. The reality was a 1 per cent. cash-terms—that is, below inflation—increase, or a real-terms cut. Will he acknowledge that?

In addition, 2 per cent. of the 5 per cent. rise that Portsmouth city council has proposed will be spent on bailing the Government out of the concessionary bus fare scheme that they are imposing, which we discussed earlier this week. Will the Government accept that that is their responsibility? The city council set a zero precept, which reduced council tax to 4.8 per cent. The council has been responsible not because of the Government's actions, but in spite of them?

The other named authorities are all police authorities. Will the Minister acknowledge that after this statement police authorities will remain underfunded? The tight police funding settlement has left police authorities with little choice. I notice that rural authorities, rather than metropolitan authorities, consistently face such difficulties. This year's and next year's settlements represent a real-terms freeze rather than a real-terms increase. That highlights the fundamental flaw in the funding formula. Rural areas are having to make up the shortfall through council tax.

There is a need for more democratic accountability, but as well as the measures that the Minister has announced in the statement, will he commit to undertake a fundamental review of the funding formula, which might turn out to be the problem at the heart of the announcements that the named police authorities have made? Does he accept that there is a need for investment in those areas, including Cheshire, where Garry Newlove was murdered outside his home? The council tax rise was earmarked to provide £1.6 million for neighbourhood policing and £2.6 million to recruit additional officers. Is the Minister saying that that additional investment is not required in those areas? Will he confirm that a total of about £20 million of funding will be cut from the named authorities?

The decision announced today, at the last possible moment, is an attempt to claim that the council tax system, which the Conservatives support, is a success. Does the Minister accept that the decision will create administrative chaos? The Department is denying the inescapable fact, which the Lyons report pointed out but which the Government are ignoring, that council tax is not fit for purpose and never was, not even when the previous Conservative Government created it. Will the Minister accept that it is pointless tinkering with a broken system? Capping is misleading and it conceals the truth about rising bills, many of which exceed 5 per cent. when precepts are included.

Will the Minister acknowledge that it is time that the council tax was abolished and replaced with a fairer system of local income tax, which would be based on the ability of pensioners and those on fixed incomes to pay? Would it not be better to give local authorities responsibility and do the right thing by axing the unfair council tax?

John Healey: As the Minister previously responsible for the Office for National Statistics and legislation to reinforce and protect the integrity of national statistics, I and my Department respect absolutely the fact that the deadline for the publication of our council tax increases was 9.30 this morning, whatever the "Today" programme may have run.

Secondly, every authority knows that it must take into account the risk and potential cost of re-billing if it chooses to set budget or council tax rises that may be excessive. I encourage local authorities to examine and explain that over the next three weeks, if they choose to make a general case to us, as I hope they will.

Thirdly, the hon. Lady put in some special pleading—getting in early, I guess—for Portsmouth. She would probably be best advised to let Portsmouth city council do that for itself. Indeed, the council leader will receive a letter from me inviting it to do just that.

The new right to free travel, which will be available to more than 11 million pensioners and disabled people from next week, will be funded in full by the Government, through an extra £212 million next year.

In December, the Home Secretary guaranteed every police authority an increase of at least 2.5 per cent. in each of the next three years, with more money going to those areas that need it most.

Finally, on local policing, I would have thought that the hon. Lady welcomes the fact that there will be a greater front-line policing presence in every neighbourhood in the country, with a dedicated local team in each one from next week.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. Many hon. Members are hoping to catch my eye. May I therefore ask that we have single, brief supplementary questions, with brief replies accordingly?

Mr. Andy Reed (Loughborough) (Lab/Co-op): My hon. Friend the Minister is a generous person and has already agreed to take some recommendations and representations. Leicestershire's rurality is not necessarily taken into account in the formula, so will he ensure that he considers not just the 15 per cent. increase but whether the funding formula is fair, which is why Leicestershire has responded as it has?

John Healey: I reassure my hon. Friend that I will consider any representations that Leicestershire police authority wishes to put over the next three weeks. If he or any other hon. Member wishes, I will also consider any representations that they make in support of any the authorities that I am designating today.

Mr. Edward Leigh (Gainsborough) (Con): Will the Minister acknowledge that policing in Lincolnshire is in crisis? As my hon. Friend the Member for Bromley and Chislehurst (Robert Neill) said from the Front Bench, the 76 per cent. rise is unacceptable, but so is the fact that we are the lowest funded police authority per head of population, at £11 million lower. The Minister must act and acknowledge our difficulties by increasing our grant by £3.4 million, as he did last year, and capping the authority.

John Healey: I do not and will not accept that policing in Lincolnshire is in crisis. I accept that there are problems with policing in Lincolnshire; indeed, my right hon. Friend the policing Minister and I have looked at financing for the policing authority. If, over the next three weeks, the police authority wants to make the case that it believes can justify that budget and council tax increase, I would welcome that and we would give it all due consideration.

Christine Russell (City of Chester) (Lab): Chester has just been named as one of the safest places to live in the UK. That is due in large part to the commitment and effectiveness of Cheshire constabulary, which has made neighbourhood policing a top priority. However, Cheshire constabulary probably has the lowest shire county precept. The Minister has generously said that he will meet hon. Members, so I hope that he will meet a delegation of Cheshire MPs.

John Healey: I will indeed meet a delegation of Cheshire MPs, when my hon. Friend might want to reiterate that crime in Cheshire is down, that police officer numbers are up and that investment in community policing is strong, as she rightly said, with more than 230 community support officers in the county, none of whom were there 10 years ago.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May I reinforce the point made by my hon. Friend the Member for Gainsborough (Mr. Leigh)? The Lincolnshire force is indeed in crisis, due to serious underfunding as a result of the inadequate formula. If the Minister is going to cap Lincolnshire police authority, he must bring in additional funds, this year and in the long term, through an adjustment in the formula. If additional funds are not forthcoming, the Lincolnshire force will have to address its financial problems through a substantial reduction in manpower, which would be very unsatisfactory.

John Healey: I do not make the assumption that the funding formula is somehow flawed in the case of Lincolnshire. Next year, Lincolnshire will get a rise that is significantly above the floor and therefore significantly above the level that other police authorities are receiving. However, if Lincolnshire police authority feels that it has a particular case to make, I invite it to make its case to Ministers over the next three weeks. We will then consider it.

Helen Southworth (Warrington, South) (Lab): I welcome the fact that my hon. Friend has said that this will be an open process and that he will take representations. Will he take into account the fact that, despite having the lowest precept of any shire force, Cheshire police have taken a very responsible approach to the increase process, including engaging in wide public consultation? A MORI poll showed 87 per cent. support for an increase of at least £1.50 towards increased policing. The proposal received very strong support, particularly from pensioners and people on low incomes, who felt that they would most benefit from an increased police presence.

John Healey: I will take any such information into account, but I must point out to my hon. Friend that, while we are conscious of the budgets and council tax precept increases proposed by certain police authorities, it is the overall council tax bill that households are most concerned about. That is the bill that they have to pay, so it is important to keep that context in mind as well.

Mr. Henry Bellingham (North-West Norfolk) (Con): Is the Minister aware that Norfolk constabulary is doing a superb job of policing a large rural area? However, Her Majesty's Government, in the form of

[Mr. Henry Bellingham]

the policing Minister, are putting more tasks, obligations and targets on to its plate, many of which are not properly funded. The constabulary is therefore in an invidious position: either it cuts important police initiatives or puts more pressure on the hard-pressed council tax payer. What advice does the Minister have for that police force?

John Healey: The recorded crime and burglary statistics suggest that the hon. Gentleman is right: Norfolk constabulary is doing a good job. It is helped not least by the fact that funding for police numbers and community support officers has risen, and that the number of police support staff in the county has also risen.

Fiona Mactaggart (Slough) (Lab): I am glad that the Minister is not taking action against Slough council, despite the fact that it is putting its council tax up by 4.99 per cent. As he is aware, we are concerned about the impact on Slough of inaccurate counting. Will he look into whether Slough council tax payers are getting value for money? We receive more than twice as much per head as the average Berkshire council. We receive £87 more than Reading, which is a three-star authority, yet we are only a two-star authority. Nevertheless, my electors face a significant increase in their council tax bills next year.

John Healey: All councils expect to explain not only to Ministers but to their own residents exactly how the services they provide are improving and represent good value for money. I was able to join my hon. Friend in Slough earlier this month, and experience for myself how the borough feels about the present council. I dare say that, post 1 May, we can look forward to a Labour-led council looking hard at the value for money that the present Conservative-led council has provided to the residents of Slough.

Mr. Mark Field (Cities of London and Westminster) (Con): I must confess that I am relieved, if not surprised, that neither of my two local authorities is on the potential capping list. That is partly because City of London police will yet again need to dig into reserves, as a result of the unsatisfactory funding arrangements. Will the Minister meet me and representatives of the Corporation of London, not least because of the important national and international work in relation to anti-terrorism and white-collar crime that City of London police performs on behalf of all police and the Home Office at large?

John Healey: At the risk of annoying my diary secretary, may I say that I am sure that my right hon. Friend the policing Minister and I will find time to meet the hon. Gentleman and his authority? If he will allow it, however, we will give priority over the next three weeks to the eight authorities that I have designated this afternoon.

Mr. Mike Hall (Weaver Vale) (Lab): May I refer my hon. Friend back to the subject of Cheshire police authority? Even if the proposed 17 per cent. rise remains uncapped, the increase for a band D property will be £1.64 a week. Sixty-five per cent. of households in Cheshire are in band C or below. The average council tax for policing in Cheshire will be £132, while the national average is £180, so council tax payers in Cheshire will still pay £52 a year less in council tax for policing if the rate remains unchanged. The fundamental problem is that Cheshire has historically had very low council tax for policing. I believe that the Department needs to adopt a more sophisticated approach to ensure that these considerations can be taken into account before any decisions on capping are made.

John Healey: My hon. Friend speaks cogently on behalf of his county. I will take his points into account, particularly if they are captured in any case that the police authority wishes to make to me and my right hon. Friend the policing Minister over the next three weeks.

Mr. Philip Hollobone (Kettering) (Con): As a member of Kettering borough council, may I ask the Minister to look again at the planning application fee regime for large-scale housing developments? If someone wants to build a house, the planning application fee is £265, but if they want to build 4,000 houses the application fee per dwelling is £12.50. Small councils such as Kettering borough council simply cannot cover the cost of processing large-scale applications. The sensitivity of these councils' budgets is such that every £50,000 of expenditure saved represents 1 per cent. on the council tax.

John Healey: I have to admit that I had not expected to take questions on Kettering borough council, but I will ensure that my right hon. Friend the planning Minister is made aware of the hon. Gentleman's comments. The charging system for planning services is precisely calibrated to allow councils to recover their reasonable costs, but to do no more. Kettering borough council is likely to act consistently with that principle, but if a case is made for looking into the matter we will do so.

Andrew Miller (Ellesmere Port and Neston) (Lab): My hon. Friend the Member for Weaver Vale (Mr. Hall) set out cogently the historical difficulty Cheshire police authority faces. The authority nevertheless provides services in a complex, disparate community, which requires a huge amount of co-operation with adjacent forces. My hon. Friend the Minister has been very generous in his comments and with his time, but will he make a special effort to look at the historical anomalies in Cheshire created by factors that he inherited and seek to find a way of creating an authority that has a basis for going forward over some years?

John Healey: I will look at any element of the case that an authority wishes to make to justify the budget or council tax increase that is being proposed.

Mr. Stephen O'Brien (Eddisbury) (Con): I am sorry that I was late for the opening minutes of the Minister's statement, but I have now had the opportunity to catch up. The Minister rightly praises Cheshire's neighbourhood policing commitment, but the police authority and the chief constable have said that if they do not manage to secure an increase in funding, neighbourhood policing will have to be the first point for cuts. That seems ironic

when taken with the other targets that the police authority has to meet, including anti-terrorism, particularly in relation to the adjacent Merseyside and Greater Manchester challenges and to the rurality of the area. What should Cheshire do to recalibrate the starting point, so as to address this historical problem and deficit and to ensure that we start from a point that is fair to Cheshire, rather than continuing to build in a penal regime?

John Healey: The formula for funding police authorities is consistent and it is fair to all authorities because it is based on the same criteria. I have to say that questions and elements of anti-terrorist activity are well beyond the formula and are normally provided by the Government in the form of special grants and special support. I will look further into the matter—my right hon. Friend the Secretary of State for Communities and Local Government may be able to tell me when I sit down—but I would be very surprised if what I have just said were not the case for Cheshire, when it is generally the case for other authorities across the country.

Mr. Quentin Davies (Grantham and Stamford) (Lab): May I congratulate the Secretary of State on the Government's contribution to keeping overall rises in council tax down to 4 per cent., which is a fine achievement? On Lincolnshire, may I second the representations of the hon. Member for Gainsborough (Mr. Leigh) and the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg), as Lincolnshire indeed deserves more resources. However, nothing can justify the quite unconscionable and egregious rise in the police precept from one year to the next of 79 per cent., which translates into an additional burden of £100 on a band D taxpayer in my constituency. May I give the Minister notice that I shall be writing to him in the next 24 hours, asking him to cap Lincolnshire police authority and to designate it forthwith?

John Healey: I welcome my hon. Friend's recognition that this is indeed the second lowest ever average council tax rise in England. I look forward to receiving his submission as part of this process, which I will consider. May I tell Conservative Members that, judging from the letters and e-mails that I have personally received from Lincolnshire so far, my hon. Friend is probably more in tune with Lincolnshire residents? To date, I have not seen a single letter or e-mail that supports the rise. People are genuinely concerned about excessive council tax rises that put pressure on their ability to pay the week-to-week, month-to-month bills.

David Taylor (North-West Leicestershire) (Lab/Co-op): Notwithstanding the fact that council tax is at the very edge of acceptability for many people, I urge the Minister not to cap the Leicestershire police force and certainly not to require in-year re-billing. The authority is at the very top of the national league tables in respect of performance and overall professionalism. The current cost of policing is £2.67 a week, and the increase of 41p has been widely consulted on and broadly supported. Will he look again at authorities such as Leicestershire that are well adrift of the formula figure that they should receive? Over the last two years, it would have provided an extra £3 million a year on average, and the same is true over the next three years. When he reaches a decision, will he take into account the quality of the police force and the distance that is from the formula funding that it should receive?

John Healey: If my hon. Friend's points are part of the case put by the police authority, I will, of course, take them into account. On the question of re-billing, every authority that has set an excessive budget or council tax level went into the process with their eyes wide open. The risk of re-billing, the cost of re-billing and the practical difficulties and disruption of re-billing are part and parcel of the consequences experienced by any authority if we finally have to take a decision to cap council tax rises and require such a step to be taken.

Mr. Anthony Wright (Great Yarmouth) (Lab): The level of support from the Government over the past 11 years to my local authority in Great Yarmouth and, indeed, to the Norfolk police authority is unprecedented. Speaking as a member of the Great Yarmouth borough council before 1997, I know that we had to endure cut after cut after cut under the previous Administration. However, there is a concern with respect to the police authority that with the number of rural authorities on the list for proposed capping, the formula that is being set probably presents a problem. That issue clearly needs to be addressed. Will my hon. Friend take that on board before he meets those authorities, particularly the Norfolk police authority, to which I also hope to make representations?

John Healey: My hon. Friend will, of course, be aware that the funding formula for the police is largely based on policing need, and the characteristics of the areas concerned form a part of that. I welcome his recognition of the vastly increased funding for his area, which has been part and parcel of the record level and increase of police officers, and the record level of community support officers and, of course, police support staff, who also play a very important role in the general policing effort of his county and in the rest of the country.

TOPICAL DEBATE

Policing in London

1.5 pm

The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Tony McNulty): I beg to move,

That this House has considered the matter of policing in London.

I am pleased to move the motion, not least because, despite what some suggest, there is a good news story in the broadest sense about policing in London. At the outset of my short contribution, I want to congratulate the Metropolitan police on all the work they do for us in London and Sir Ian Blair on the leadership that he has brought to the success of policing in London.

It is important that the people of London know and understand what the Metropolitan police have achieved over recent years—from the lowest level of community support officer neighbourhood teams in each and every borough, all the way up to the leadership team around Sir Ian Blair. There are any number of suggestions—some of them simply wrong—about police numbers and capabilities, about the broad success in London, about crime and violent crime specifically, about transport safety in London and, not least, about neighbourhood policing. Many of them are not the case or simply do not stand up.

We need to understand too—I know that everyone in the House does—that London is very well served by the Metropolitan Police Service in the fight against terrorism. All hon. Members know that the Metropolitan police were seen at their finest in the wake of the 7/7 attack and the two subsequent failed attacks of 21/7 in London and the incident in Glasgow. Lessons are, of course, to be learned from each and every one of those instances, and they surely have been learned.

Mr. Philip Hollobone (Kettering) (Con): Many of my constituents travel to and work in London, and they are very interested in policing in the capital, particularly on our transport networks. Does the Minister therefore welcome Conservative proposals to increase the number of police community support officers in the safer transport teams by 440 and to recruit an extra 50 British Transport police officers to patrol our mainline stations?

Mr. McNulty: I would if those who proposed such policy developments could justify and sustain the funding for those extra PCSOs—

Mr. Boris Johnson (Henley) (Con): Will the right hon. Gentleman give way?

Mr. McNulty: Wait a minute. What I would not accept is the costing that has been suggested so far, because it is rooted in the old Transport for London budget, so the money that is supposed to be there for 400-odd extra PCSOs on our transport network is simply not available any more. It has been spent. If the hon. Gentleman can suitably enlighten us, I would, of course, be delighted to give way.

Mr. Johnson: Since the Minister asked a question, I would be delighted to enlighten him. Let me tell him that Londoners, given the choice between spending £63 million on further publicity for the Mayor of London or having 440 transport PCSOs on the buses, would rather spend £16 million, which is what I am proposing to spend, on another 440 PCSOs on the buses. Is the Minister in favour of that? Yes or no?

Mr. McNulty: In the first instance when the proposal was thought up, the money was to come from Transport for London. Now, however, that and a whole series of other supposed innovations from the hon. Gentleman representing somewhere in Oxfordshire are not to come from those areas suitably designated in the first instance, but from some magical little pot rooted in the public relations budget in the Greater London authority. The slightest scrutiny would show that his overall spending plans are neither sustainable nor justified. He is as cavalier with the facts in that regard as he is in so many other aspects of his political life.

Clive Efford (Eltham) (Lab): I am slightly confused by the position of the hon. Member for Henley (Mr. Johnson) because Tory assembly member Richard Barnes has openly said of police in London:

"I don't think so much money should be spent on them".

Conservatives have called PCSOs "plastic policemen" in the past, so where has this sudden support for PCSOs come from? Since the Mayor was elected, there have been 850 extra police officers on London's transport system—

Madam Deputy Speaker (Sylvia Heal): Order.

Mr. McNulty: I agree with my hon. Friend entirely. We know that an election is forthcoming, but the hon. Member for Henley (Mr. Johnson) does his case no good by traducing what is in place and the success that there has been in the London context. He cannot talk about having some sort of regard for—finally, because he has not done so for most of the time that he has been in the House—the safety of people on London's transport network without recognising the significant work and investment that has taken place thus far. Far too often, in all that he does in his attempt to be Mayor, he treats Londoners like idiots. People have put in much hard work, whether through TFL, the British Transport police, the Metropolitan Police Service, or whatever. Day in, day out, PCSOs and front-line police officers make our transport network, buses included, far more secure than in the past. That is not to say that there is not still work to be done, but the hon. Gentleman does his case no good by trying to suggest that violent crime is going through the roof—

Mr. Boris Johnson: It has.

Mr. McNulty: Not in London, with the greatest respect.

Richard Ottaway (Croydon, South) (Con) *rose*—

Mr. Lee Scott (Ilford, North) (Con) *rose*—

Mr. McNulty: I shall come to the outer fringe of London—Surrey—first and then Essex.

Richard Ottaway: Croydon is very much a part of London. May I try to take a different tack? A recent survey showed that 46 per cent. of Londoners said that they did not feel safe in their neighbourhoods at night. Does the Minister find that understandable?

Mr. McNulty: Over the past few years, the safety figures for London have been going in the right direction much more readily than they ever did in the 1980s and early 1990s. I say to the hon. Gentleman, as I said to his non-London colleague, that one must start from the premise that outer London boroughs are far better served with policing than they have ever been before. My borough is in exactly the same position in that there is a difference between perceived and actual levels of crime, and that is especially marked in outer London boroughs. The situation has changed enormously thanks to the embedding of safer neighbourhoods teams throughout London, but I accept that the perception is hard to shift. However, I do not do so in the stark, black-and-white, knockabout terms that he is suggesting. He has made serious contributions to London debates. Indeed, I believe that he was his party's London spokesperson for some time. I accept that the perception of crime remains a serious matter that we need to deal with.

Mr. Scott: Does the Minister accept that one of the concerns of my constituents in Ilford, North and people throughout the borough of Redbridge is that they do not feel secure on buses especially? They were promised that there would be better policing on buses, but that has been an abject failure. It has not happened.

Mr. McNulty: That might look nice in a central office press release, but it is simply not the case. Whoever the competitors for the mayoral election or any subsequent election, they should not treat Londoners like idiots. It is not the case that safety, and police and security presence, on our transport network and hubs has somehow diminished over the past five or 10 years—quite the reverse. Does more need to be done? Absolutely—no one is claiming otherwise—but people should not start from a year-zero perspective, because every time that the hon. Member for Henley does so, he traduces the very good work that is done day in, day out, by our PCSOs—whether in the BTP or MPS. That is not in the interests of the people of Ilford.

Mr. Andrew Love (Edmonton) (Lab/Co-op): I agree strongly with my right hon. Friend's support for the Metropolitan Police Service and the initiatives that have been undertaken in London. Does he agree that if we are congratulating the authorities on improvements and the reduction of crime over the past five years, we must include in that the Mayor of London, who has consistently supported additional police officers throughout London since his election? He has been solely responsible for the neighbourhood policing initiative that has done so much to reduce crime in local areas.

Mr. McNulty: I absolutely agree. The Conservative party has had an on-off—now on, apparently—love affair with PCSOs and all that they do. It is simply not right, Ceausescu-like, to rub out history entirely and say that the Conservatives have always been at one with the Metropolitan police's arguments on PCSOs. Some Conservative Members—not many among the congregation today—have spent the entire 10 years in which I have been in the House traducing the very existence of PCSOs. I am glad that that is not the case now.

Lynne Featherstone (Hornsey and Wood Green) (LD): The safer neighbourhoods teams have been a phenomenal addition and they are greatly appreciated by local people. Does the Minister agree that they need to be embedded in an estate property that is in the ward that they are policing? That is Met police policy, but it is not happening. Will he have a chat with the Metropolitan police about ensuring that that happens, especially in Highgate ward?

Mr. McNulty: That is a reasonable point, whether about Highgate or elsewhere. As I have discovered in my area, it is not always possible to do that. I know that the principle of getting the teams as close as possible to the wards that they serve—ideally within them—governs what the Met does, but that is not always possible. Slowly, as the teams become far more embedded, they are shifting from temporary areas across London to more satisfactory ones. Although the Met and everyone else would like to meet the aspiration that every team should be located in the ward that it serves, that is not, to be fair, entirely practical or always possible.

Mr. Mark Field (Cities of London and Westminster) (Con): The Minister will be aware that I have supported PCSOs since the moment the idea was raised in the House.

The hon. Member for Edmonton (Mr. Love) said that neighbourhood policing was to the credit of just the Mayor of London. The Mayor must be given credit for doing quite a good job, but he has achieved that only by working closely with local authorities of any political colour. In the hon. Gentleman's area, I suspect that the Conservative-controlled London borough of Enfield has worked extremely well to make such projects successful. I know that my hon. Friend the Member for Henley (Mr. Johnson) will be keen to build on such partnership arrangements in the years ahead.

Mr. McNulty: So keen that the hon. Member for Henley has not mentioned that at all during his entire life in the House, but that is by the bye. In fact, on the rare occasions that he has been in the Chamber, he has not troubled us terribly much with questions about any matter relating to London at all.

Joan Ryan (Enfield, North) (Lab): I find it hard to believe that the hon. Member for Henley (Mr. Johnson) is at all serious about fighting crime in London when he suggests that he will cut the Metropolitan police's reserve budget, which is in stark contrast to the current Mayor of London's commitment to putting an extra 1,000 uniformed police on the streets of London. Will the Minister comment on the difference that that would make? We should give the Mayor of London credit for rolling out neighbourhood policing right across London over the past two years in advance of that happening nationally, which has made a significant difference to my constituents and people throughout the whole of London.

Mr. McNulty: I can only agree with my right hon. Friend. We have a candidate who has delivered substantially for London and throughout London. During that entire period, the Conservatives have gone from ice cold, to cold, to tepid and then to lukewarm,

[Mr. McNulty]

and there is now a vague recognition from them that what the Mayor, Sir Ian Blair, the MPS and the Metropolitan Police Authority have done increasingly matters to London. I welcome any latter-day Pauline conversion to the concept of neighbourhood policing throughout the country. However, I have to say that, historically, it has been rather tepid and lukewarm from the Opposition.

I know that the hon. Member for Cities of London and Westminster (Mr. Field) has been a fan of PCSOs from the very start and that he did not cast on them the aspersions cast by others. When we get it right and police and PCSOs complement each other, things work well. I take slight issue with what he suggested in relation to the remark about the Mayor made by my hon. Friend the Member for Eltham (Clive Efford). It has taken the leadership of the Mayor and, I say, Sir Ian Blair to push on and push through safer neighbourhood teams in every area.

Having said that, safer neighbourhood teams are far better and far more effective when, as the hon. Gentleman suggests, they work closely with local councils, regardless of their political colour. I am happy to report that that is happening much more. Again, I say, "Please don't revise history." Some—not always just Conservative or Liberal Democrat councils, I freely admit—have come late to the table, although they now understand how neighbourhood policing and neighbourhood management can work so well.

Several hon. Members *rose—*

Mr. McNulty: I give way to Leyton and Wanstead.

Harry Cohen (Leyton and Wanstead) (Lab): I am grateful to my right hon. Friend for giving way. Can he give an assessment of what Londoners are supposed to make of this statement by the hon. Member for Henley (Mr. Johnson)? He said:

"More powers to interfere over noisy radios, dangerous dogs or truant children"

are

"legislative coercion."

Mr. McNulty: I suspect that the hon. Member for Henley has had another conversion and now accepts that there are Labour, Liberal and Tory councils throughout London—fewer Liberals, as they are not terribly good at it—that know and understand in terms of yobbish and antisocial behaviour that what we are seeking to do within the legal framework that we have established, and in partnership with localities, is working, and working effectively for London across the continuum from very early intervention to, in the end, antisocial behaviour orders.

Clive Efford: On the issue of the conversion of the Conservatives to supporting PCSOs, does my right hon. Friend recall the speech made by the Leader of the Opposition at the last Conservative party conference, in which he attacked two PCSOs from Wigan because they did not dive in, accusing them of standing and watching as a young man drowned?

Madam Deputy Speaker: Order. We are discussing policing in London. Perhaps the Minister will respond on that.

Mr. McNulty: The important point is that PCSOs have the requisite skills base for the job that they are intended for. As the hon. Member for Cities of London and Westminster suggested, they work well when complementing and supporting police; it was never the Government's intention to have them replace police. Quite what individual Members of the House or people elsewhere, from a position of total and perverse ignorance, say about specific events is not for me to comment on, especially as they took place outside London. Following your instruction, Madam Deputy Speaker, I shall not do so, in particular because Wigan is outside London.

Several hon. Members *rose—*

Mr. McNulty: I promised to come to Carshalton and on and on.

Tom Brake (Carshalton and Wallington) (LD): I thank the Minister for giving way as he has made some unsubstantiated allegations about Liberal Democrat councils. May I encourage him to come to the London borough of Sutton to see the partnership work there, which was a trailblazer in terms of the local authority and the police making a joint appointment of someone to take on the whole range of responsibilities for tackling, among other things, antisocial behaviour?

Mr. McNulty: At some stage, I shall, and I am sure that my private secretary would enjoy it enormously, seeing as he lives just down the road. Again, this is a latter-day conversion. *[Interruption.]* Let me make it clear that it is latter-day conversion. It is not the case, as the hon. Gentleman would have it, that—apropos the comment made earlier—all the discussions and the legislative framework around helping communities with antisocial behaviour and other things are part of the Liberal dream. They are not. I pray in aid the lamentable examples of Islington, when it was Liberal, and now, increasingly, Liberal Camden. They do not get it and simply displace the thing entirely.

Robert Neill (Bromley and Chislehurst) (Con) *rose—*

Mr. Boris Johnson *rose—*

Mr. McNulty: I shall give way to a rather serious London MP, rather than go out of London.

Robert Neill: Given the Minister's concern about ill-informed criticism of police in London, will he join me in condemning the outrageous observations of the Mayor of London's transport commissioner, Mr. Hendy, who threatened to cut off funding for the transport police operational command unit for having dared to criticise the safety record of the Mayor's bendy buses? That is ill-informed criticism, is it not?

Mr. McNulty: A trio of lamentables—Camden, Islington and the hon. Gentleman.

I need to say in conclusion, Madam Mayor, that we have had action—*[Interruption.]* I mean Madam Deputy Speaker. I am not aware that you are standing for the post; I am sure you are not.

In London, we have the example of real leadership and action by Ken Livingstone. That should continue. We do not need the hot air, wind-baggery and aspirations of the hon. Member for Henley, who has finally discovered that London exists as a city. In the end, Londoners will determine which way to go, especially in terms of policing.

Madam Deputy Speaker: Order. The right hon. Gentleman's time is up.

1.25 pm

Mr. David Ruffley (Bury St. Edmunds) (Con): I have a lot of regard for the Minister, but he plumbed new depths with his rather churlish approach to some of the sensible comments made by Conservative Members, particularly the public statements from my hon. Friend the Member for Henley (Mr. Johnson), who has contributed hugely to the debate on how to improve London policing.

I start by paying tribute to the work of all police officers in London—to the City of London force, which I have had the privilege of visiting; the British Transport police; and, of course, the Met. The Metropolitan police is unique in this country. It receives a quarter of the national police budget and contains approximately a fifth of all sworn officers. It works hard—day in, day out—to protect 7.4 million citizens. It spearheads the national effort to tackle serious crime and terrorism. However, the rather rosy picture that the Minister paints of crime levels in London needs to be tackled.

Of course the police work hard, but no one who has canvassed in this mayoral election or talked to Londoners in a normal, average week thinks that the average Londoner is happy with crime levels in London. They think more can be done. They believe that London can be made safer.

Mr. Love: Will the hon. Gentleman give way.

Mr. Ruffley: In a moment.

The current Mayor wants London to be the safest city in the world, but after eight years of the Labour mayoralty London is not even the safest city in the United Kingdom. According to the latest Home Office figures—up to 2006-07—in London there were 124 recorded crimes per 1,000 of population, which is a quarter higher than the 100 per 1,000 of population nationally. In London, there were 24 recorded instances of violence against the person per 1,000 of population. That is 20 per cent. higher than the 19 per 1,000 of population across England and Wales. In London, there were 32 recorded instances of theft, excluding car theft, per 1,000 of population. That is higher than the 22 per 1,000 of population across the rest of the UK.

Even the Home Secretary herself—

Mr. Love: Will the hon. Gentleman give way?

Mr. Ruffley: In a moment.

Even the Home Secretary herself has said that either in Hackney or in south Kensington—pick a borough, it does not matter which—she is not comfortable walking on her own at night.

Mr. Love: I thank the hon. Gentleman for giving way and commend him for giving selective figures. Does he accept that, overall, the crime figures over the past five years show a 19 per cent. reduction? Will he add to his list and congratulate the Mayor of London on providing the back-up that allowed those figures to be achieved?

Mr. Ruffley: I will offer no such congratulation to the Mayor of London, whose record I will get on to in a moment, and no, I do not accept the hon. Gentleman's characterisation of such large falls in crime. Those are recorded figures from the Home Office itself, and they stand the test of time. They show what is happening to recorded crimes—they are going up. Violent crime is up in London. Gun crime is up in London. Knife crime is up in London. Something needs to be done about that.

The simple fact is that London's citizens do not feel as safe as they would like.

Mr. McNulty: Will the hon. Gentleman give way?

Mr. Ruffley: I will give way to the Minister in a moment.

On 11 March 2008, the current Mayor of London told the Home Affairs Committee:

"crime continued to rise until 2003; since then it has fallen by 21 per cent."

Let me put that in its historical context. According to the Home Office figures, which are there for all to see—I say that for the benefit of the hon. Member for Edmonton (Mr. Love)—there were just under 130,000 recorded offences of violence against the person in London in 1998-99. Guess what the figure was in 2006-07: it was 182,000. That is an increase of 40 per cent., according to Home Office figures. In 1998-99 there were 26,000 robberies in London. Guess how many there were in 2006-07: well over 45,000. That is an increase of over 74 per cent.

Mr. McNulty *rose—*

Mr. Ruffley: I shall be happy to listen to the Minister if he can answer my questions.

Mr. McNulty: The hon. Gentleman simply cannot do this. He must quote the figures accurately. The 182,000 offences of violence against the person in 2006-07 has fallen by 3 per cent. to 173,997, and if offences of harassment are excluded—I am sure that Members know what harassment is—the figure is 13 per cent.

Members must not mislead the House, inadvertently or otherwise. It is not right to say that violent crime is going up when the correct figures tell their own story: that violent crime has fallen significantly. That is not a debating point but a matter of absolute fact, and the hon. Gentleman should be ashamed of himself.

Mr. Ruffley: I invite anyone who reads *Hansard* tomorrow to read what I have said, and then to view the Home Office website and compare the record for 1998-99 with that for 2006-07. Then we shall see who is right.

Mr. Boris Johnson: Does my hon. Friend agree that the huge majority of Londoners would listen with more interest to the words of the Labour hon. Member for Islington, South and Finsbury (Emily Thornberry), who said only this month that scarcely a child or teenager in her constituency had not been mugged? Is not that testimony far more powerful than the fictitious statistics of that Minister?

Mr. Ruffley: I would rather take my hon. Friend's powerful point than the fiddled and dodgy numbers and spin put out by—

Madam Deputy Speaker: Order. There is a bit of a heated debate going on in the Chamber, but perhaps the hon. Gentleman will think very carefully about the words that he uses.

Mr. Ruffley: I apologise, Madam Deputy Speaker. Let me simply say that the spin-addicted Minister may decide to revisit his comments when he reads *Hansard* tomorrow.

Let us consider another statistic. In 2007, 27 teenagers were murdered in London, nearly all of them victims of knife or gun crime perpetrated by other youths. That lends force to the observations of my hon. Friend the Member for Henley.

Those rises in crime—which, I hasten to add, are not to be laid at the door of the police; I shall explain why in a moment—should be seen in the context of police funding. They have occurred as spending on the Met has gone up, with a budget increase of more than 30 per cent. That increase is of course welcome, but the fact remains that Londoners are paying increasing amounts through higher police precepts, and I think that many of them will wonder why crime is not falling in proportion to the amount of extra money that they are contributing.

Joan Ryan: The hon. Member for Henley (Mr. Johnson) represents one of the safest constituencies in the country, but he has opposed measures to fight gun crime and antisocial behaviour here in London. He opposed the automatic five-year sentence for carrying a gun illegally. Perhaps the hon. Member for Bury St. Edmunds (Mr. Ruffley) will explain that to us in the context of tackling violent crime in London.

Mr. Ruffley: The right hon. Lady's rather thin and, frankly, pathetic intervention shows how scared Labour Members are of my hon. Friend the Member for Henley.

Justine Greening (Putney) (Con): The net police precept in my constituency has quadrupled over the past 10 years, but we have not seen a quadrupling of the number of police officers. Over the past seven years, Wandsworth residents have paid £66 million more for fewer warranted officers who can arrest people on their streets.

Mr. Ruffley: That statistic from Putney speaks volumes.

Harry Cohen: Will the hon. Gentleman give way?

Mr. Ruffley: I wish to make some progress first.

If the Minister will not accept statistics in black and white, surely there is one thing on which we can agree: the need for greater police visibility in London. Surely there is common ground on that. There is, however, a huge difference between our prescriptions and those of the Labour Government.

I am sure we can agree that if there are more police on the beat, they deter more crime and more arrests are made. After 11 September 2001, the police redeployed 1,500 officers from outer London to the city centre. At the time, Ian Blair described the impact of that redeployment on crime levels. He said:

"On 13 September, street crime began to rise in the outer boroughs and go down in the centre. By Christmas, the rise in street crime everywhere except central Westminster had become almost vertical, with nearly 7,000 robberies and snatch thefts in January",

which, he said, represented an increase of more than 50 per cent.

After the July bombings, the redeployment of officers on the streets—for which my hon. Friend the Member for Henley has argued so powerfully in the past few weeks, and will argue powerfully for in future weeks—had a similar effect. A study in the aftermath of 7 July found that, in the six months following the incident, increased police deployment in six key London boroughs had led to a significant fall in crime. That is why London Conservatives, and Conservatives nationally, are serious about cutting the bureaucracy that is heaped on our hard-working police officers. It is not acceptable that, in London, the amount of time spent on patrol decreased from 13.7 per cent. in 2003-04 to 12.8 per cent. in 2006-07.

Stephen Pound (Ealing, North) (Lab): Will the hon. Gentleman give way?

Mr. Ruffley: I will in a minute.

Not even the men and women in the Police Federation believe the Minister when he says that he has cut—or his Government have cut—the number of forms by 9,000. The Conservatives have consistently asked the Minister to publish the 9,000 red-tape forms that they say they have cut, and he will not do it. Will he do it today?

Mr. McNulty *indicated dissent.*

Mr. Ruffley: Unless the Government can show what they have done to cut red tape in the last 10 years, they will have no claim to be anti-bureaucracy and no claim to be putting more police officers back on the street.

Mr. Greg Hands (Hammersmith and Fulham) (Con): May I return my hon. Friend for a moment to the subject of high-visibility policing? I know that earlier this month he visited the borough of Hammersmith and Fulham and had a look at the 24/7 policing there, which I think is a fantastic achievement. It is the only borough in London where safer neighbourhood teams patrol 24 hours a day, seven days a week—in two wards, Shepherd's Bush Green and Fulham Broadway. Will my hon. Friend share with us his impressions of what I consider to be a fantastic initiative?

Mr. Ruffley: I was impressed by it. It is not cheap, and the Conservative council should be commended for saying that there should be more spending. I know

that the Minister is allegedly sceptical. We must wait for the evaluation, but what I saw in Hammersmith and Fulham confirmed for me the key point that having more police on the beat more often reduces crime and, crucially, reassures Londoners—certainly in Shepherd's Bush, which I know well for various reasons.

Stephen Pound *rose—*

Mr. Ruffley: I am now happy to give way to the hon. Gentleman.

Stephen Pound: I am extremely grateful. The hon. Gentleman is characteristically generous.

The hon. Gentleman mentioned bureaucracy and red tape. His party, rightly in my opinion, introduced the Police and Criminal Evidence Act 1984, which at the time of its introduction was attacked on precisely the grounds to which he has referred today. Does he propose to repeal PACE?

Mr. Ruffley: Absolutely not. The Police and Criminal Evidence Act was a Conservative piece of criminal justice legislation which, as everyone agrees—the Minister and I have debated this—is one of the jewels in the crown. In terms of red tape, let us consider the Auld review, which resulted in statutory charging, and the Regulation of Investigatory Powers Act 2000. They are the measures that are causing more red tape to be heaped on the police, not PACE, and no Conservative Member has ever suggested otherwise.

Mr. David Burrowes (Enfield, Southgate) (Con): In the context of a police presence in our communities, does my hon. Friend recognise the crucial role of local police stations? There is concern about that in my community, not least in Southgate, where the police station is threatened with closure by a centralised asset-management strategy. Surely we should take more account of local communities, and follow the lead of our hon. Friend the Member for Henley (Mr. Johnson), who wishes to keep police stations such as Southgate open.

Mr. Ruffley: In the past 10 years, under this Government, there have been net falls across the country, including London. I think that many Londoners will be reassured if they see more police stations or police outposts than there are now, and I look forward to the time when my hon. Friend the Member for Henley is Mayor of London and can drive that policy forward.

Bureaucracy results in about one hour in five of a patrol officer's time being spent on the street as distinct from other important work. We need to address that low figure and my hon. Friend the Member for Henley has given some practical ways of doing so. I do not accept some of the sniping from Labour Members; of course my hon. Friend is right to say that press officer and advertising spend for Transport for London can be reduced in order to increase the number of PCSOs. He is right to say that more British Transport Police officers at railway stations can be funded by looking at the Metropolitan Police Service overhead budget for spin doctors and advertising. Who could possibly disagree with that kind of common-sense Conservatism?

More police can be put back on the beat, but not by general imprecations that it might be nice to have less red tape. We are arguing purposefully—my hon. Friend is doing so in London—for the abolition of the stop and account form and to make the stop and search form recordable in digitised form.

Mr. McNulty: It is being done.

Mr. Ruffley: That has not been done; there is no sense in which the stop and search form is a paperless transaction. If the Minister thinks that it is, he should get out more. My hon. Friend the Member for Henley is putting forward that policy as a practical way to cut red tape and to get more police back on the beat in London.

It is also fair to say something about PCSOs, for whom we see a strong role. It is regrettable hat the Government ditched their 2005 goal to recruit 6,389 new PCSOs in London. The figure will be about 5,562, lower than what the Government promised—another broken Labour promise.

Another really important point for all Londoners listening to this debate is that Sir Ronnie Flanagan, in his independent review of policing, said something with great applicability to London:

"maintaining police numbers at their current level is not sustainable over the course of the next three years... we would not be making the most effective use of the resources dedicated to the police if police officer numbers were sustained at their current level."

Do the Minister and his London colleagues agree with that? Does the Minister think police officer numbers in London are unsustainable in London over the next three years? Let us hear about that. If we want visible policing on the streets of London, we need to know the Government's intentions on police strength: more, fewer or about the same? Flanagan says the numbers have to be cut; what does the Minister think?

Richard Ottaway: In London, which has huge diversity, only 20 per cent. of police officers are female and only 8 per cent. are of black and minority ethnic origin. Should not that be addressed? I suspect that my hon. Friend the Member for Henley will do so.

Mr. Ruffley: It is an important point on which there is cross-party agreement. The chief constable of Cheshire, Peter Fahey, is the ACPO lead on the issue and I have had many fruitful discussions on this. There is cross-party understanding that BME recruitment to the Met has gone up under Sir Ian Blair's leadership, for which he should be given credit—a high proportion of PCSOs are from BME backgrounds—but that that is not reflected in the ranks of constables or sergeants. More needs to be done and I know that the liberal-minded, socially concerned leadership of my hon. Friend the Member for Henley when he becomes London Mayor will be addressing that. He is an inclusive, modernising and very much forward-looking Conservative.

Madam Deputy Speaker: Order. We are not here to discuss individual candidates' manifestos, but policing in London.

Mr. Ruffley: I defer to you, Madam Deputy Speaker, but after listening to the Labour attacks on my hon. Friend the Member for Henley, I thought that that was exactly what was going on.

The 101 non-emergency number is something on which I thought there was cross-party consensus. The London Labour manifesto said that it would be rolled out across the whole of London. Instead, because of budget cuts, the Met itself is funding a small roll-out in three London boroughs. That is not what citizens were promised by the Labour Government; many want a non-emergency number to report things such as antisocial behaviour. What are the Government doing about that broken promise as well as all the others?

1.44 pm

Mr. Andrew Dismore (Hendon) (Lab): This is a very opportune time to have this debate, with the Metropolitan police at its highest ever strength, with crime falling fast—by 19 per cent. over the last five years—and with Londoners soon to face a choice between a Mayor who has built up the Met and a Conservative party that has consistently voted for cuts in its budget; between a candidate who has cut crime and has good community relations, and a candidate with no new ideas who has alienated the minorities in our city.

We now have 10,000 more police and PCSOs than there were in 2000, with dedicated safer neighbourhood teams in every ward. This includes 850 extra officers keeping the bus network safe and 700 British transport police—up by 300 since 2000—keeping the underground and the Docklands light railway safe. Police numbers are now at their highest level ever, at over 35,000, including 31,304 police officers and 4,178 PCSOs. This is the result of the investment by the Mayor of London, Ken Livingstone, and the Government, after a decade in which numbers were in continual decline under the previous Government. The Mayor's budget for next year—assuming he is re-elected, which I am sure he will be—will provide for an extra 1,000 police officers over the next 12 months in the new financial year.

Yet we have seen London Conservatives consistently opposing more funding for the police. The Tories on the London Assembly voted against Mr. Livingstone's budgets that pay for extra police and safer neighbourhood teams in every ward. Tory GLA Member Richard Barnes has openly said of the police in London that

> "I don't think so much money should be spent on them."

At the mayoral hustings in September 2007, the hon. Member for Henley (Mr. Johnson) announced major cuts to London's police budget, saying:

> "We have got to be absolutely clear where the scope for real economies is and the real big ticket for spending is the Metropolitan police and Transport for London. That's where the real savings, believe me, are to be found."

That was reported in the *Evening Standard* on 10 September 2007. I now understand that he is targeting other aspects of the Metropolitan police budget—

Mr. Boris Johnson: Will the hon. Gentleman give way?

Mr. Dismore: The hon. Gentleman will get his chance later. He is aiming to cut the Met's reserve budget for major incidents such as a terrorist attack. His pledge, as we heard earlier, for 440 extra PCSOs is based on numbers that simply do not add up, and on out-of-date budgets.

People are also interested in what is happening in their own boroughs. In my borough of Barnet, we now have 532 police officers and 147 PCSOs, which we never used to have. Not only that, but great progress has been made on sickness absence, for example. We now have one of the best records in the Met, which means that we see much more of our police officers than used to be the case.

The real success story is that of the safer neighbourhood teams. We have large wards in Barnet, so our teams are six PCSOs, two constables and a sergeant. They are now working from 8am to midnight on rotas and shifts set by the sergeant in accordance with local demand.

Stephen Pound: This morning, I was out with the Perivale safer neighbourhoods team on what we call a partnership day. Virtually everybody has talked about feet on the street and bobbies on the beat in the same way as they talk about motherhood and apple pie, but can my hon. Friend ever remember, while we have been denizens of this city, a time when there have been so many police officers and support officers on the street? Why does he think that increase has happened?

Mr. Dismore: My hon. Friend makes a good point. It has happened because the Mayor of London, working with the Labour Government, has worked hard—in the teeth of Tory Opposition—to make sure that the money is available to bring in the project for safer neighbourhood teams in advance of the national roll-out. The Mayor and the Government are to be commended on that.

It is also important to recognise how approachable safer neighbourhood teams are. Not only are their mobile phone numbers and e-mail addresses well publicised, the names of the officers are well known locally. I personally would like to pay tribute to Sergeants Lachlan, Mitham, Peyton, French, Simpson, Mather and Reid, who have done a great job in making sure that they are well known in their wards and approachable by local communities. They provide reassurance and enforcement against antisocial behaviour. What is more, working on safer neighbourhood teams has proved very popular with officers as well. For once, there is real stability in police and PCSO staffing out on the streets. They operate from local bases in local wards. Far more can be provided through such local bases than via the old police stations, which are often further afield.

In my constituency, the safer neighbourhood teams have worked effectively on youth diversion projects. I particularly commend the Edgware SNT for its work in that respect. It is a pity that Conservative Barnet council has not supported its efforts sufficiently, for example in trying to bring Pavilion Way fields—near where I live—back into use, after it had lain derelict for years under the Conservatives. Police constables have worked hard to bring those fields back into action, but all the council wants to do is flog them off, so that property speculators can build houses on them.

Our SNTs have been effective in combating mini-motos and dealing with dangerous dogs, in spite of lack of effort by the Conservative council, which will

not bring in dog control zones. The hon. Member for Henley has left the Chamber, which shows that he is no longer interested in policing London, but it is my understanding that he opposed what he called the new anti-yobbo programme, which included powers to deal with dangerous dogs. I can tell him that dangerous dogs are a major issue in my constituency, featuring on the front page of the local newspapers—yet he talks about legislative coercion.

Mr. Love: I thank my hon. Friend for giving way—and I also regret that the hon. Member for Henley has left the Chamber.

Madam Deputy Speaker: Order. We do not make references to whether Members are in or out of the Chamber.

Mr. Love: Does my hon. Friend agree that the Opposition have not prioritised the issue of antisocial behaviour, and that it remains the case that only Labour in London, and the Government, are doing anything to deal with the real problems on our estates across the capital?

Mr. Dismore: My hon. Friend makes an extremely important point. Perhaps that is because the people whom we represent tend to be more on the receiving end of antisocial behaviour—such as noise nuisance, dangerous dogs and children running wild. When I hear that the hon. Member for Henley does not even think that CCTV is important—he sees it as an erosion of liberty—I wonder how he has the gall to say he wants to be Mayor of London, as so many of our streets could benefit from having CCTV cameras, and that is a popular demand that we hear all the time from our constituents.

Clive Efford: On the subject of CCTV cameras, when we had a problem with vandalism on the buses—something the hon. Member for Henley has made a great deal of—one of the things the bus drivers demanded and got from the Mayor of London was CCTV on the buses. I dare say if the hon. Gentleman does not consider CCTV cameras important, he does not consider them important for dealing with antisocial behaviour on buses either.

Mr. Dismore: My hon. Friend makes an important point. The fact remains that there is now CCTV on every bus in London. That is a major improvement not only in terms of safety on the buses, but for public transport more widely.

Mr. Hands: May I correct something the hon. Gentleman said? I have a copy of the transport manifesto of my hon. Friend the Member for Henley (Mr. Johnson). It clearly states:

"Boris will fund a trial of live CCTV on the 20 most dangerous routes"

and:

"We will cut the Transport for London advertising budget by £16.5 million to pay for the PCSOs and the CCTV trial".

So my hon. Friend is definitely committed to having CCTV.

Mr. Dismore: As was said earlier, that cannot be paid for in the way that the hon. Member for Henley proposes. However, the fact remains that he has called CCTV an erosion of liberty. How he squares his circle is for him to justify. He is not here to answer that particular point for himself. That is a pity, because on the one hand he says it is an erosion of liberty, but on the other he says he wants to have more CCTV. That is another example of Tory flip-flopping from day to day.

Against the background of increased priority for, and investment in, the police, there has been a significant fall in crime for the fifth year in a row. It is now at the lowest level since 1999. We can argue about statistics, but those pre-2002 are not comparable. There has been a 19 per cent. fall in murders. Gun crime is down 22 per cent., robbery down 12 per cent., rape down 25 per cent., grievous bodily harm down 10 per cent., domestic violence down 15 per cent. and knife crime down by 18 per cent. since its peak in 2004.

Mr. Ruffley: I am listening with interest. Can the hon. Gentleman give the source of those statistics? Are they recorded, are they from the British crime survey, and which areas do they cover?

Mr. Dismore: The statistics are from the Metropolitan Police Service performance information bureau. I am sure the hon. Gentleman would not question whether the police have collated them accurately.

I can also give the figures for my borough, which are BCS statistics; I am sure that the hon. Gentleman will not want to challenge them, either. I pay tribute again to Chief Superintendent Kavanagh, my borough commander, who has proved to be an inspirational leader. He is very accessible and popular in our community. In the current year there has been an 8 per cent. fall in crime, on top of 16 per cent. in the whole of last year—24 per cent. in total in less than two years. Mugging is down 5.9 per cent.

Justine Greening: Will the hon. Gentleman give way?

Mr. Dismore: Vehicle crime is down 16.8 per cent.

Justine Greening: Will the hon. Gentleman give way on that point?

Madam Deputy Speaker: Order. It is very clear that the hon. Gentleman is not prepared to give way at present.

Mr. Dismore: Violent crime is down by 4 per cent. We have had a particular problem with burglary, especially violent burglary, with a couple of gangs who have been targeting Jewish families. That is a very serious matter, but it appears that those gangs have now been caught and their members are subject to trial, so I will not say anything further about it.

We have also seen significant success in dealing with alcohol-fuelled crime over the Christmas period. The number of offences fell from 158 in 2006 to only 90 in 2007, and there has been a fall in actual bodily harm of 61 per cent. over two years. That is a great tribute to the style of policing we now have in Barnet.

[*Mr. Dismore*]

We have heard a lot about transport today, and significant progress has also been made in that respect. Crime on London's buses is now 11 per cent. lower than a year ago. The latest figures for the first six months of 2007-08 show a significant fall in criminal damage, robbery and theft offences on the capital's buses, despite a significant increase in passenger numbers. In outer London, I am pleased to say, we now have the 21 safer transport teams, which have proved a great success. We have such a team in Barnet. Its mobile telephone numbers and e-mail are available. We have 18 PCSOs, two police constables and two sergeants patrolling the north-south routes and the transport hubs. They have proved very effective in catching offenders, and in providing safety and reassurance, and useful intelligence. When they were first introduced, the London Assembly Member for Barnet and Camden, Brian Coleman, described them as a gimmick. My constituents certainly do not regard them as a gimmick. They want them to be made more effective and their numbers expanded.

Mr. Ruffley: On a point of order, Madam Deputy Speaker. With reference to "Erskine May", is it in order for a Member to read a speech?

Madam Deputy Speaker: That is not a point of order for the Chair, but it is not uncommon for Members to refer to notes.

Mr. Dismore: I was not reading a speech. I was reading out the numbers. The hon. Gentleman may not appreciate them, so I will give them to him again, if he likes. Our safer transport team has 18 PCSOs, two sergeants and two constables, and has proved very popular, despite being described as a gimmick by the Conservative London Assembly Member for our borough.

Mr. Burrowes: What would the hon. Gentleman's constituents say if he were to put a question in one of his numerous surveys to them asking, "Would you rather £16.5 million of the Transport for London advertising budget be spent on promoting ourselves, or on more PCSOs and CCTV?"

Mr. Dismore: I suspect people would not like money to be spent on public relations. That is inevitable; that will always be a lower priority. However, as we explored earlier, the budget that the hon. Gentleman mentions is simply not available for such expenditure. I do not think he will get anywhere by pursuing that idea.

Reference has been made to the problems of gun and knife crime. There has been significant progress, with Operation Kartel in February this year leading to 780 arrests, and a 50 per cent. reduction in gun-enabled crime and a 26 per cent. reduction in knife-enabled crime across the 11 London boroughs. Operation Blunt's knife amnesty earlier in the year led to more than 1,000 knives being handed in, and Operation Trident solved 12 murders in 2004-05.

It is interesting that when the hon. Member for Henley says that tough gun laws must be enforced, and talks about mandatory five-year sentencing introduced to deter gun crime and to punish offenders and make people safer, he fails to add that he voted against those automatic five-year sentences for people caught illegally carrying guns on Third Reading of the Criminal Justice Act 2003, which brought in those powers. It is remiss of him to say that he supports something when he voted against it in the House.

It is important for us to reflect on the problem of teenage murders, which is a serious one in London, although we must recognise that the vast majority of young Londoners are not involved in criminality. The 26 murders last year were 26 too many. We must look far beyond a simple law-and-order solution, and examine the social and educational factors involved. Importantly, the Mayor has made £79 million available over the next two years through the London youth offer, to give young people more opportunities to try to get out of crime.

I have already spoken for some time, but I should mention people trafficking. I have taken a particular interest in that subject through my work as Chair of the Joint Committee on Human Rights, and I commend the Mayor on the work that he has been doing, with and on behalf of trafficking victims, to provide for them.

We face significant policing challenges over the next few years, not least the challenge of policing the Olympics, for which there is a massive security budget of £1.2 billion, and the ongoing challenge of terrorism. When Londoners make their choice in a few weeks' time, they would be well advised to vote for a man who has an excellent track record of cutting crime, looking after public safety and increasing the police service in London to record levels.

2.1 pm

Tom Brake (Carshalton and Wallington) (LD): I echo the tributes paid to the police for the dangerous job that they do. I also welcome the fact that a statement was made earlier. Although we cannot talk now about the concerns raised in Surrey, it is worth pointing out to hon. Members who have seen the press reports will know this—that if Surrey's force has to cut £4 million from its budget, it will drop a big operation to prevent criminals moving in and out of the county, which would undoubtedly have an impact on London.

Policing in London is, of course, a priority, and there are a number of reasons for that. First, London is a prime terrorist target and the police in London need to be adequately resourced to address that issue. In passing, I should question the effectiveness of some of the measures that are being taken. Some hon. Members may have seen posters that state:

"Thousands of people take photos every day. What if one of them seems odd?"

I am willing to be convinced that the campaign is effective, and I hope that the Minister will be able to tell us how effective it has been. I know that it is of concern to at least 91 Members of Parliament, who have signed an early-day motion expressing concern that people are being accosted while innocently taking photographs and asked precisely what they are doing. I would like to be convinced that the campaign will be effective and will not simply add to a climate of fear.

London is the world's financial centre, a fact which generates specific crime issues, particularly those associated with e-crime. I hope that the Government

will update us about the cross-departmental committee that is to be set up to examine e-crime.

Major events in London must be policed; for example, President Sarkozy's visit yesterday would have used a lot of police resources. London has high deprivation, especially in the inner-city areas, which leads to additional or above-average levels of crime.

For all those reasons, policing in London is a priority. For many years, law and order has been the greatest concern for Londoners. This debate has confirmed that such issues will be the focus of much of the mayoral campaign, so it is worth spending a little of the little time available contrasting the offerings of the various mayoral candidates.

The Liberal Democrat candidate, Brian Paddick, has 30 years' experience at the sharp end of policing in London. His record spans the Brixton riots and tackling hard drugs in Lambeth. He plans to chair the Metropolitan Police Authority and bring that experience to bear on it. He has pledged to introduce a guard on trams after 9 pm and on the 10 worst bus routes, and to reduce crime by 5 per cent. every year during his first term. Unlike the present Mayor, who promised to reduce crime by 50 per cent. but has so far achieved only an 18.5 per cent. reduction, Brian Paddick will resign if he does not deliver on his pledge at the end of his first term.

The Mayor has broken his promise made in 2004 to reduce crime by 50 per cent.; and he appears to have thrown in the towel. Many hon. Members will be aware of his comments on gun and knife crime during the "London Talking" debate:

"No Mayor, no commissioner of police, can stop young people killing each other if they haven't been given a moral code."

The Mayor, who is responsible for policing and who claims credit for successes in London, clearly has a responsibility and the ability to do something about young people killing each other in London: if he does not, he should resign and make way for someone who does.

The Mayor has pledged to deliver 1,000 new officers, and Labour Members have referred to that. It is worth examining the pledge on the 1,000 new officers whom he will apparently provide, because in fact he will not provide them: the Home Office will provide the vast majority through its funding or through the boroughs. The Mayor's role will be very limited. We know that, within that figure, he was seeking 300 designated security posts, but only 97 will be delivered. He was also seeking 300 counter-terrorism officers, and I hope that the Minister will be able to confirm whether they will be delivered. There are already significant gaps in the Mayor's promised 1,000 new officers.

Simon Hughes (North Southwark and Bermondsey) (LD): There is a great inconsistency in the promises and delivery of the Mayor and the current Administration. Does my hon. Friend agree that one of the other frustrations felt not only by citizens but by the police is that whereas the Labour Government and the Labour Mayor keep claiming that crime is generally going down, people who live in a borough that is run by a non-Labour council receive Labour leaflets that perpetually say that the local council is responsible for crime, as though there were no possibility of people going out safely on the streets? There appears to be absolute hypocrisy in Labour, which wants the national message to be that crime is reducing but locally it appears to blame local councils—so long as they are not Labour ones—for increasing it.

Tom Brake: I thank my hon. Friend for that helpful intervention, which highlights the fact that what is often said is not what is delivered in practice.

I must briefly discuss the hon. Member for Henley (Mr. Johnson), who gives very entertaining evidence to the Select Committee on Home Affairs but who seems to have an obsession or fixation with buses; the scrapping of bendy buses seems to be the solution to all London's problems. Whether we are talking about transport policy, tackling antisocial behaviour, it all requires—

Madam Deputy Speaker: Order. The hon. Gentleman's time is up.

2.8 pm

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): Before I make a few brief remarks, may I offer my congratulations to my borough commander, Ali Dizaei, on his much-deserved recent promotion to assistant commissioner? His fame goes beyond his borough. I refer to his previous service in the London borough of Hounslow. I am sure that my hon. Friends the Members for Feltham and Heston (Alan Keen) and for Brentford and Isleworth (Ann Keen) would join me in those congratulations. I am pleased to say that Ali Dizaei will probably continue in a role across west London; his brief service so far has been excellent in that capacity. He is an example of one of the many excellent police officers at all levels serving the community across London.

This debate is about the Mayor and policing in London as a whole. Without repeating what my hon. Friend the Member for Hendon (Mr. Dismore) said, I merely wish to say that the Mayor's record on policing is exemplary. The number of police is at an all-time record level. The rather churlish comments of the hon. Member for Carshalton and Wallington (Tom Brake) notwithstanding, 1,000 additional officers have been promised.

Stephen Pound: Tribute has been paid to the borough commander in Hammersmith and Fulham by my hon. Friend, who also represents part of the great and noble borough of Ealing. I am sure that he will therefore wish to associate himself with the comments that many of us have made about the excellent qualities of Borough Commander Sultan Taylor of Ealing.

Mr. Slaughter: I certainly do—it is another excellent appointment. My only problem with the borough commanders that we have had in west London is that they are so good that they keep getting poached and promoted. I hope that I have not set off a whole sequence of 32 borough commanders being praised, because then we will have no time for anything else.

Over the past five years—Conservative Front Benchers should take notice of this—crime in London has fallen by 20 per cent. It is all very well for the Conservative

[Mr. Slaughter]

spokesman to say to his researchers, as he doubtless did, "Please go away and find me some statistics, however obscure, to try to suggest that that is not the case." In almost every area of serious crime—whether it is murder, gun crime, robbery, rape or grievous bodily harm—reductions in crime have been in double figures. I am glad that I am not still at the criminal Bar, because I fear that I would find it difficult to earn a living; in fact, I always did, owing to the Government's appalling legal aid rates.

Tom Brake: Does the hon. Gentleman agree that one area of concern, which is borne out by the statistics, is what is happening with young people committing homicides and being murdered?

Mr. Slaughter: I entirely agree that that is a serious problem. The death of Kodyo Yenga in Hammersmith and Fulham only a year ago was one of a number of tragic events at that time but we must keep this in perspective, as such events are still rare. One death, particularly of a young person, is a serious matter. However, I feel that the issue has been sensationalised—not by the hon. Member for Carshalton and Wallington and his party, but certainly by the hon. Member for Henley (Mr. Johnson) who has not graced the Chamber with his presence during this debate. That is a disgrace as he seeks *[Interruption.]* He was present for about 10 minutes. No doubt he has another more important

Madam Deputy Speaker: Order. I have already ruled that I will not allow comments to be made about who is or is not in the Chamber.

Mr. Slaughter: I accept that. Of course, as he is an Oxfordshire MP, perhaps he should not have been present at all for a debate on London policing.

Madam Deputy Speaker: Order. I remind the hon. Gentleman of my ruling.

Clive Efford: When the hon. Member for Bury St Edmunds (Mr. Ruffley) talked about crime figures, he took 1998 as his starting point. The point that the Mayor would make, which the statistics bear out, is that crime rates are in line with police numbers. As police numbers have grown and the Government and the Mayor have invested in extra police, crime has come down. The hon. Gentleman should remember that.

Mr. Slaughter: I am grateful to my hon. Friend. I know that he wants to speak and I shall therefore say what I need to with greater speed.

The Mayor of London has transformed policing, most usefully by introducing neighbourhood policing—an initiative that has been followed throughout the country. That subject is a particular interest of mine, and I introduced a ten-minute Bill on it about two years ago. There was resistance among the police to neighbourhood policing, which was initially described as reassurance policing, but I always believed, as did the Mayor, that it would have an effect in cutting crime, and it has. I also believed that it would assist intelligence-led policing. The safer neighbourhood teams throughout the boroughs—

Stephen Pound: We have seen failures, as we certainly did in the Brixton command not too recently. Does my hon. Friend agree that when the hon. Member for Carshalton and Wallington (Tom Brake) says that the Liberal candidate for Mayor would resign if crime did not fall, that is roughly analogous to my saying that I would control myself if Carla Bruni came knocking at my bedroom door? Neither scenario is likely to occur. *[Laughter.]*

Mr. Slaughter: I have an image in my head that I wish would go away.

Stephen Pound: So do I!

Madam Deputy Speaker: Order. Please may we have some order in the Chamber and a debate on policing in London?

Mr. Slaughter: I agree that a little more control is needed on all sides, Madam Deputy Speaker.

When Hammersmith and Fulham, which is part of my local authority, was Labour-run, it was the first authority to decide to put neighbourhood officers into all wards. Before that programme could be completed, the Mayor accelerated the programme of neighbourhood policing and put the six-member teams into all wards in London in record time. The Tories opposed that. They try to weasel out of it now, but they opposed additional policing in every budget proposed in the GLA. They are now trying to climb on the bandwagon.

It is a similar story in Hammersmith and Fulham. The new Tory council says that crime is its No. 1 priority, whereas its priority is actually making £36 million in cuts. It will invest £750,000 a year in policing and make cuts worth £36 million in services. That gives a good idea of the priorities of Conservative councils. Where it has put in that extra policing, it calls it 24/7 policing. The police find that very offensive, because when we talk to them they say that they thought that they worked 24 hours in any event, but that the Conservatives in Hammersmith say that they did not.

That extra policing has been introduced in only two wards, displacing crime into other wards. The *Evening Standard*—the Boris Johnson house magazine, so I hope Conservative Members will trust it—said that of the 20 areas with the most residential burglaries, two are in Hammersmith and Fulham, in wards that neighbour those where enhanced policing has been introduced. The Labour opposition's policy, which it will implement when it returns to power in 2010, is to introduce police task squads across all wards with high crime. That proposal, which chimes with the Mayor's policies, is the way we need to go.

I mentioned my local Tory authority as an example of how a Tory Mayor would behave. Nothing can be said about what the hon. Member for Henley has done, because until his selection as candidate a few weeks ago he showed no interest whatsoever in London or policing in London other than opposing measures such as the five-year compulsory sentence for carrying a gun, which was a measure to reduce crime, particularly in London. His financial illiteracy—

Clive Efford: Before the hon. Member for Henley (Mr. Johnson) became the candidate for London Mayor, he mentioned London in the House only once.

Mr. Slaughter: His financial illiteracy extends not only to policing, as we have heard. The Conservative spokesman tried to wriggle out of this, but I was actually there.

Madam Deputy Speaker: Order. I said earlier in the debate that the manifestos of individual candidates must not be given. I am trying to chair this debate as evenly and fairly as I can.

Mr. Slaughter: I am grateful, Madam Deputy Speaker. The Conservative Front-Bench spokesman specifically said that his party's candidate would introduce an extra 440 officers, paid for out of a fund that does not exist. I was there when the hon. Member for Henley explained that and talked about an increase in funding through public relations - a budget that simply does not exist. Like all the protestations made by that Oxfordshire Member, these are magical figures. His budget for additional spending for buses was said to be £8 million yet the true cost was £110 million.

Harry Cohen: You are absolutely right, Madam Deputy Speaker, to admonish my hon. Friend for referring to the hon. Member for Henley (Mr. Johnson). May I bring him back to the Mayor, Ken Livingstone, and his achievement in bringing racist crime down by 55 per cent. since 2000? Is that not some achievement in the context of 7/7 and the danger of a backlash? Should not communities in London be aware of that and praise him for it?

Mr. Slaughter: I agree. Racist crime in London has fallen by 55 per cent. since 2000. I do not need to say much about that because, as Doreen Lawrence and others have said, the record of Ken Livingstone as Mayor of London in tackling racist and other hate crimes in London is exemplary. There could not be a starker comparison with the record of the hon. Member for Henley, who made offensive and racist comments of a kind that he now tries to pass off as a joke. *[Interruption.]* Well, he did.

Madam Deputy Speaker: Order. I ask the hon. Gentleman to withdraw those remarks.

Mr. Slaughter: I withdraw those remarks and replace them with the words that he actually used. He used the expressions "piccaninny" and "watermelon smile".

Madam Deputy Speaker: Order. I ask the hon. Gentleman withdraw that remark and move on in his speech.

Mr. Slaughter: I did move on, but [HON. MEMBERS: "Withdraw."] I withdraw the comment that I made; I will let the words speak for themselves. The hon. Member for Henley tried to resile from those words and say that they were a joke. I think that when the people on London have a chance to vote on 1 May, they will treat him as a joke.

2.21 pm

James Brokenshire (Hornchurch) (Con): It is right that Conservative Members should record all the hard work of the police - the City force, the Metropolitan police and British Transport police - in ensuring that they provide a level of safety and security. That does not mean that we should not examine the figures and highlight some of the points that hon. Members have made: that London has higher levels of crime than the rest of the UK and that since 2000, drug offences have doubled, robberies have increased by 42 per cent. and violent crime has risen by a fifth.

That is why we need change and why the Mayor's record, whatever he may say about it, does not bear scrutiny. It is why so many people in my constituency and many others in London do not feel safe out on the streets. The polls that have been taken show that nearly half of Londoners do not feel safe in their community. That is a terrible record and shows what this Mayor has not done to ensure that people feel safe and secure in their communities, homes and streets, whether during the day or during the night. It is quite telling that the Home Secretary herself does not feel safe on the streets of London at night, except perhaps on one of her regular runs to the kebab shop with her security police in tow. Perhaps that is the latest initiative to make London's streets safer.

There are serious issues to consider, particularly about crime that affects our young people. It would be remiss not to focus on the teenage murders that have taken place in the past year - 27 young lives lost on the streets of our capital. Sadly, there have been nine murders of young people already this year.

Mr. Mark Field: Does my hon. Friend agree that such tragic murders give rise to the perception - the Minister may be correct that it is a perception rather than a reality - that crime is out of control? That is what happens when we see young, 15 or 16-year-old boys with guns and knives killing each other in the streets or homes of London. Does he agree that we ought to be doing a lot more about that, rather than just bandying around statistics? We should at least try to understand why the public at large have such grave concerns.

James Brokenshire: My hon. Friend makes an important and powerful point. One of the most disturbing trends that we have seen in recent years in violent crime and gun crime is that both the victims and the perpetrators are getting younger. The trend analysis from the Metropolitan police's Trident unit, which investigates crime among London's black communities, shows a clear drop in the ages of victims. In 2003, 16 per cent. of victims were under the age of 20; by 2006 that proportion had nearly doubled to 31 per cent. In evidence to the recent Select Committee on Home Affairs inquiry on young black people and the criminal justice system, Superintendent Leroy Logan, deputy borough commander in Hackney, told the Committee about

> "growing incidents of gratuitous violence committed by younger age-groups, predominantly among themselves, with an increasing use of weapons in an attempt to gain respect through violence."

Robert Neill: Does my hon. Friend agree that the very real concern that he highlights has regrettably been exacerbated, particularly in some parts of outer London, by the amount of disorder that has occurred on buses following the introduction of free travel? Does he agree that it is regrettable that, rather than find a practical means of policing the issue, the Mayor has sought to denigrate the comments of head teachers in my constituency and others by calling them Victor Meldrews, when they are actually raising concerns to seek the protection of the young people for whom they have responsibility?

James Brokenshire: Crime among young people is a real problem. We need to be careful in how we phrase our comments, because young people are most likely to be the victims of crime, particularly crimes such as personal robbery. Yet the British crime survey does not even take account of crime against the under-16s. Even though the issue has been raised on many occasions, the Home Secretary is still sitting on her hands in relation to whether to take proper account of such issues.

Bus crime is a real factor, certainly in my area of Havering, an outlying London borough, where we have a number of code reds and significant bus crime problems. The way in which the bus policy was introduced, without proper consideration of the sanctions that should be imposed against those who breach conditions and do not properly follow the rules attached to Oyster cards, was wholly irresponsible on the Mayor's part. It does not help that the commissioner of Transport for London has made ridiculous comments about and criticisms of the police when they have raised what I regard as legitimate concerns about the bus fleet in London. He has suggested that the money for the transport operational command unit should in some way be reduced or taken away. It is quite something that the debate has gone in such a direction.

Simon Hughes: Does the hon. Gentleman accept that the police and London Members across the party divide believe that a real difficulty is that many people will not come forward to give evidence, because they do not feel safe? One of the priorities for reducing crime, particularly very serious crime such as gun and knife crime and sexual offences, should be a better system of witness protection. Does he agree that that is a huge priority across the country in general and specifically in Greater London?

James Brokenshire: The whole issue of witness protection is extremely important, particularly in the case of gang crime. A real fear resides in a lot of our communities. The sad fact is that in too many of the communities across our capital city, the basic concept of civil society—the protection offered by law of the basic right to live free from intimidation, violence and fear—has been perverted by the activities of serious criminal gangs, acting with little or no conscience and with no sense of responsibility to anyone other than themselves. They prey on some of the most vulnerable young people in our community, and the active recruitment process that they go through is organised and serious. That is why it is so important to focus and bear down on gang crime, which has sadly taken the lives of so many young people in our capital city and continues to do so.

Harry Cohen: I am grateful to the hon. Gentleman for giving way, because I know that time is short. He is making some good and important points about gang crime. In that context, will he praise the current Mayor for his £79 million London youth offer, which is intended to get youth facilities in the most deprived areas? I do not know the Conservatives' position whether they would match that or skew money away from those deprived areas. Can he tell us something about that?

James Brokenshire: We need to focus on proper policing on the streets. That is why I support measures that cut bureaucracy and mean that police are on the streets, not sitting back in police stations dealing with forms. The police need to be visible, because that provides reassurance. As we have heard, only a fifth of the police's time is spent out in the communities, but that is where they need to be to ensure that our streets are safer.

The Flanagan review said that police numbers were unsustainable. That poses a real question about the embedding of community policing. I believe in community policing, but I am concerned that the police do not have the time to spend out on the streets. I am worried about the future of policing in our communities and how we can make the streets of London safe.

Andrew Rosindell (Romford) (Con): Does my hon. Friend agree that the current arrangements, whereby police are based in wards instead of in proper communities, are a nonsense? In Havering, for example, it is ridiculous that areas such as Collier Row or Elm Park, which are divided between wards, have two different community police teams. The boundaries are based on electoral numbers rather than the needs of the local community.

James Brokenshire: We need to ensure that there is more local control over policing priorities, to ensure that they do not get distracted. For many people, crime and antisocial behaviour are real fears in our capital city. That is why the current policies are failing and the current Mayor is failing, and that is why we need a change.

2.30 pm

Mr. McNulty: I apologise for calling you Madam Mayor earlier, Madam Deputy Speaker.

As my hon. Friend the Member for Leyton and Wanstead (Harry Cohen) said, the hon. Member for Hornchurch (James Brokenshire) made some serious and interesting points. When it comes to the detail of debates on policing in London, people can see that there is much more on the agenda that unites London Members than divides us. How did we get to where we are now? It is not good enough for hon. Members to run down London for electoral gain, as people have clearly done, or to run down our police in London. There is a fine line between traducing individual policies of the Metropolitan Police Service and traducing what

the brave men and women in uniform do on London's streets every day. At least some Opposition Members crossed that line.

Nor is it appropriate to run scare campaigns wrapped up in irrelevant statistics. There is enough to unite us when it comes to crime in London, because it is not going to disappear overnight on anybody's watch. Like all hon. Members, I share the hon. Gentleman's concern about the level of homicide among young people, especially gang-related homicide, but that should not lead us to presume that homicide levels in London are mushrooming. They are not; the figures are going the other way, and that should be recognised.

Sustained investment in London policing is now reflected in the numbers, and officers are coming out on to the streets more and more, whatever the hon. Gentleman says about half-developed plans to cut bureaucracy and get rid of paperwork. Policing in London has seen success in falling crime rates, and I am not being complacent in saying that. Those are the facts, and indeed violent crime has fallen considerably, whatever he says. Shroud-waving and scare campaigns do him no credit.

Transport safety is now significantly better, especially in outer London, my own borough included. Neighbourhood policing and safer neighbourhood teams have also been a huge success. By any measure, significant progress has been achieved throughout London, based on what the Mayor has done over the past eight years. I agree with the point made by the hon. Member for Cities of London and Westminster (Mr. Field) that that work has increasingly had the indulgence and active support of councils of whatever hue, working with the safer neighbourhood teams and embracing neighbourhood policing in all its concepts.

I can tell the hon. Member for Upminster

Andrew Rosindell: For Romford.

Mr. McNulty: I apologise: the hon. Gentleman looks nothing like the hon. Member for Upminster (Angela Watkinson). I can tell him that it is well within the scope of borough commanders to determine whether ward teams should work together and ensure that areas are covered geographically rather than on a ward basis.

All the success in policing and our future progress in that area is rooted in the success that the Mayor and Sir Ian Blair have achieved over the past eight years, and that should be commended. No matter where people want to go next, they should commend and recognise the great record of the Metropolitan police in London. London is very different from how it was 10 or 15 years ago—and I would say that no matter which party ran the Greater London council or central Government back then. Our task as London MPs is to work with the Mayor to build on that, and to ensure that our investment is returned in style. We must work closely with those responsible for community safety, and with local government, to make sure that that is the case.

It being one and a half hours after the commencement of proceedings, the motion lapsed without Question put, pursuant to Temporary Standing Order (Topical debates).

Mr. Mark Field (Cities of London and Westminster) (Con): On a point of order, Mr. Deputy Speaker. In no way is this meant as a criticism of the Chair, but in the 90-minute debate that we just had, there were no time limits on Back-Benchers' contributions, although there were such limits for Front Benchers, and that meant that three quarters of the Members who wished to make contributions were unable to do so. Will you speak to Mr. Speaker to try to ensure that in future, when there is great demand to speak, as there is in topical debates on London, there are time limits on Back-Benchers' contributions?

Clive Efford (Eltham) (Lab): Further to that point of order, Mr. Deputy Speaker. I came to the Chamber for business questions two weeks ago and asked for today's debate, and the Leader of the House said that she would take up the issue, yet due to the shortage of time I was not able to contribute, so I feel slightly aggrieved, too. If time limits could be considered, I would support the idea.

Mr. Deputy Speaker (Sir Michael Lord): I understand the concerns of hon. Members who sought to take part in the debate and were not able to do so, but when a debate is only one and a half hours long, and obviously must include Front-Benchers' contributions, there is a problem. The points that both hon. Gentlemen made are now on record, and I am sure that they will be taken into consideration in future.

Parliamentary Contributory Pension Fund

2.36 pm

Sir John Butterfill (Bournemouth, West) (Con): I beg to move,

That Mr. Terry Rooney and Mr. David S. Borrow be discharged as Managing Trustees of the Parliamentary Contributory Pension Fund and Jim Dowd and Mr. Don Touhig be appointed as Managing Trustees in pursuance of section 1 of the Parliamentary and other Pensions Act 1987.

It gives me great pleasure to move the motion, and I am delighted to see that my colleague and fellow trustee, the hon. Member for Edmonton (Mr. Love), is present; he is one of the most assiduous trustees of the parliamentary contributory pension fund. The motion proposes that the hon. Members for Bradford, North (Mr. Rooney) and for South Ribble (Mr. Borrow) be discharged as managing trustees of the parliamentary pension fund and be replaced by the hon. Member for Lewisham, West (Jim Dowd) and the right hon. Member for Islwyn (Mr. Touhig).

May I say how much I appreciated the work of the hon. Members for Bradford, North and for South Ribble? They have been excellent trustees and have given great service to the fund. It is not always appreciated how much time right hon. and hon. Members, often with extremely busy parliamentary lives, have to give up to serve as trustees. I should like to pay tribute to, and show my appreciation for, the service that they have given the fund. I hope that the two new trustees—excellent choices—who will be appointed if the motion is approved by the House will enjoy a similarly rewarding, but rather busy, service as trustees of the fund.

2.38 pm

The Deputy Leader of the House of Commons (Helen Goodman): The hon. Member for Bournemouth, West (Sir John Butterfill) has set out the background to the motion. Two trustees of the parliamentary contributory pension fund—my hon. Friends the Members for South Ribble (Mr. Borrow) and for Bradford, North (Mr. Rooney)—have indicated that after four years, their time as trustees should now come to an end. I join the hon. Gentleman in thanking them for all the work that they have undertaken in that role, and indeed I thank all the trustees of the pension fund, who do that work on behalf of all of us.

Following discussions, it is proposed that the two trustees be replaced by my hon. Friend the Member for Lewisham, West (Jim Dowd) and my right hon. Friend the Member for Islwyn (Mr. Touhig). Again, I am sure that the whole House will join me in expressing our gratitude to them for taking on that responsibility. I invite the House to support the motion.

2.39 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): May I join the two previous speakers in thanking the hon. Members for Bradford, North (Mr. Rooney) and for South Ribble (Mr. Borrow) for the sterling work that they have done on the parliamentary contributory pension fund? I extend my congratulations to the hon. Member for Lewisham, West (Jim Dowd) and the right hon. Member for Islwyn (Mr. Touhig) on agreeing to undertake the onerous responsibilities that they will experience as trustees of the fund.

I conclude by thanking my hon. Friend the Member for Bournemouth, West (Sir John Butterfill) for all the hard work that he does as chairman of the fund. I also thank his colleagues on the fund for all the work that they do. Last but not least, I take the opportunity to thank all the House staff who so ably support the fund and all that the trustees do.

2.40 pm

Mr. Andrew Love (Edmonton) (Lab/Co-op): I add my endorsement to the motion. It would be churlish of me not to thank the hon. Member for Bournemouth, West (Sir John Butterfill) for his kind comments. He serves as chairman of the trustees and has done so for many years, and has done a tremendous job in ensuring that Members' pension interests are looked after. I am sure that he will continue to do that into the future.

I add my thanks to my hon. Friends the Members for Bradford, North (Mr. Rooney) and for South Ribble (Mr. Borrow), with whom I served. Both are prominent Back Benchers and active in their constituencies. My hon. Friend the Member for Bradford, North is also Chairman of the Work and Pensions Committee. They are both extremely busy and I know that that has been a consideration for them in their decision not to continue as trustees of the pension fund. I pay tribute to them for the tremendous job that they have done in the four years that they served as trustees.

I welcome the appointment of my hon. Friend the Member for Lewisham, West (Jim Dowd) and my right hon. Friend the Member for Islwyn (Mr. Touhig). Both have served the House as Back Benchers, but my right hon. Friend the Member for Islwyn was a Minister and a Whip for some time, and my hon. Friend the Member for Lewisham, West served in the Whips Office for a number of years. Both have great experience, which is much needed by trustees. I welcome them both—if the motion is carried—and look forward to working with them in the interests of the House and of Members.

2.42 pm

Simon Hughes (North Southwark and Bermondsey) (LD): This must be one of the less controversial debates in a month of some controversy.

I join those around the Chamber who have thanked the hon. Member for Bournemouth, West (Sir John Butterfill). He does the job with the confidence of colleagues around the House and has done it with that confidence over a considerable time. We all owe him a debt of gratitude. Those of us who have been here for a long time increasingly appreciate the importance of the issue, and those of us who advance towards pensionable age are even more aware of its importance.

I join also in the thanks to the outgoing colleagues and to the two colleagues who have expressed their willingness to take on that responsibility, as well as to my hon. Friend the Member for North Devon (Nick Harvey), who looks after our interests—not that the trustees are partisan or act in a party political way.

Without wanting to open a Pandora's box, may I add one request that is linked to the work of the fund? This is an issue that has rightly and understandably

attracted interest outside the House, particularly over recent years. Pension funds are of interest and the pension

Mr. Deputy Speaker: Order. The debate is simply about the replacing of two hon. Members with two other hon. Members and must not go wider than that.

Simon Hughes: I understand that, Mr. Deputy Speaker, and I hope that by the end of the sentence I will have assured you that I shall keep to your admonition.

May I ask that one of the tasks of the new trustees and their colleagues on the board should be to produce a simple explanation of the fund as it now is, for the public as well as for Members, and that that should be made available through the outlets that the House has, on websites and so on? If the trustees are to have the confidence of the public as well as of Members, simple messages about the justice and propriety of the fund should be a priority for the trustees at all times.

Question put and agreed to.

Standards and Privileges

[Relevant document: The Sixth Report from the Committee on Standards and Privileges on Employment of family members through the Staffing Allowance: Proposals for consultation, HC 388.]

Motion made, and Question proposed

That this House approves the Seventh Report of the Committee on Standards and Privileges (House of Commons Paper No. 436) on Employment of family members through the Staffing Allowance, and endorses the changes proposed by the Committee in the purpose and form of the Register of Members' Interests.—*[Steve McCabe.]*

2.44 pm

Sir George Young (North-West Hampshire) (Con): Before I turn to my Committee's specific recommendations in its seventh report, it might be helpful if I briefly set out the background to our proposals for the disclosure of family members in the Register of Members' Interests.

On 31 January, the House dealt with my Committee's fourth report, which revealed a specific case of misuse of the staffing allowance. That case attracted widespread criticism both inside and outside the House, and prompted calls—not least from the leaders of all the major political parties—for greater transparency at an early date about the employment of relatives. At the same time, a number of Members sought to include details of such relatives in the Register of Members' Interests, but at the moment there is no category in the register into which such disclosures naturally fit.

On 5 February, my Committee reflected on how best to make progress and we announced that we believed that by 1 April the House should have in place, within the existing framework, a system for the compulsory registration of Members who employ family members in connection with their duties as Members, and who remunerate them through the staffing allowance. We said that we would bring forward proposals. In reaching that conclusion, the Committee, to which the House has given oversight of the form and content of registers, was seeking to complement rather than pre-empt the wider inquiry of the Members Estimate Committee and to respond on behalf of the House as a whole to the immediate pressures, from both inside and outside the House, for greater transparency about to such employment. We took the view that the House should take the initiative and seek a House solution, rather than rely on a range of voluntary initiatives from the political parties.

In developing our proposals, the Committee has kept in close touch with the Members Estimate Committee. That process has been assisted in no small measure by the presence of the hon. Member for North Devon (Nick Harvey) on both the Members Estimate Committee and my Committee.

On 28 February, my Committee published its sixth report, setting out proposals for consultation and our reasons for rejecting other options such as a purely voluntary scheme or a full list of Members' staff with family members distinguished. We proposed that, in each case, Members should disclose the name of the staff member, the relationship and the nature of the role in which they were employed, with a de minimis exemption when the annual payment involved did not exceed 1 per cent. of a Member's salary. The report also

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proposed a specific range of relationships to which the disclosure requirement would apply.

We noted that the proposal to include in the register details of family members employed broke new ground in that, for the first time, Members would be required to include information that did not relate to a direct pecuniary interest. In recognition of that extension of its scope, and to emphasise the distinction, we also proposed that the register should in future be divided into two parts, with the first containing the existing categories of pecuniary interest, and the second containing the new category of relatives employed. The House is today being asked to approve that change in the scope and nature of the register. I am grateful to the Leader of the House for providing time for an early debate on our report.

We also sought views on whether there should be a transitional period of voluntary registration. Despite the short period that could be allowed for consultation if we were to meet the 1 April deadline, we received 33 responses in all—29 of them from parliamentary colleagues. I am grateful to all those who took the trouble to respond. Few consultees objected to the principle of what we proposed. A number wanted a delay in implementation, with our proposals being considered as an input to the broader Members Estimate Committee review—now due to report in time for a debate in July—rather than, as a separate exercise.

My Committee gave careful consideration to those arguments. We concluded that it was both practicable and right to seek to make early progress, as has subsequently been made in other areas, including the receipts threshold and petty cash, provisions on both of which take effect from 1 April. We have looked carefully at the specific points made in the consultation and amended our original proposals in a number of significant respects to accommodate many of those, while maintaining the original objectives. Thus, in our seventh report, we confirmed our original proposals on the information to be disclosed and on the de minimis limit. We have, however, simplified the provisions on the range of relationships covered regarding any employee where the Member knows, or might reasonably be expected to know, of any relationship past or present, by marriage or partnership equivalent to marriage, or by blood. We have also modified the proposed heading for the new register category so that it simply reflects the nature of the information disclosed.

We have confirmed our proposal for the new requirements to come into effect on 1 April, at the start of the new allowance year, with their becoming compulsory from 1 August. That lead-in period, during which registration will be voluntary, has a number of benefits. It enables those seeking an early opportunity to put on the public record details of relatives whom they employ to do so within a common framework established by the House. Again, I declare my interest in that I employ a member of my family full-time in the House of Commons. It also provides those who may want to do so with an opportunity to review their contractual obligations in an orderly way, and it provides us with an opportunity to review the arrangements if necessary, before they become compulsory, in the light of the proposals that may emerge from the broad MEC review, and of our own experience of operating the scheme in voluntary mode. If the motion is passed, the registrar will contact hon. Members next week, setting out the action that they can take.

Before I conclude, I should like to make a couple of more general points. Essentially, faced with the situation following our fourth report, there were three possible options concerning the employment of family members. One was to do nothing, the second was to ban the practice and the third was to introduce greater transparency. I simply do not believe that the do-nothing option is tenable against the climate of public opinion. The second is the possibility of a ban, as the chair of the Committee on Standards in Public Life accepted in his statement of 30 January, although he conceded that it could

> "seem a rather harsh answer to the problem."

He went on to say that

> "an alternative approach would be to insist on greater transparency and proper monitoring of existing requirements, which is generally better than creating new rules and prohibitions."

I agree with that; we should not compel hon. Members to dismantle arrangements that have enabled them to provide a high-quality service to their constituents. In proposing a formal mechanism for disclosure of employment of relatives, we have taken steps to introduce greater transparency, while at the same time not precluding changes that may emerge from the MEC review, with which my Committee will continue to keep in close touch on issues where we have a common interest.

Finally, I take the opportunity to remind the House of the importance of ensuring that, in all cases, an employee meets a genuine need in supporting the performance of parliamentary duties, that they are both qualified and able to do the job, that the job is actually done, and that the resulting costs, as far as they are charged to the staffing allowance, are reasonable and entirely attributable to the Member's parliamentary work. I also remind the House of the importance of being able to demonstrate, if challenged, that the terms of any such employment are beyond reproach, and of the severe consequences of falling short of this requirement.

I commend my Committee's proposals to the House in the hope that their implementation will help to rebuild public confidence in the House, both in our arrangements for employing staff in the light of the undoubted damage done by the events that were the subject of our fourth report, and in the ability of the House to respond quickly and positively to legitimate concerns about our arrangements.

2.53 pm

Mr. Chris Mullin (Sunderland, South) (Lab): I rise to speak in support of the motion. I am a member of the Standards and Privileges Committee, which is so ably chaired by the right hon. Member for North-West Hampshire (Sir George Young). I wish to make only two or three small points.

First, transparency, however painful, is an essential ingredient of a modern democracy, and we should not enter into arrangements in the employment of staff, or in any other respect, that cannot be defended publicly. Secondly, the right hon. Gentleman referred to timing, and I believe that the Committee was right to resist calls for delay. Action was urgently required in the

wake of recent events. We in this House have to get ahead of public opinion, and not be continually dragged along behind it.

Thirdly, and perhaps slightly more controversially, we have only ourselves to blame for the situation in which we find ourselves with regard to public opinion.

It is true that much of the media reporting on our allowances is mendacious, but for far too long we have tolerated arrangements that do not exist anywhere else in the public or private sector. I recall that on one day in 2001 we voted down the Senior Salaries Review Body's recommendations on pensions and additional costs and substituted more generous arrangements. Sooner or later there was bound to be a public backlash.

Sir John Butterfill (Bournemouth, West) (Con): The hon. Gentleman said that we voted down some of the SSRB's proposals on pensions. The only way that they were voted down was, I recollect, by our disagreeing with the SSRB recommendation that would have benefited hon. Members in relation to retained benefits. Can the hon. Gentleman recall any other matter?

Mr. Mullin: The hon. Gentleman is far better acquainted with the subject than I am, but my recollection is that at some stage we voted to change the number of years—it was sixtieths, but has gone down to fortieths. He will correct me if I am wrong, but that was against the SSRB's recommendations, was it not?

Sir John Butterfill: I thought that the hon. Gentleman was referring to the previous debate. The change that he is describing was indeed made some years ago, but hon. Members also agreed to pay the full additional cost of that change.

Mr. Mullin: I am grateful for the hon. Gentleman's confirmation that my recollection is not wrong. It is certainly not wrong on the additional costs allowance, either, where we voted down the SSRB recommendations and added an extra £4,000. The result is that spending the entire allowance has become a target to be aimed for, rather than recompense for expenses legitimately incurred. That is one of the things that have got us into the trouble. However, I do not wish to go any further down that road, because that is not the subject of our discussion.

Mr. David Winnick (Walsall, North) (Lab): This is not on the pension position, but is it not the case that reform usually comes only because of a scandal? My hon. Friend might remember cash for questions, the story in *The Sunday Times* and so on, when change came accordingly as a result of exposure. It is likewise in the current case. As he says, we always seem to drag our feet on the necessity to be transparent.

Mr. Deputy Speaker (Sir Michael Lord): Order. Before the hon. Member for Sunderland, South (Mr. Mullin) responds to that, may I remind the House that the motion before us is quite tightly drawn?

Mr. Mullin: Indeed, Mr. Deputy Speaker. My hon. Friend's point is that such changes come about usually only after a controversy that dynamites us into action, which is certainly what happened in this case. I am sure that we could point to others, too, were it in order to do so.

Finally, I regard the modest change proposed, which I believe will command universal agreement in the House and outside, as only a first step. We need to establish a mechanism that ends once and for all the practice of voting on our pay and allowances. We look to Sir John Baker for a way out of that. We also need to account properly and publicly for the allowances that we rightly receive, and we look to the Members Estimate Committee to help us with that.

2.58 pm

Simon Hughes (North Southwark and Bermondsey) (LD): We are all grateful to the Standards and Privileges Committee for its work, particularly as it has worked so quickly. On 31 January the House agreed the fourth report, on the employment issues arising from the conduct of the hon. Member for Old Bexley and Sidcup (Derek Conway) and the Committee has come back with a recommendation within two months. There was strong pressure, from outside and inside the House, for a new regime to be in place by the start of the new financial year. In essence, the proposals in the report, if we agree them, will allow that to happen, even though, as has been said, they are only a first step.

It is clearly intended that from April there should be a facility for registering family members, with a view to a final, compulsory system being in place by August, to dovetail with the recommendations of the Members Estimate Committee as a whole. I strongly support that proposal, and the proposal that we should have a compulsory system rather than a voluntary one. I also strongly support the proposal that the name of the family member, or other person with a relationship with the Member, should be listed, and that the job that they do should be described. I hope that it will also be necessary expressly to state the pay band that goes with the job, so that people do not have to cross-refer to other documents, and to state the minimum number of hours per week that the person is contracted to work. That was one of the abuses that came to light in the fourth report.

I do not have a personal interest in this matter. I have never paid anyone in my family out of my staffing allowance in all my time here, although obviously family and friends have helped with campaigning. That, however, is an entirely different issue, and will apply to all of us.

Given that this is such a high-profile issue, it is surprising that when the Committee went through the normal procedure of advertising its call for evidence, only three members of the public responded. Sometimes a tale full of sound and fury signifies a lot of interest, but when it came to people actually expressing a view, there was a pretty minimal response from the public. Sir John Baker might not love me for this, but I would like to put in a plug for people to make their views known. Given that the deadline that he has set for people to make submissions to him is, I think, 10 April—

Mr. Andrew Mackay (Bracknell) (Con): 11 April.

Simon Hughes: Thank you. I should like to put in a plug for colleagues and people outside who have a view about pay to make those views known so that they can be fed into the system. We really should not just be

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talking to ourselves about these things, and it is important that our constituents feed into this process as well.

My next point might be more controversial. My right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg) and I take the view that, as from 1 August, Members should be allowed to employ only one family member at a time. At the moment, several colleagues apparently employ more than one family member or person with whom they either have or have had a relationship. That is within the law, and it is perfectly understandable. It seems to me, however, that the public will not understand if they see the bulk of the money set aside as an allowance for staff pay going into the family. That really is not a credible proposition.

We could achieve this change in several ways. We could decide that Members could employ only one member of staff, and that they could pay that person no more than half the yearly allowance, which is now about £100,000. Alternatively, we could set an upper limit to the amount of money available, or set a percentage. It would not be acceptable if this became a way of employing one's family. People might have wonderfully qualified family members who could do these jobs; that is not the point. The point is that we are public servants, and most of the jobs should be advertised publicly and recruited for publicly. There should be an equal opportunities policy for them, and we should behave like the rest of the public service, as the Chairman of the Committee on Standards and Privileges has pointed out.

The only reason why it is acceptable to employ one family member or relative is that being a Member of Parliament often places considerable strains on family life; it is often, in a way, a small business in which all the family is engaged. It is therefore entirely justifiable that a spouse, partner, parent, child, son-in-law or daughter-in-law should be asked to help if they are competent to do so. That is entirely understandable, and can be good for family life. We go beyond the line, however, when we employ a second or third family member. If the first family member ceases to be employed, it is of course reasonable for a second person from the family to be recruited. I hope that we shall have a tough rule in place by 1 August stating that we may employ only one family member from then on.

Mr. Mackay: Would the hon. Gentleman really be comfortable with public advertising of vacancies for our staff? This is a sensitive area. Would he really want a Tory secretary, for example? Would I really want a Lib Dem researcher? I think possibly not.

Simon Hughes: My understanding is that that occasionally happens under the present arrangements, when Members find that—either in knowledge or in ignorance—they have recruited someone who may not share their political viewpoint. Even in families, however, there are sometimes different political views—not, of course, in the right hon. Gentleman's family, as I know that his family members who have expressed their views have the same view as his. I do not resile from my position, however. It would be unacceptable to insist that we had to employ people irrespective of their political views; the employee has to be compatible with the political party, or suitable for working with a particular colleague, in the case of an independent. Otherwise, it is entirely possible to recruit on a broad basis. There are websites about working for an MP, and adverts are placed in the newspapers. It is perfectly proper to advertise in that way, and the ability to support either the individual or the party would rightly be seen as a necessary requirement of the job.

Mr. Kevin Barron (Rother Valley) (Lab): Is the hon. Gentleman saying that Members who employ two family members should get rid of one of them on 1 August?

Simon Hughes: I said very clearly that we cannot legislate retrospectively in such matters, but from 1 August onwards, the rule should be that only one person from the family can be taken into employment, and that where one family member is already working, a second cannot be taken on. We must not be unfair to people presently in employment.

I wish to raise two final issues that colleagues across the House are concerned about. First, the question that we are debating is a different one from protecting the privacy of our members of staff generally. Mr. Speaker and the Members Estimate Committee are addressing a matter that it is important to get right—how we protect the safety and integrity of our members of staff. That is a wider debate, but I do not think it applies to family members. In the case of family members, there is an overriding obligation to disclose, which is what we should do.

The second wider issue—again it is a separate matter and not directly affected by what we are debating—is the need to ensure that the home addresses of family members, as of Members of Parliament, are not exposed to unnecessary risks. As I say, that is a wider issue. The issues for today, however, are different. Should we adopt the report? Yes, we should. Should it be only an interim report? Yes, it should. Should the system become compulsory in August? Yes, it should, but I hope it goes further than that. I hope that it will be made clear from then onwards that one family member employee, at most, is quite enough.

The hon. Member for Sunderland, South (Mr. Mullin) rightly called on us to restore public confidence and trust as quickly as possible, but unless we limit the number of family members that we take on, we will, bluntly, fail to achieve that. I hope that we are tough with ourselves and robust in our decisions, and that we sort the problem out quickly, rather than leaving it in the long grass.

3.8 pm

Kali Mountford (Colne Valley) (Lab): I preface my remarks by declaring two interests. The first is that I am a member of the advisory panel on Members' allowances, and the second is that I employ my husband. From the first day I started to employ him, that fact has appeared in my election address. When the fury about the employment of Members' families broke out, I had only one communication about it. That came from someone who regularly writes me letters—usually angry letters—but on this occasion it was to congratulate me on employing Ian, which was described as one of

the best decisions I had ever made. Clearly, not everyone thinks it is necessarily a bad thing to employ one's spouse. Sometimes, however, we have to think a little more deeply about our decisions in the House, and on this occasion, I want us to think more deeply about our job descriptions.

When we started to reflect on these issues, we began by discussing the consultation on the Senior Salaries Review Body, which predates the fury about what happened in the particular case we all know about, so I do not quite agree that we always come to these matters kicking and screaming. We are also looking into personnel functions, another important aspect. Since I advertise the fact that I employ my husband, I am obviously not against transparency, but I am concerned about job descriptions.

The fact that I am a little disabled is clear for everyone to see, so it is not a private matter for me, but for some people, becoming disabled is a private matter. The fact that my husband is my carer is part of his job description, and necessarily so, because the rules of the House say that if someone is one's carer, it must be part of their job description. If I have checked today, and that is a condition laid down by the House, so that other allowances can flow.

Other Members who are disabled might want to keep their disabilities a private matter. Not all disabilities are public. Not all people with disabilities use wheelchairs or have a walking stick, as I do. Some disabilities are private, and some people prefer to keep illnesses a private matter. While this is a narrow area, we must consider whether such matters need to be revisited. If it is a rule of the House that allowances due to Members flow from job descriptions, the Committee needs to consider that situation so that some privacy can be afforded to Members, and we do not have a two-tier system regarding job descriptions.

Nick Harvey (North Devon) (LD): I have every sympathy with the hon. Lady's point. When the Standards and Privileges Committee report says that the job description should appear in the register, it is envisaged that that should be the job title. The wording might be slightly misleading, but the Committee certainly has no intention whatever that the entry in the register should go into any detail about the contents of the job description itself.

Kali Mountford: Many Members with this concern will be comforted by that helpful response. When I asked members of the Committee about the issue, I was told that Members would have time to review their position. I asked over and over again what was meant by a review, and I was told, "You'll have time to get your house in order." When I asked whether I could take this particular element out of the job description, officers of the House told me that I could not, because elements of allowances flowed from its inclusion in the job description. The two messages were inconsistent. I hope that the hon. Gentleman is absolutely right, because while my disability is visible and there for all to see, others have disabilities that are not visible. If the hon. Gentleman is correct, people will be comforted. I see that hon. Members are nodding, and the review will be unnecessary in that regard.

I am also worried about the very broad range of salaries. Knowing what my constituents are like, I am sure that all hon. Members' constituents are the same: they will assume that everyone is on the top rate. I will get letters saying, "Isn't there a lot of money going into your house?" I can assure my constituents right away that my husband is not on the top of the range—neither is he right at the bottom—but Members will receive lots of letters saying, "I expect you're all on the top rate."

This process will not be the end; there will be a lot more curiosity. What we are doing should be about serving the public interest, not public curiosity. I hope that the process will feed into the Members Estimate Committee and that we will be allowed to carry on work to examine a proper personnel function that can exist alongside a proper accounting function. While this process serves a function, it will not be the whole story. Rather than looking at what Members' families do, surely the House should look at what all our staff do.

As employers, we ought to be looking at the interests of our staff. All our staff need to be doing what they are paid to do. What is interesting here is not the fact that one individual made a mistake about a member of their family, but the fact that there ought to be a proper personnel function whereby an employer employs a member of staff, we know what that member of staff is doing, and we have a proper way to deal with the relationship between employer and employee so that it is properly accounted for. That would satisfy the public that we know what we are doing, that we are a proper professional organisation—all of us—and that we do not make a distinction between family members and others.

To say that a member of my family is somehow 'less' of a human being and more likely to be a rogue, a vagabond and a thief seems to be the wrong way to look at things. Any of us could be making mistakes, so we must ensure that the functions of the House are so correctly set up that none of us could make a mistake with any of our staff. That would be the right way forward.

3.15 pm

Mr. Mark Field (Cities of London and Westminster) (Cons): I, too, support the report, in particular. I compliment the Committee on producing it so rapidly. As my right hon. Friend the Member for North-West Hampshire (Sir George Young) pointed out, it is only eight weeks since the coming to pass of the events that led to the necessity to produce the report. It is a great tribute to his work that the response has been so rapid.

I have a small amount of sympathy with the view that the matter should perhaps have been considered in the round along with all the Members Estimate Committee issues. That point was made by the hon. Member for Colne Valley (Kali Mountford) a moment or two ago, but as the Committee was willing to move so quickly, it makes sense to have produced the report. I hope that action will be taken in advance of the next tax year.

I fear, however, that the House is still woefully slow to wake up to the reality of public opinion surrounding the use and I further fear frequent misuse of

[Mr. Mark Field]

allowances and expenses. The dismay and disgust of recent weeks have given way in recent days to disbelief as, collectively, we still appear to regard these issues as something of a parliamentary matter to be kept away from the prying eyes of press and public alike. It is essential that we get real. We now need a regime of openness, transparency and full disclosure. As the hon. Member for Sunderland, South (Mr. Mullin) pointed out, that regime needs to be fit for the modern world in which we live.

I very much support virtually the entire report. It is correct that Members should be required to name members of staff with whom they have a strong personal relationship. I have some fears about the de minimis proposal, although I suspect that the events of recent months will put that to one side. I fear that a de minimis arrangement almost gives rise to the notion that paying 600 quid a year to a close member of staff to do the Christmas card list is part and parcel of the various rations. I hope that what has happened in recent weeks and months means that we will put an end to the flagrant misuse, particularly of the additional costs allowance, which we will discuss further before the summer recess.

I also want to comment briefly on behalf of my own staff. I allowed them to say what they thought about the report. Like many Members, I have never employed a member of my family as a member of staff; I was elected seven years ago. When I consulted my staff, they were concerned about much fuller disclosure, although it is something to which I would not object. However, their objection was instinctive, on the basis that it has perhaps at times been useful not to give their name over the telephone, particularly when a constituent might be violent or threatening. All my staff are here at the Palace of Westminster, in the heart of my constituency, but I am sure that the same objection applies to the staff of many Members from outside London who have constituency offices on their own patch, where staff could find themselves at some risk of assault, through either menacing telephone calls or, indeed, physical attack.

Therefore, in bringing forward this welcome first step in what I hope will be a list of disclosures, we need to recognise that the people who have suffered most are not Members of Parliament, but, in many ways, their members of staff. I am sure that they are the butt of jokes. Anyone who says that he or she works for a Member of Parliament has probably had a very difficult time over the past two months. Staff members are not particularly well remunerated by any normal standards. I would love to pay my staff working in central London considerably more, but obviously I must remain within the constraints of our budgets. We should remember that the interests of staff need to be served as well.

I thank my right hon. Friend the Member for North-West Hampshire for introducing his timely report so swiftly. I hope that it will reflect well, together with all the other various other reports, so that we shall put our House entirely in order in the months ahead. I fear it is inevitable that the press will wish to make much of this, but it is not just the result of a campaign put up by the *Daily Mail* or the *Evening Standard*. These issues are at the heart of many of the concerns of the constituents whom we seek to represent, and we now have it in our power to ensure that we get things right.

3.20 pm

The Leader of the House of Commons (Ms Harriet Harman): I thank the Standards and Privileges Committee for its work. The report is based on consideration of the issues, followed by a consultation exercise. I thank the right hon. Member for North-West Hampshire (Sir George Young) for chairing the Committee and for the clarity with which he introduced the report. As is the convention, we found time for the report to be debated promptly following its publication.

Let me say a little about the background. I remind the House, as a number of hon. Members have done, that on 24 January, before the publication of the report on the hon. Member for Old Bexley and Sidcup (Derek Conway), the House decided that we must deal with the question of our pay and how we decide on it, and also with the question of our allowances.

In respect of pay, we acted on the proposal made many years ago by my hon. Friend the Member for Sunderland, South (Mr. Mullin) that our pay should be pegged to an external comparator, and that there should be an independent review mechanism so that we need no longer vote on our own pay. On 24 January, the House accepted that proposal. Sir John Baker is now conducting a review that will propose a comparator and a mechanism. He is taking evidence, and will produce a report by the end of May. Hon. Members will have an opportunity to vote on his recommendations before the House rises for the summer recess. The process was already in hand before the breaking of the scandal relating to the abuse of public funds by the hon. Member for Old Bexley and Sidcup.

At the same time, we discussed allowances. I made clear then, as I do today, that we ought to treat the matter of our pay—our remuneration—separately from that of reimbursement. We need to ensure that Members can be reimbursed for travelling to and from their constituencies, and that they can be compensated for the extra expense of having two homes, one in London, so that they can represent their constituents at Westminster, and, in the case of out-of-London Members, one in the constituency.

All Members of Parliament also need proper, well-funded offices to support them in their work. If we believe that legislation should be scrutinised properly, they must have proper staff in their offices to assist them with that scrutiny. If we want people to be properly represented in the constituencies and helped with individual case work, there must be a proper staff complement. Remuneration for travel, for living away from home and for staff offices is important. We decided on 24 January that we would refer the question of allowances for a root-and-branch review to the Members Estimate Committee, and, before the issue of the hon. Member for Old Bexley and Sidcup arose, the Speaker's Committee took on the responsibility.

It has been agreed that that should come back to the House by July. I had originally thought that to have a separation between pay and allowances—

Mr. Deputy Speaker: Order. I am reluctant to stop the Leader of the House. I thought that she was giving some brief background to the report, which is tightly drawn, as she will have heard me tell other hon. Members. Perhaps she can bear that in mind when she continues her remarks.

Ms Harman: Mr. Deputy Speaker, you have done exactly the right thing in interrupting me and I will conclude with a couple of sentences.

The right hon. Member for North-West Hampshire has set out the proposals in the report. We need clear rules, good advice from the House authorities, and public confidence in the outcome. I urge all hon. Members to support the motion.

3.25 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): I thank my right hon. Friend the Member for North-West Hampshire (Sir George Young) for the sterling work he does as Chairman of the Committee, and I thank his fellow Committee members, not only for having produced the report so expeditiously but for all the other work they do on that very important Committee. The disclosure requirements complement the broader review that is being undertaken by the Members Estimate Committee, the findings of which will be published just before the summer recess.

My party and I welcome the proposals. It is important that there is transparency in all we do and in how we use taxpayers' money. That is particularly so when family members are involved and are paid from the staffing allowance, which at the end of the day is taxpayers' money. However, I wish to put on record my tribute to the enormous hard work done by family members for hon. Members. I do not employ any family members as part of my staff but I have seen many others who do.

It is important to remember that the job of a Member's personal assistant—if he or she is a spouse—does not end at 5 o'clock; it is not a nine-to-five job. When the Member goes home, so does the spouse, but also so does the personal assistant. The work continues to be done at home, including at weekends. It is important to recognise the work done by spouses.

I also wish to put it on the record that the Leader of the Opposition has already instructed his Front-Bench team that any family members that they employ should be registered, and we welcome the fact that the Standards and Privileges Committee has followed that line. The House will be aware that the Leader of the Opposition has also said that, from 1 April, his Front-Bench team must itemise their spending in terms of the different allowances.

The report is a step in the right direction, towards transparency, and Conservative Members welcome it.

Question put and agreed to.

Resolved,

That this House approves the Seventh Report of the Committee on Standards and Privileges (House of Commons Paper No. 436) on Employment of family members through the Staffing Allowance, and endorses the changes proposed by the Committee in the purpose and form of the Register of Members' Interests.

Road Infrastructure (Boston)

Motion made, and Question proposed, That this House do now adjourn. *[Mr. Alan Campbell.]*

3.28 pm

Mark Simmonds (Boston and Skegness) (Con): I begin by thanking Mr. Speaker for selecting this debate on an issue that has caused a great deal of interest and controversy in my constituency. I am grateful to the Under-Secretary for being here to respond to the debate. I understand that the debate is allowed to continue until 6.30 pm, but I can assure you, Mr. Deputy Speaker, and the Under-Secretary that I shall not keep the House here until then.

It is important that I set out some of the background to this important issue. I wish to put on record some of the important statistics—particularly economic ones—that pertain to the borough of Boston and to south-east Lincolnshire. The borough of Boston covers approximately 36,000 hectares, or 139 sq miles. Most of the area is rural, comprising rich, agricultural fenland. Boston is a sub-regional centre.

The borough of Boston has a population of 53,700, half of whom live in Boston. The population of Lincolnshire and of the Boston and Skegness constituency have increased significantly over the past decade. There has also been a significant increase in the migrant population, who often work in agriculture and horticulture.

The town of Boston is the focus for retail and business activity and the delivery of public sector services for this region of Lincolnshire. It has a commercial catchment population of between 80,000 and 100,000.

There is only one port in the east midlands, and it is in Boston. Regular sailings go to Germany, Holland and Scandinavia, and the port offers a significant range of facilities for container, bulk and sideport services 24 hours a day. The port of Boston handles 750 vessels per annum, which generates significant haulage—I shall return to that point.

There are also significant industrial activities, based around the Riverside industrial estate and other smaller industrial estates. Major companies are located in and around Boston, including Del Monte, Finnforest and Norprint, as are a significant number of pack houses, whose sole job is to pack agricultural produce for delivery to all the main supermarkets around the UK 364 days a year.

It is also important that the House understands the breakdown of the work force in the Boston area. The total work force is approximately 34,000, 29 per cent. of whom are employed in distribution services, 27 per cent. in public services and public administration—approximately 2,000 of them are employed at the main hospital in my constituency, Pilgrim hospital—15 per cent. in manufacturing and 11 per cent. in agriculture, which is one of the highest proportions of agricultural employment in the UK.

As well as being a significant employer, agriculture and tangential businesses clearly create a significant amount of traffic, and not just the obvious vehicles—tractors looking after the farms, and ploughing-in the crops and removing them when ready. Consumers now demand fresh produce from supermarkets 364 days of the year. Lincolnshire produces 20 per cent. of the country's output, resulting in lorries carrying loads to deliver produce to supermarkets. To secure a contract with a supermarket, a farmer or pack house owner must be able to supply produce to it 364 days a year. Given our climate, we cannot grow the produce 364 days a year, so much of it must be imported from elsewhere in Europe—and further afield—and particularly from Spain and Poland, from where it is delivered by road to the pack houses in my constituency and packed before being delivered to the main supermarket chains, all of which generates significant amounts of traffic. There are important wider implications, too: climate change, energy security and the demand for food have combined to make agriculture a strategically important industry.

It is not just the important economic activity in Boston that generates traffic. Boston is also a gateway to the east Lincolnshire coast. Tourism in Lincolnshire is dominated by the coastal resorts of Skegness and Ingoldmells, both of which are in my constituency. There are 3.4 million staying visitors on the east Lincolnshire coast and 13 million day visitors per annum. I acknowledge that not all of them pass through Boston, but a significant number of them do. The east midlands tourism strategy has the ambition and vision that by 2010 tourism will play a significantly greater role in the prosperity of the east midlands, which inevitably will increase traffic flows.

As I am sure the Minister is aware, the primary road network providing access to the east Lincolnshire coast is not good. The A16 from the north and the A52 from the south are two-way single-carriageway routes. In addition, there are almost 30,000 caravans or mobile homes in a tightly drawn zone of coastal hinterland: the largest single collection of mobile homes in Europe. Those mobile homes and caravans contribute to the local visitor economy and meet a clear demand for relatively inexpensive holiday accommodation. The highly popular attractions of Fantasy Island and Butlins in Skegness, which accommodate 12,000 people a week, generate significant traffic flows.

Vehicle movement is stimulated not only by visitors to the east Lincolnshire coast and the economic activity around Boston, but by normal people living normal lives. South-east Lincolnshire is a very rural area, where people have no choice but to use their cars and other motor vehicles. Public transport is extremely limited. In addition to the towns of Boston and Skegness, my constituency alone contains 73 villages. Many people who live in those villages work in the centre of Boston. People have no choice but to use their cars to get to work, to collect children from school, to go to the supermarket and to go about the other business of their daily lives.

All those factors combine to create regular, persistent and significant congestion, not only within Boston, but along the roads leading into it. The Minister will be aware of the impacts of congestion, which include the negative impacts on the town centre as people choose to shop and conduct their business elsewhere. People who live on one side of Boston go to Spalding to do their shopping and people who live on the eastern side of Boston go to Skegness to do theirs, which has had a detrimental impact on business in the centre of Boston.

New businesses that might come to Boston are refusing to locate as a direct result of the appalling traffic. Even more worryingly, some historic Boston-A located businesses are saying privately to me that unless something improves, and because of the additional time and cost in getting their produce and goods to market, they will have no choice but to relocate. The situation causes obvious problems for the emergency services, and constant congestion also leads to high carbon footprints and very poor air quality. In short, the prosperity of the area is being damaged and undermined by the poor road infrastructure.

People may ask whether, as the constituency Member of Parliament, I am alone in feeling passionately about this issue. The answer is definitely no, and there is strong evidence to support that: the petition that I have presented to this House and a petition presented to Downing street earlier today, both of which contained 11,000 signatures from the people of the borough of Boston, and the significant success of the Boston Bypass Independent party in the recent local elections in the borough of Boston, in which it swept all the traditional political parties out of power by winning 27 out of a possible 32 seats and becoming the ruling group. Most of those representatives are here in the Public Gallery to listen to the Minister's response, and they are extremely welcome, as are the other members of the Boston by-pass pressure group. A significant and dedicated group has also worked very hard for a number of years to try to raise this issue and find solutions to this significant problem.

I know that the Minister is extremely diligent, so I am sure that he will have been briefed very thoroughly. I hope that he will therefore be aware that the Lincolnshire structural plan states that Boston

"must encourage the diversification of the economy... by supporting the development of Boston as a retail, heritage tourism, business and service centre for south-east Lincolnshire"

It also states that Boston has

"to invest in the Port."

That will be very difficult to achieve while the town is often gridlocked.

Those aims are also recognised within both the regional spatial strategy and the regional economic strategy for the east midlands. The local area masterplan for Boston, which sets out the future vision for economic development in Boston, concludes that the existing transport infrastructure is the main barrier preventing Boston from developing into a more vibrant urban centre.

In recognition of the importance of the role of transport in supporting economic initiatives at local and regional level, the county council and Boston borough council commissioned a transport study for Boston, covering all modes of transport. The study clearly recognises the need for investment in transport infrastructure to support the continued growth of Boston, with particular emphasis on housing, economic growth and tourism.

I acknowledge that there has been some progress through short-term measures. There has been collective agreement from disparate sources to put £10 million into improved short-term road infrastructure. Turning off the traffic lights at one roundabout in Boston has enabled better flow—a decision that has been universally applauded. New bus routes will go through the centre of town. They are not necessarily universally popular or applauded, but we shall see whether they make a significant difference.

The transport strategy aimed to do four things: to reduce car use for journeys that are wholly within Boston; to improve public transport access and provision; to improve cycling and pedestrian management in the town centre; and to encourage walking and cycling where possible. Those extremely laudable aims could, if combined, make a contribution and a short-term difference. However, in a big rural county such as Lincolnshire, people have no choice but to use their cars and other motor vehicles.

That needs to be put in the context of the projected vehicle number increases. The Department for Transport's figures state that by 2025 across the UK—not just in Lincolnshire—there will be an expected increase in kilometre journeys of 31 per cent. and in congestion of 28 per cent. It is not sufficient to say that short-term measures are a medium or long-term solution—they are not, particularly when they are coupled with the continued population growth in Boston, which has occurred for a variety of reasons, including the relatively low-cost housing and a significant influx of migrant labour working in agriculture and horticulture.

I have come to the conclusion, along with many representatives of local people who are here today and watching in Boston, that the only solution is what is euphemistically called a "distributor road" around Boston. That would provide quicker access to and egress from Boston as well as a quicker route for people who want to travel to the east Lincolnshire coast and back to Boston.

Boston borough council and Lincolnshire county council recognise that they must work together through the local development framework and the Boston transport strategy as well as the local transport plan. Those matters are progressing. A distributor road would aim to remove as much traffic that starts or finishes in Boston as possible. It would thereby maximise the number of opportunities that Boston traffic would have to access the distributor road as an alternative to travelling through the town centre along John Adams way.

As a major part of funding the distributor road, those involved would seek to maximise private sector contributions. That is a significant issue that I want the Minister to engage with, if not today then in the future. I will talk about that in more detail later. We need significantly to improve air quality, including in the air quality management area. Those environmental benefits would have knock-on impacts that would contribute to the improved use of public space in the town centre.

The result, in my view, would be that the town centre would become a more attractive location for residents, businesses and visitors, thereby sustaining its role as a sub-regional centre. The strategy will also act as a catalyst for development opportunities through the town. We will have to integrate a distributor road with new development as the way to redistribute traffic and meet the needs for new development.

As with all such things, there is a further complication. Lincolnshire is at risk of flooding, particularly because of climate change and rising sea levels. The 1953 flood on the east Lincolnshire coast killed 43 people, although

Boston has not flooded significantly in living memory. The latest Department for Environment, Food and Rural Affairs guidance, of December 2006, suggests that from now until the turn of the next century defences along the Lincolnshire coast must allow for a sea level rise of almost 0.95 m, with the annual rate of increase rising from 4 mm a year now to 15 mm a year after 2085.

Some 88 per cent. of land in the fens is cultivated, and the fertile soils account for about half of all grade 1 land in the country, which is the most productive farmland in England. In the borough of Boston, virtually all the agricultural land is grade 1 or grade 2. A successful and sustainable future for the fens is therefore vital to the country, if only for food security. It is imperative that there is sufficient funding to enable authorities to take appropriate action to minimise risk and the impact of future events.

A continued programme of investment in flood defence measures is vital to mitigate the risk of flooding due to the effects of climate change. It would be completely unacceptable for that high-quality agricultural land, which makes such a significant contribution to UK food supplies and to the people who work in that part of Lincolnshire, to be allowed to disappear under the sea. It is inconceivable.

The Environment Agency has played a significant role in its input into the east midlands regional spatial strategy, which recommends that until a coastal study is completed on the role and the future of the Lincolnshire coastal authorities, properly to understand the climate change and flood risk issues, development restraint should be shown. What does that mean? It means that planning for natural growth and associated infrastructure improvement is to be halted, and that proper planning for economic growth and the necessary road infrastructure improvements cannot be undertaken. There is a paradox here: on one hand, the Environment Agency is restricting development and economic and infrastructure enhancement, but on the other it is simultaneously funding the construction of a Boston flood barrage, thereby ensuring Boston's security for the future. It cannot have it both ways.

In the Boston area, which does not have a history of flooding, there needs to be an approach that allows appropriate, sensible growth. Due to the excellent work of the internal drainage boards in and around Boston, the sophisticated pumping systems and the significant and excellent local expertise, it is one of the least likely areas in the country to flood. Of course, all bodies need to work together, and environmental adaptation strategies need to be put in place, but we cannot allow Boston to be frozen in time and wither on the vine.

If the Secretary of State were to accept the recommendations of the panel on the east midlands regional spatial strategy, that would seriously undermine the progress that can be made on establishing a local development framework that will deliver a distributor road. Essentially, all development in the short to medium term would be confined to sites that already have the benefit of planning permission and to brownfield sites in built-up areas. I understand that, even now, the Environment Agency is stopping planning permission for modest residential sites within the curtilage of the built-up part of the borough of Boston, so that there may be no further development.

One could well ask why this is so important. It is vital because a significant proportion of the funding for such a road would have to come from developers' contributions. If there is no development, there will be no contributions and therefore no significant and necessary improvements to Boston's road infrastructure. The stated aim is to use the development framework so that as Boston grows the distributor road is constructed. The people of Boston require central Government buy-in, however, and they will require capital funding to commence the process.

I have three final points. The first is to suggest that the DFT must engage with DEFRA, because there may well be a solution that can provide and improve the road infrastructure and provide necessary flood defences to the borough of Boston. The second is that I want to ensure that the Minister understands the strength of feeling that exists in Boston. I hope that he will agree to receive a delegation from the borough so that we can explain in more detail what needs to be done to improve the road infrastructure and therefore the life and work of everybody in Boston.

My final point is that the Department for Transport should engage with the Department for Environment, Food and Rural Affairs, and therefore with the Environment Agency, to ensure that the latter does not hinder the necessary economic growth, and therefore residential development, that will be required to fund the much needed road infrastructure improvement in Boston.

In conclusion, I wish to re-emphasise the vital role that improving the road infrastructure will have to play if Boston is to continue to thrive as a sub-regional centre of Lincolnshire. Without the improvements in the road infrastructure, there is a real danger that Boston will just wither on the vine.

3.50 pm

The Parliamentary Under-Secretary of State for Transport (Jim Fitzpatrick): I congratulate the hon. Member for Boston and Skegness (Mark Simmonds) on securing the debate. I thank him for not continuing until 6.30 pm, although whatever time we finish here or in our offices, I wager that as an east London MP, I will be home sooner than he will.

The hon. Gentleman graphically and passionately described the traffic problems experienced in Boston. I know from the petition that he presented to the House last December that it is an important issue for local residents. I share his, and their, desire to see accessibility improved. Good transport is essential for a successful economy and society. People travel daily and want a transport system that gets them from A to B safely, securely and without damaging the environment. Businesses rely on transport not only for their work force and customers to use, but to ensure that their goods can be transported quickly and cheaply. As he pointed out in relation to Boston town centre, customers also need to be able to reach retail businesses so that they can flourish.

The challenge for the Government is to frame a transport strategy that not only supports living within our environmental means, but sustains a strong economy. We believe that we cannot simply build our way out of the congestion problems that we face. It

would be environmentally irresponsible and it would not work. We must therefore make our existing transport networks operate more efficiently and in a more environmentally friendly way. Our goal is a road network that provides a more reliable and freer flowing system for users, and where travellers can make informed choices about how and when they travel, and so minimise the adverse impact of road traffic on the environment.

We are investing in the road network through the regional funding allocation, the Highways Agency and the local transport plan process. We are also improving traffic management in our towns and cities, particularly through the powers set out in the draft traffic management Bill, and encouraging the adoption of "smarter choices", through school and workplace travel planning, while also promoting and facilitating public transport, cycling and walking.

Buses are the main form of public transport and are a powerful tool in tackling problems caused by congestion. Increased investment in bus services and improved partnership working are beginning to reverse the decline in bus patronage, but to realise their full potential we need more bus networks that provide flexible and convenient services tailored to local needs and offering a reliable way to travel to and from jobs, schools, shops and other services. Yesterday's successful Second Reading of the Local Transport Bill will help to achieve that. I acknowledge the hon. Gentleman's comments about the new arrangements and the need to wait to see whether they will improve the situation in Boston.

Perceptions of our transport system are, of course, governed by our individual experiences and I fully acknowledge that getting around, into and through Boston is difficult, especially at peak times. As the hon. Gentleman said, responsibility for the roads in Boston rests with the local highway authority, Lincolnshire county council. As he described, it is working with Boston borough council to tackle the congestion problem, and an important consideration is that, as a traditional market town and port, Boston is itself a destination for a considerable amount of traffic. I fully acknowledge that.

I understand that studies by Lincolnshire county council indicate that a bypass would remove less than 20 per cent. of traffic from the town centre. Consequently, Lincolnshire has made no provision for a bypass scheme in its local transport plan, as the hon. Gentleman knows. However, the authorities worked in partnership with local residents to publish, in December 2006, the transport strategy for Boston. That document recognises the need for, among other things, investment in transport infrastructure. Following an analysis of Boston's traffic problems, it proposes a number of transport improvements in the short term—up to 2010—and in the longer term.

In the short term, the focus is on improving public transport by introducing a new in-town service, with bus priority measures and real-time passenger information; improving the A16 and A52 main roads in the town to allow traffic to flow more freely, reducing journey times by up to 30 per cent.; introducing car parking improvements and traffic management measures to smooth the flow of through-traffic in Boston; and introducing measures to encourage walking and cycling. Clearly, none of that will happen without funding, and I am pleased to say that through the local transport plan process, the Department for Transport is playing a full part in supporting transport investment in Lincolnshire.

Not including major scheme and de-trunked roads maintenance expenditure, we have invested £113 million in the county in the past 5 years. Building on that, the county council was awarded £24.6 million for 2008-09 in the LTP settlement last November. That figure will rise to £28.4 million in 2010-11. Drawing on that investment, its own resources, and those of the borough council, the county council has allocated £10 million to fund the short-term works set out in the transport strategy for Boston.

In the longer term, the transport strategy recognises that there is a need for additional road infrastructure—a local distributor road, as the hon. Gentleman said, and not a fully fledged bypass—to provide traffic with an alternative to travelling through the town centre. A local distributor road, partly funded through developer contributions, would aim to ease access to the town centre and remove through-traffic. I understand the view that one way of delivering extra road infrastructure is with developer contributions, specifically for new housing in Boston, but I hear what he says about potential problems with such contributions because of conflicting policy advice. Boston has signalled its interest in housing growth in its response to the Government's invitation for bids for new growth point status.

The borough council envisages that a local distributor road could be a key component of the economic development of the town, but as the hon. Gentleman will be aware, it is not quite as simple as that. As he says, in considering the case for new development in or around Boston, one critical factor that must not be overlooked is the risk of flooding, whether that be from rising sea levels or extreme weather resulting from global warming. I am pleased that, in recognition of the need to consider all the relevant implications of new development, interested parties are working together to devise a coastal strategy that will balance the benefits of regeneration through development with the risk of flooding. I applaud the input of the local authorities—East Lindsey and South Holland district councils, Lincolnshire county council and Boston borough council—which are working with the East Midlands Development Agency, the Environment Agency, the East Midlands regional assembly and the Government office for the east midlands.

The outcome of that work will be crucial in helping to guide future development in and around Boston, and on the entire Lincolnshire coastal strip. However, we must await the completion of the work before we make meaningful judgments on the amount or location of new development. Without prejudice to that work, I would like to spend a few moments explaining the funding process. As I said, responsibility for providing new road infrastructure rests with the local highway authority, which in this instance is Lincolnshire county council. It would be for the county council to take forward the preparation of any scheme and to negotiate with regional partners to secure its place among the investment priorities under the regional funding allocation for the region.

The RFA was introduced by the Government in 2005 to help to integrate spending on transport, housing and economic development, and to give regions a greater voice in investment decisions. Subject to any scheme finding a place in the RFA—I must stress that competition

[Jim Fitzpatrick]

for funds is keen—it would fall to the county council to take the scheme through the Department for Transport's appraisal stages, from programme entry to full approval. When those stages are completed, funding can be drawn down for construction.

I strongly encourage the county and borough councils to continue their effective partnership working to address Boston's pressing traffic problems, and to continue to work with other partners to devise the coastal strategy that will clearly be of fundamental importance to Boston in the longer term. For my part, I can certainly offer the Department for Transport's continued support for Lincolnshire's local transport plan, and the assistance of officials in the Department and also of the Government office for the east midlands, as matters develop.

On my availability for a meeting with the hon. Gentleman and local representatives and residents, given that, as I described, Lincolnshire county council is the first port of call, such a meeting would be of limited benefit, especially as the Department is not the initial decision maker in the process. I am prepared to discuss that with him outside the Chamber, but as I say, the first port of call should be Lincolnshire county council.

Mark Simmonds *rose*

Jim Fitzpatrick: Before I conclude, I am happy to give way to the hon. Gentleman who initiated the debate.

Mark Simmonds: The Minister was prescient in guessing what I intended to ask. I am grateful for his offer of a private discussion, which I will take up, although I am disappointed by his initial reaction to my request for him to meet a small delegation. I envisage representatives of Lincolnshire county council being part of that delegation. There is the view that although Lincolnshire county council and Boston borough council are working well together, there needs to be central Government buy-in to create impetus. I very much hope that after our private conversation, the Minister will reconsider.

Jim Fitzpatrick: I take personal pride, and I know that ministerial colleagues in the Department have the same attitude, in acceding whenever possible to a request from an hon. Member for a meeting. I am prepared to have a discussion outside on the basis that if we can identify the potential of such a meeting—I hear what the hon. Gentleman says about Lincolnshire county council officials being part of the delegation—it may be appropriate to go forward, but I would not want to commit the Department to such a meeting without having an informal discussion with him in due course.

Notwithstanding that qualification, I hope that my response has been helpful to the hon. Gentleman and his constituents. I finish by congratulating him again on securing this important debate for himself and his constituents.

Question put and agreed to.

Adjourned accordingly at two minutes past Four o'clock.

House of Commons

Monday 31 March 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

WORK AND PENSIONS

The Secretary of State was asked

Pensioner Benefits

1. **Rosie Cooper** (West Lancashire) (Lab): What steps his Department is taking to increase the take-up of benefit entitlements by pensioners. [197190]

The Minister for Pensions Reform (Mr. Mike O'Brien): We want every pensioner to claim the benefits to which they are entitled, which is why we are making it easier and more straightforward for them to do so. Pensioners can claim a number of benefits by making a telephone call, and the Department will then send them forms to fill in for council tax benefit. Some pensioners do not send those forms in, so, as from October, the process will be done automatically, obviating the need to send in forms. Pensioners will be covered for state pensions, pension credit, housing benefit and council tax benefit—one telephone call for all benefits.

Rosie Cooper: To what extent does the Department work in partnership with non-governmental organisations that deal with the elderly and with partner organisations such as the health service, which may enable us to target pensioner groups? Does the Minister have any plans to extend that? Over-75s receive free television licences, but do we use that information to ensure that people who are eligible are targeted?

Mr. O'Brien: We have access to information, particularly on winter fuel payments, that covers large numbers of pensioners and gives us quite a lot of data on where they are. We work with Help the Aged, Age Concern, citizens advice bureaux, Community Service Volunteers and others to increase the take-up of benefits, and partnerships have been developed with local authorities, too. The aim is to develop joint working partnerships so that we can raise take-up across all the benefits. There are no official links with the NHS as such—we co-ordinate through Departments, but there are not official links locally. We often receive referrals from GPs, hospitals and carers, and the Disability and Carers Service works closely with the Department of Health.

Mike Penning (Hemel Hempstead) (Con): Will the Minister confirm that many of my constituents who formerly worked for Dexion and had their pensions stolen from them no longer need to take up benefits, because they will receive compensation from the financial assistance scheme? Will he confirm that the Treasury will not—as a result of Government delay in giving my constituents the compensation that they deserve—take up to 40 per cent. tax from my constituents who have got their pensions through FAS?

Mr. O'Brien: The hon. Gentleman will be pleased to know that, this morning, I was able to talk to his constituent, Mr. Humphries, and tell him that we hoped to make an announcement today that the Treasury had agreed that the lump sum payments to be paid to various FAS recipients can be taxed in a way that means that most of those people—it depends on their tax circumstances—will not be pushed into the higher-tax bracket as a result of those lump sum payments, so they can spread their tax payment over time. I am sure that the hon. Gentleman's constituent will welcome that, and that he will, too.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): One of the benefits that pensioners draw, as my hon. and learned Friend will be aware, is the pension element of the industrial injuries disablement benefit. May I draw his attention to the fact that his Department has received a recommendation from the Industrial Injuries Advisory Council relating to men who worked in the screens on the colliery surfaces during the 40 years up to 1983, proposing that provision for COPD chronic obstructive pulmonary disease be extended to cover that group of workers? Will he look urgently at that decision, because the group of men who would claim that benefit are elderly, and we need to ensure that those who are eligible can claim industrial injuries disablement benefit and, in addition, explore whether there is a full and final payment of compensation, similar to that paid to their underground colleagues? It is urgent that that decision be looked at and the recommendation accepted.

Mr. O'Brien: I can certainly assure my hon. Friend that we will look at that as a matter of urgency. He knows that I, too, represent an area with a working colliery and a large mining community, and these matters are important to such communities.

Peter Bottomley (Worthing, West) (Con): There will be a welcome from Members on both sides of the House if that review is successful. Is the Minister satisfied with the situation of men over 60 in relatively low-paid full-time work who are not automatically reminded that they are eligible for winter fuel payment? Will he look at that to see whether he can make a change to procedures?

Mr. O'Brien: We want to ensure that everyone who is entitled to the winter fuel payment registers to receive it. There is a substantial advertising campaign to ensure that we get that take-up, but people have to register. Indeed, they should have registered already to take up the winter fuel payment this year.

Mr. Frank Field (Birkenhead) (Lab): Will the Minister convey the thanks of many Members of Parliament to the Pension Service for the quality of

care it gives many of our constituents? Given that it is the Government's aim to increase take-up, what is his estimate for the coming years of the increased number of pensioners claiming the benefits to which they are entitled?

Mr. O'Brien: I am pleased to be able to tell my right hon. Friend that our target for the year finishing tomorrow was to get 235,000 people on to pension credit. In fact, we have reached 250,000, so we have gone beyond that figure. I have indicated that I want to see it increased during the coming year, so I am pleased to tell him that we are continuing to press to get more people on to pension credit.

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): The Minister says that he wants to increase take-up and I welcome that, but the Budget tells a different story. If the Government were intending to get the benefits to every eligible pensioner, by 2010-11, an extra £1.75 billion would have been allocated in the Budget. Instead, the Budget assumes no increase in take-up over the next three years. How is he getting on with persuading the Treasury that getting the benefits to the pensioners who are entitled to them is not poor value for money, as the Treasury seems to assume?

Mr. O'Brien: We certainly want to get benefits to all the pensioners who are entitled to them. That is one of the reasons why, just before Christmas, I announced the introduction of automaticity, which sounds complicated but basically means that with one phone call a person can obtain four different benefits.

The process of getting the benefits needs to be simplified. One of the problems that we have had in getting people on to pension credit is that we have written to pensioners in some cases, four or five times asking them to apply, and some have chosen not to do so. We cannot force them to apply; it is their decision. However, for those who apply, we can make it easier to get the benefits. That is why, from October, we will introduce the new system of automaticity, where those who get one benefit will get four.

Ms Sally Keeble (Northampton, North) (Lab): Will my hon. and learned Friend explain how the various Departments are co-operating in promoting benefits for pensioners? He will know that take-up of concessionary bus passes is not particularly high. In my area, they are claimed by about 57 per cent. of pensioners. Will the Pension Service remind pensioners of the enhanced benefits of the scheme and encourage them to apply?

Mr. O'Brien: We certainly want everyone who wishes to have a concessionary bus pass to take up that concession. We will rely on local authorities to promote the project. One of the issues is that local authorities in different areas have different start and finish times. Although the Government are promoting a national scheme and paying for a certain proportion of it, some local authorities have felt able to go beyond that and have raised the extra funding from the council tax system. As a result, running a national campaign is a lot more difficult, but there has been plenty of national publicity, MPs and Ministers have been promoting the scheme, and the Government are proud of the fact that we have introduced it and ensured that pensioners can travel on local services around the country at off-peak times. That is something we have done; the Conservative party never even attempted it when it was in government.

Mr. Nigel Waterson (Eastbourne) (Con): Any measures to boost take-up of benefits are welcome and long overdue, but has the Minister made any estimate of the number of pensioners who are forced to use their winter fuel allowance to pay soaring council tax and utility bills and to pay for basic foodstuffs? Is he not ashamed that the latest EU figures show that Britain is fourth from the bottom of the poverty league, so that only pensioners in Spain, Latvia and Cyprus are more likely to fall into poverty?

Mr. O'Brien: We are the party that has lifted more than 1 million pensioners out of relative poverty. It takes some brass neck for Conservatives, who wanted to increase VAT on fuel to 17.5 per cent. and keep pensioners on basic pensions of £69, to say that they are now worried about pensioners. They seem to worry about the poor pensioner only when someone else is in government.

The Government are making winter fuel payments to deal with fuel poverty issues. We are ensuring that people who need help because they are poor are getting pension credit, and that we deal with the issues related to take-up. The Government whom the hon. Gentleman supported did nothing, and he has some brass neck to suggest otherwise.

Mr. John Grogan (Selby) (Lab): Is my hon. and learned Friend considering renaming council tax benefit "council tax rebate", as advocated by Sir Michael Lyons, to increase take-up among pensioners? Would it be possible to link the systems and computers of the Inland Revenue with those of local government to ensure automatic payment of council tax benefit?

Mr. O'Brien: I always hesitate to assure people that it is easy to link computer systems; it is not always easy. However, we work with Her Majesty's Revenue and Customs and the Treasury to see where we can share data to ensure that we get the information we need to target pension credit in particular. After October, pension credit will be linked to council tax benefit, so it will be possible to ensure that people who claim one get the other as well.

Local Employment Partnerships

2. **Anne Moffat** (East Lothian) (Lab): What progress has been made by local employment partnerships in assisting disadvantaged people into work; and if he will make a statement. [197191]

The Minister for Employment and Welfare Reform (Mr. Stephen Timms): Local employment partnerships have started well. The initiative is growing rapidly; more than 600 employers have signed up and more than 200 have already recruited through their partnerships, helping more than 3,000 people into work so far.

Anne Moffat: I thank my right hon. Friend for that answer. Is he aware of a partnership programme in Glasgow, whereby John Wheatley college takes deprived adults from communities and trains them to work in the health service? That has come about because of an innovative and dynamic principal called Ian Graham, who has taken chances to do it. It looks as though the initiative will be a great success.

Mr. Timms: I am pleased to say that I have heard about the achievements of Mr. Graham and John Wheatley college. The March employment figures show how strong the UK labour market is. More people than ever are in work and the numbers on unemployment benefit are down into the 700,000s for the first time since 1975. Local employment partnerships such as the one in my hon. Friend's area will help to ensure that the benefits of a strong labour market extend to disadvantaged jobseekers who have been out of work for a long time. I welcome the progress being made in her area.

Miss Anne McIntosh (Vale of York) (Con): Is the Minister aware that one of the partners, Carter and Carter, I believe—that had been due to deliver on the partnership scheme in North Yorkshire has gone into receivership? What are the implications for North Yorkshire, and who will now deliver on that partnership?

Mr. Timms: I am aware of the problems that have beset Carter and Carter Group plc. However, I can tell the hon. Lady that Newcastle college is taking over the contracts for which Carter and Carter was responsible. She can be reassured that there will be continuity of support for her constituents and others.

Mrs. Claire Curtis-Thomas (Crosby) (Lab): I want to take this opportunity to congratulate the Minister on what the Government have done to get disadvantaged people particularly people with severe learning difficulties, who were totally ignored by the previous Administration, into work. However, getting people with such difficulties into work-based opportunities is still proving a tremendous challenge, for obvious reasons. Will my right hon. Friend agree to meet me and representatives from my local employment partnership, the Shaw Trust and Mencap, to discuss what more can be done locally in Crosby to help such people?

Mr. Timms: Yes, I would be delighted to meet my hon. Friend and representatives of the organisations she mentions. Those organisations have done excellent work, not only in her constituency but elsewhere, under the auspices of the pathways to work programme and other initiatives that we have been supporting. We have been able to make good progress, but I look forward to discussing with her what is happening in her constituency.

Personalised Support

3. **Christine Russell** (City of Chester) (Lab): What steps he is taking to provide personalised support for those out of work. [197192]

The Secretary of State for Work and Pensions (James Purnell): Employment increased last month to a new record high of 29.46 million and claimant unemployment has fallen to its lowest since 1975. Our six different new deals have helped 1.85 million people into work. We are now merging the new deals for jobseekers into a single, flexible new deal to tailor the support to the needs of each person.

Christine Russell: In my constituency, there are now 1.25 jobs for every person of employment age. That is a huge success, but there are still large numbers of people on incapacity benefit who have been out of work for many years, and many of those people have acute mental health problems. Does my right hon. Friend agree that we have to do an awful lot more to help people with mental health problems to get back into training and, ultimately, back into the workplace?

James Purnell: Yes, that is absolutely right. We commissioned Dame Carol Black to consider that issue, and her report of last week gives us a good way of doing exactly that. We will continue to reform incapacity benefit, which we are committed to abolishing. In October, we will introduce the new employment and support allowance, which will be based on what people can do rather than what they cannot. That very much includes people with mental health problems. We are considering how we and the NHS can ensure that we give them the support to get them back into work.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): On Friday, I visited the Pertemps agency in West Bromwich and was very impressed with the fact that it has got 910 people, many of them long-term unemployed, back to work since last April. It was obvious from my discussions that barriers to employment relate not only to skills, but to psychological, cultural and a range of other factors. Will my right hon. Friend assure me that when the Government look to get people into work, their approach takes all those factors into account?

James Purnell: Yes, I can give my hon. Friend that assurance. That is exactly why we will involve the voluntary and private sectors in delivering personalised support to each of those individuals and will pay by result so that they have the freedom to decide how to get people back into work, but will be rewarded on the basis of how they do so.

Mr. Mark Harper (Forest of Dean) (Con): The Secretary of State has said that the Government will reassess all existing incapacity benefit claimants between 2010 and 2013. How many extra pathways to work opportunities will there be over and above those already announced to help those who are reassessed, where that is appropriate?

James Purnell: As the hon. Gentleman knows, we are extending pathways to work to the whole country from this April. I believe that his party has exactly the same goal as us on incapacity benefit. The Conservatives have announced that they want to match our goal of getting 1 million people off incapacity benefit, and we

welcome their support for our policy. I hope that he will now stop promising completely non-existent welfare reform savings.

Child Poverty

4. **Ian Lucas** (Wrexham) (Lab): What steps his Department is taking to tackle child poverty. [197193]

8. **Ann McKechin** (Glasgow, North) (Lab): What steps his Department is taking to tackle child poverty. [197197]

The Secretary of State for Work and Pensions (James Purnell): On Budget day, we published "Ending child poverty: everybody's business", reaffirming the Government's target of halving child poverty by 2010 and eradicating it by 2020. The measures announced in the Budget will invest an additional £950 million and reduce child poverty by a further 250,000 children by 2010-11. Combined with announcements in last year's Budget and pre-Budget report, that means an extra 500,000 children will be lifted out of poverty.

Ian Lucas: I particularly welcome the Government's decision, announced in the Budget, to disregard child benefit for the purposes of council tax benefit and housing benefit claims from 2009. What steps will be taken next year to highlight that with all child benefit recipients?

James Purnell: My hon. Friend is right that this is a vital move towards making work pay, and I congratulate him on his campaigning on the issue. I believe that his early-day motion 1736 called for this last year, so he has clearly had a big influence on Government policy. It is a good thing that he has, because this measure, combined with others, means that 250,000 children will be lifted out of poverty. People will not have to apply for it—it will happen automatically—but we will ensure that they know that it, combined with other measures, means that work really does pay and that they can lift their family and children out of poverty.

Ann McKechin: As my right hon. Friend will be aware, it is also important that we have appropriate complementary as child care and early intervention policies. I understand that he will soon visit Scotland and, very much hope that he will be able to visit Glasgow, where there are a number of very successful projects. Will he ensure that he clearly puts the message across to the Scottish National party Administration that they need urgently to consider their refusal to promise all vulnerable two-year-olds a place in nursery school, which had been promised by the previous Labour Administration, and that they need to do much more in prioritising child care support, which has received little attention?

James Purnell: That is absolutely right. I look forward to visiting Glasgow and seeing the innovative work of the Labour council. It is shocking to hear that the SNP is not committed to lifting children out of poverty. If it genuinely believes that this issue needs to be addressed, it must not cut child care but ensure that it matches our policy of having a contract out of poverty whereby the Government put in place the right support through the tax and benefits system but parents do their bit as well, as regards their responsibilities.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): It was estimated 18 months ago that the Government would need to put in an extra £4.5 billion per annum if they were to have a 50:50 chance of meeting the 2010 target. The £950 million figure is welcome, but does it not mean that there is no chance of meeting the 2010 target?

James Purnell: No, the Government are committed to meeting the target, and the announcement in question was widely welcomed by the child poverty lobby. It means that we will be able to lift a further 1 million children out of poverty. That is an extraordinary achievement in itself, but we will continue to do everything we can to meet the 2010 target, and to eradicate poverty by 2020.

John Bercow (Buckingham) (Con): Children and young people with special educational needs are among those most obviously at risk of poverty. Of course, as the hon. Member for Glasgow, North (Ann McKechin) said a few moments ago from the Government Benches, early intervention is of the essence, but some people need help later on.

Given that the Department for Children, Schools and Families is committed to raising the education leaving age, what discussions has the right hon. Gentleman had with his colleagues in that Department about the importance of ensuring that continuing support is made available, not least through the Connexions service, so that those people have a good chance of escaping from poverty and ensuring that their children do not go on to suffer it?

James Purnell: The hon. Gentleman is absolutely right and his work on the issue is widely recognised throughout the House. He will be glad to know that there is a joint unit working between my Department and the Department for Children, Schools and Families because we recognise that this is a two-way bargain: the Government put in place the right support through the tax and benefit system, and the education and nursery systems help people to lift themselves out of poverty and get the skills that they need to succeed in life.

We need to ensure that disabled children are helped, which is why we try to ensure that people claim disability living allowance. We also need to look at the needs of teenage mothers. We have announced a pilot to look at how we can provide them with more support, in combination with the Foyer system, to ensure that they can be lifted out of poverty as well.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my right hon. Friend agree that although the Government have done much to eradicate child poverty, there is much to be done? It is a difficult proposition. However, he now has the talents of David Freud in his Department, and I wonder whether he could carefully apply David Freud's talents to consider a more joined-up approach to child poverty over many more years.

James Purnell: We are, of course, implementing David Freud's recommendations, and my hon. Friend is right to say that he is advising the Department on exactly how to do that. We welcome anyone's thoughts on how to abolish child poverty and we shall look to work with the child poverty lobby and anybody else on refreshing our strategy to meet the goal of taking children out of poverty by 2020.

Andrew Selous (South-West Bedfordshire) (Con): We in my party also want to see child poverty ended by 2020, but believe this vital objective is being undermined by the Government failing fully to recognise and tackle some of the deep-seated causes of child poverty. So, do the Government agree that while poverty contributes to parental separation, single parenthood is also a major cause of poverty? A reduction in the couple penalty would be socially just, so that marriage was no longer increasingly the preserve of the middle classes, which last week's figures from the Office for National Statistics show to be the case.

James Purnell: I have real respect for the hon. Gentleman, but, frankly, I find that question hypocritical enough to be almost unbearable. The Conservative party is not even

Mr. Speaker: Order. Please withdraw the term "hypocritical". The right hon. Gentleman is referring to a Member of the House.

James Purnell: I withdraw it, but the hon. Gentleman

Mr. Speaker: Order. "I withdraw" — no buts.

James Purnell: I withdraw. The party of the hon. Member for South-West Bedfordshire (Andrew Selous) will not even sign up to the goal of abolishing child poverty. It has no policy to deliver on that, and it voted against the measures in the Budget. As he knows, those in his party are not committed to that goal, and that difference between what they try to say and their policies will be exposed between now and election day.

Carers

5. **Helen Jones** (Warrington, North) (Lab): What progress has been made on reviewing support for working carers; and if he will make a statement. [197194]

The Parliamentary Under-Secretary of State for Work and Pensions (Mrs. Anne McGuire): The carer's allowance earnings limit was increased to £95 a week in October 2007. The current review of the national carers strategy is looking in depth at the full range of support that is provided to carers, including working carers. This is being done in consultation with carers and the organisations that represent them.

Helen Jones: I thank my hon. Friend for that answer and for her personal commitment to solving the problem. It is widely agreed that carers who can and want to should be able to combine their caring responsibilities with paid employment, which is beneficial for them and society, so will she ensure that the review looks not only at the earnings limit, which remains low, despite the increase, but at making it easier for working carers who qualify for carer's allowance to claim it without having to make trips back and forth to the benefit office every week, as many of them have to do?

Mrs. McGuire: I thank my hon. Friend not only for the question, but for the way she has championed carers' rights over her years in the Commons. I am sure that she will be delighted to know that one of the taskforces will consider wider issues of employment — not only income and benefits, but how carers can be encouraged and supported to balance their caring responsibilities and employment. Of course, we are always looking at ways to make the application process for our benefits far more straightforward.

Mr. Philip Hollobone (Kettering) (Con): Carers do a wonderful job and save the state hundreds of millions of pounds every year. Does the Minister recognise that demographic change, especially in counties such as Northamptonshire, means that many more very elderly people in our local populations will require greater support?

Mrs. McGuire: We are all aware that there is a demographic issue about caring responsibilities. That is why I would have hoped that the hon. Gentleman welcomed the Prime Minister's establishing the review of our national carers strategy, which will obviously take into account some of the demographic issues that the hon. Gentleman highlighted in relation to not only his constituency, but the whole country.

Miss Anne Begg (Aberdeen, South) (Lab): Does my hon. Friend agree that one of the best ways to support carers to get into work is to provide good quality respite or day care? She will not be surprised to find out that Aberdeen city council, as part of the £27 million of cuts in its budget, is closing day centres and taking away day care, thus probably making it much more difficult for many carers in Aberdeen to carry on with their work. It has done all that without undertaking any disability impact study on the consequences of its decision.

Mrs. McGuire: It is astonishing, given the statutory requirement under the disability equality duty, that a local authority has not conducted an impact assessment of the change in its services. My hon. Friend and my hon. Friend the Member for Aberdeen, North (Mr. Doran) are working hard to ensure that Aberdeen council faces up to its responsibilities. If there is anything I can do to assist, I would be only too delighted to help. This is an interesting decision by an alliance of the SNP and Liberal Democrats in Aberdeen.

Chris McCafferty (Calder Valley) (Lab): Does the Minister accept that many carers can and wish to work only part time, and that those for whom they care would often prefer to be cared for in-house when their permanent carer is out at work? During the review, will she look carefully at enabling long-term carers to afford such provision?

Mrs. McGuire: All those issues have been raised as part of the review of the national carers strategy. Of course, the strategy is a cross-governmental development. As well as the issues for which the Department for Work and Pensions is responsible, including employment and income, we are working closely with the Department of Health, which is examining some of the social care issues. Carers' organisations and carers have raised the very issues that my hon. Friend mentioned.

Lone Parents

6. **Willie Rennie** (Dunfermline and West Fife) (LD): What safeguards his Department plans to put in place to ensure that lone parents who cannot find suitable child care will not be required to take up jobs under the jobseeker's allowance regulatory framework. [197195]

The Minister for Employment and Welfare Reform (Mr. Stephen Timms): We will be amending regulations to increase the discretion of Jobcentre Plus advisers, so that a lone parent claiming jobseeker's allowance will not be penalised for leaving or failing to take up a job on the ground that appropriate, affordable child care is not available.

Willie Rennie: I thank the Minister for that response, but what assurance can he give lone parents that additional costs, such as free or half-price transport in London and the free school meals entitlement under income support, will be taken into account in those calculations, too?

Mr. Timms: My right hon. Friend the Secretary of State and I met lone parent support groups last week and we discussed how the amendment to the regulations to which I have referred might work. Jobcentre Plus will support parents looking for child care and will recognise that other costs might be incurred as well. We want to maximise the opportunity for work and the contribution of work to reducing child poverty. The hon. Gentleman will acknowledge how big that contribution potentially is and how much children's well-being is improved when their parent is in work. That is the aim of the change that we are making.

Kerry McCarthy (Bristol, East) (Lab): The Minister will know that for many lone parents the problem is not so much finding work as the issue of churn of entering jobs, but finding themselves unable to cope and having to give them up. I welcome what he said about ensuring that child care is taken into account when the conditionality of JSA is considered. Many lone parents will have had bad experiences of struggling with child care, so what steps will be taken to ensure they know that they will not be penalised if they have child care problems, so that they do not act as a disincentive to entering work?

Mr. Timms: My hon. Friend has taken a lot of interest in the matter, and I welcome the points that she and the lone parent support organisations have made. We are considering the precise form that the regulations will take. She will know that all local authorities in England and Wales will be required from next month to ensure that there is sufficient child care to meet the needs of working parents, particularly those on lower incomes. By 2010 we want all schools to be extended schools. Advisers will be given the discretion to ensure that lone parents will not lose out if no appropriate affordable child care is available for them.

Miss Julie Kirkbride (Bromsgrove) (Con): But could the Minister tell the House whether he considers there to be any forms of work that might be inappropriate under the regulations? For example, would it be appropriate to ask a lone parent to do a considerable amount of evening and night work, bearing in mind that their children would be at school all day and not see their parent in the evening, but be left to the child care that the Minister thinks appropriate?

Mr. Timms: These are matters that advisers will be able to take into account. Lone parents should be able to be good parents as well as enjoy the benefits of employment. There is clear evidence not only that families are better off when a parent is in work, but that their children's well-being is improved.

Mr. Brian Jenkins (Tamworth) (Lab): My right hon. Friend realises that it is not just lone parents, but all parents who sometimes experience difficulties in finding suitable child care. Will he make it a duty for local authorities or even jobcentres to keep a directory of available child care? Will he also publicise that directory and make it available to the people out there seeking the best child care for their children?

Mr. Timms: My hon. Friend makes an interesting point. It is likely that local authorities will want to do that, because all local authorities in England and Wales will from next month be required to

"secure sufficient childcare to meet the needs of working parents".

Local authorities will certainly want to ensure that information about that provision is widely available in their areas.

Jobcentre Plus

7. **Ben Chapman** (Wirral, South) (Lab): What proportion of telephone calls to Jobcentre Plus were answered in the most recent period for which figures are available. [197196]

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt): In February 2008, Jobcentre Plus contact centres answered 95.4 per cent. of the more than 1.4 million calls offered, therefore comfortably exceeding the 90 per cent. target.

Ben Chapman: Although I commend Jobcentre Plus for the progress that it has made and for the targets that it has met, 5 per cent. of unanswered calls cut off with a message saying "Ring back later", is still a lot of people. Given that they are people desperately seeking work, when can we eliminate the 5 per cent. unanswered rate?

Mr. Plaskitt: The 98.4 per cent. rate is very high. In the case of first contact, which involves people calling to arrange a benefit for the first time, which is perhaps the most urgent task that the centres have to perform, the answer rate is 98.1 per cent. Call managing and queue-busting systems have been introduced in the system and work effectively, but Jobcentre Plus is implementing further improvements to those schemes in June. I can also tell my hon. Friend that the whole system has been externally validated and has proven comparable to the best available anywhere in the private sector.

Mr. Andrew Mackay (Bracknell) (Con): I am not quite sure of the Minister's definition of an answer. For my constituents, who have to rely on the regional office in Canterbury, the problems are still great. They would just laugh if they heard the answer to that question.

Mr. Plaskitt: Well, the local offices that are part of the benefit delivery centre do not at the moment have the exact same call management system that the call centres use. [Hon. Members: "Ah".] I was referring earlier to the call centres. The benefit delivery centres do not have the same system but they are planning to introduce it, and it will be in place by this summer, so they will be able to implement the system of call management and queue-busting that I referred to in the answer I gave to my hon. Friend the Member for Wirral, South (Ben Chapman). In any event, notwithstanding the absence of the precise measurement system, we believe that most benefit delivery centres are also hitting the 90 per cent. rate.

Incapacity Benefit

9. **Mr. David Evennett** (Bexleyheath and Crayford) (Con): How many people had been on incapacity benefit for more than five years at the most recent date for which a figure is available. [194198]

The Minister for Employment and Welfare Reform (Mr. Stephen Timms): Last May, the number of people who had been claiming incapacity benefit for over five years was 1.23 million, and it had fallen in the previous quarter.

Mr. Evennett: I noted the Minister's reply to my hon. Friend the Member for Forest of Dean (Mr. Harper). However, of the 2.6 million people claiming incapacity benefit, 1.8 million began claiming during the past 10 years, since 1997. Does the Minister agree that the past 10 years have been a missed opportunity, in which not enough people of working age have been helped back to work? Surely we need real welfare reform now.

Mr. Timms: No, I certainly do not agree with that. The real scandal is that the number of incapacity benefit claimants more than tripled under the Tory Government, when the hon. Gentleman was a Government Member; incapacity benefit was used, for a long period, to disguise rising unemployment. We have reversed the position; the number of people claiming incapacity benefit is coming down for the first time in decades, thanks to the success of the reforms that we have introduced, including the pathways to work programme. Our aim is to reduce by a million the number of people receiving incapacity benefit by 2015. I had hoped that the hon. Gentleman would welcome the progress made.

Mr. Terry Rooney (Bradford, North) (Lab): My right hon. Friend will be aware that one of the key tools for helping incapacity benefit claimants back to work is the permitted work rules, but there are four separate permitted work regimes, which is very confusing for people. Will he today promise to look at that and will he try to come up with a simple, single system that is easy for people to take advantage of, and to understand?

Mr. Timms: My hon. Friend has raised the issue before, and my right hon. Friend the Secretary of State will be writing to him about it shortly. I can confirm that we are looking into the very point that my hon. Friend raises.

Dr. Brian Iddon (Bolton, South East) (Lab): My constituent Mr. McCarthy-Fox, is concerned to ensure that work capability assessments are carried out by people who understand disabilities such as his. How will serious physical disabilities such as blindness and learning disabilities such as Down's syndrome be taken into account in those assessments, and when will my right hon. Friend publish the criteria for conducting the interviews?

Mr. Timms: My hon. Friend will know that the regulations for the employment and support allowance were published last week, and the work capability assessment is an important part of the process. We developed the procedures in close discussion with disability organisations. I think that it is widely recognised that the arrangements that will be put in place, including the work capability assessment, will be a considerable improvement on the current personal capability assessments. My hon. Friend is absolutely right, of course, that we need to make a proper and accurate assessment of all the conditions that people applying for the employment and support allowance may have, and I hope that when he looks at the details he will see that the new arrangements are a considerable improvement on the old one.

Older People

10. **Jim Sheridan** (Paisley and Renfrewshire, North) (Lab): What steps his Department is taking to encourage employers to recognise the contribution of older people in the workplace. [194199]

The Minister for Pensions Reform (Mr. Mike O'Brien): On Thursday I visited Heritage Glass in Shrewsbury, where the youngest salesman is 60 and the oldest is 73. The company has found that its business has been boosted by employing older people. The Government are encouraging employers to employ older people as part of a mixed work force, and to challenge some of the ageist myths that some still believe. The Employment Equality (Age) Regulations 2006 prohibit unjustified age discrimination in employment and training.

Jim Sheridan: I thank my hon. and learned Friend for that response. He will be aware that Glasgow city council recently announced that any school leaver wishing to take up an apprenticeship will be guaranteed that option, but that will work only if local employers and the elderly work force play their part. Some elderly skilled members of the work force currently on disablement benefit are more than capable of passing on their skills and talents to future generations. Will my hon. and learned Friend agree to meet like-minded Labour colleagues to talk through the issues, so that we make sure that people who have skills pass them on but do not lose their benefits?

Mr. O'Brien: It is important for us to ensure that skills can be passed on, and I should be happy to meet my hon. Friend to discuss that. I can also tell him that my right hon. Friend the Secretary of State will visit Glasgow shortly and meet members of the city council, and that he will have an opportunity to discuss the project and some of the issues that my hon. Friend has raised.

Welfare to Work

11. **Mr. Graham Allen** (Nottingham, North) (Lab): What recent progress has been made in implementing city strategies on welfare to work. [197200]

The Secretary of State for Work and Pensions (James Purnell): The city strategy pathfinders are committed to increasing employment in their area, and have agreed targets for the client groups on which they concentrate. The pathfinders have now moved into the delivery phase, and are rolling out their business plans.

Mr. Allen: Does the Secretary of State agree that local strategic partnerships have an important role in bringing together health, skills, children's services, and communities and neighbourhoods? Does he agree that such linking and joined-up work is necessary at national level too, involving Departments other than his own and relating to housing in particular? The new proposals to enable single parents in socially registered housing who are using the Foyer scheme to return to work is one of the most important initiatives that I hope the Secretary of State will be able to encourage—and will he also ensure that he makes the time to visit Nottingham?

James Purnell: As my hon. Friend knows, I am looking forward to visiting Nottingham on 22 April. He is right in saying that local strategic partnerships have a key role to play. I congratulate him on his own role as chair of his local strategic partnership, which is one of the leading partnerships in implementing our employment city strategy. He is also right in saying that we need to work closely with other Departments at national level. That is why we introduced the working neighbourhood fund, which brings together funding from my Department and from the Department for Communities and Local Government so that with a single fund we can target the problem together.

Topical Questions

T1. [197214] **Mr. Simon Burns** (West Chelmsford) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Work and Pensions (James Purnell): As a result of our announced extension of the financial assistance scheme, some people will receive FAS payments for a past period. Concern has been expressed that those people might be in a higher tax band. I am pleased to say that, as my right hon. Friend the Minister for Pensions Reform confirmed earlier, that will not happen. My officials are currently working with their colleagues in HM Revenue and Customs to establish how the work will be carried out.

Mr. Burns: I thank the Secretary of State for his explanation. Can he tell us whether his target for eliminating child poverty is actually a target, or more of an aspiration?

James Purnell: The Conservatives should stop digging themselves into a hole. It is a target, and, as we have reaffirmed, we are committed to it. In the Budget we announced just under £1 billion of spending to take another 250,000 children out of poverty. The outrage is that the Conservative party voted against those measures.

T3. [197216] **Jim Dobbin** (Heywood and Middleton) (Lab/Co-op): It is estimated that 1.5 million people's lives have been destroyed by involuntary tranquilliser addiction leading to long periods of mental ill health. A man whom I met recently had been on tranquillisers for 45 years. Those people want to work, but cannot do so. As far as I am aware, the only primary care trust that has introduced a withdrawal programme is Oldham. Will the Secretary of State encourage his Department and the Department of Health to study the Oldham model with the aim of getting some of those people off prescription drugs and back to work? That would improve their quality of life, and would reduce the benefits bill as well.

James Purnell: My hon. Friend has identified a serious problem, on which I know he has campaigned for some time. He will be glad to know that Dame Carol Black's review commits my Department and the Department of Health to working together closely on the issue, and that Dame Carol will use that work to ensure that we can help people with mental health problems. We are also working on our drug strategy to ensure that we can provide better support for people who wish to return to work.

Chris Grayling (Epsom and Ewell) (Con): Why is the Secretary of State providing free job advertising for sex clubs?

James Purnell: As the hon. Gentleman knows and as has been explained on many occasions, we advertise any jobs that are legal. I am sure that he would do exactly the same.

Chris Grayling: I have a selection here of adverts currently appearing on Jobcentre Plus websites. Many of them advertise jobs for the national minimum wage and they are quite clear—this one, in particular, says:

"Duties require the successful applicant to be nude/semi nude".

I regard asking women to work, naked or semi-naked, on the national minimum wage as exploitation. Why does not the Secretary of State share that view and why does he continue to condone Jobcentre Plus supporting vacancies like that?

James Purnell: In that case, if the hon. Gentleman believes that and he wants to have the means to live up to those ends, he will introduce proposals to ban those adverts. At the moment, it is legal and Jobcentre Plus obviously has a duty to comply with anything that is legal. The hon. Gentleman, however, has no proposals to do anything any differently.

T7. [197221] **Mr. Kevan Jones** (North Durham) (Lab): I know that on quite a few occasions some parts of the Government have difficulty talking to other parts, but will the Minister explain why staff working on the MPs' hotline for the Child Support Agency cannot speak by telephone to the Bolton office, but have to put any matters in writing, which is leading to many delays? I have raised the matter previously in a written question, so may I urge the Minister, when he looks further into the issue, not simply to accept what his civil servants tell him? Clearly, even a year later, the problem is still going on.

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt): I am grateful to my hon. Friend for raising that problem. As he knows, there were a series of problems with the Bolton office for a while, but in many cases, we have seen improvements. I have myself spoken to officials who are working on the MPs' hotline. I will take my hon. Friend's point seriously and I promise to look into it further for him in the light of what he has said.

T6. [197219] **Mr. Anthony Steen** (Totnes) (Con): If the Home Office has its way, migrant domestic workers will have a non-renewable six-month visa and will be unable to change employers. Is that not a recipe for increasing domestic abuse and trafficking? If the women come forward, they will be sent back home; and they cannot get another job because they will have only a non-transferable six-month visa. For a Government who are supposedly committed to stamping out trafficking, is that not an extraordinary proposal from the Home Office? Will the Minister do something about it?

The Minister for Employment and Welfare Reform (Mr. Stephen Timms): I pay tribute to the hon. Gentleman's work as chair of the all-party group on the trafficking of women and children. As he knows, we are committed to implementing the Council of Europe convention on action against trafficking before the end of this year. My Department is working very closely with the Home Office and others on exactly how those arrangements will work. The convention envisages a two-step process and we are looking at granting a resident's permit in the second stage. We will discuss the details with the Home Office, so I would be interested to receive any representations from the hon. Gentleman about the detailed form that any such regulations should take.

T8. [197222] **Ben Chapman** (Wirral, South) (Lab): Given that £133 million has been spent on developing systems within the CSA, can those of my constituents who are currently on the old formula expect to be transferred to the new formula at a relatively early date?

Mr. Plaskitt: As my hon. Friend knows, because of the IT problems that have tended to plague the agency ever since its inception, transfer from one funding regime to another has not been possible to achieve. As we move towards the introduction of the new commission to replace the existing agency, we have set out that movement towards an integrated maintenance calculation will begin in 2010.

Mr. Graham Stuart (Beverley and Holderness) (Con): The Secretary of State knows that the Conservative party is committed to the eradication of child poverty by 2020, yet he claims that it is not. The Secretary of State knows that the Government will not meet their child poverty target in 2010, yet he maintained in the House today that it will be met. I put it to him that, as an internal document from the Department for Work and Pensions, published in February this year, says:

"Despite effective policies these targets are unlikely to be fully met".

Will the Secretary of State come clean today and tell the House the truth—that the targets will not be met on current policies?

James Purnell: If the hon. Gentleman read his documents more carefully, he would know that that was before the Budget, which announced an extra £1 billion, which Conservative Members voted against. If he also read his own party's documents, he would know that the Conservatives are not committed to ending child poverty; they talk vaguely about an aspiration, but have no policy to deliver it. They have tried to say that they will find more money from the working tax credit, but that was going to come from £3 billion of welfare savings, which are no longer there. The Conservatives now need to come clean and admit that they have no policy on child policy and that they would make no difference to it.

T9. [197223] **Christine Russell** (City of Chester) (Lab): My right hon. Friend the Secretary of State will be aware that family support workers who work out of children's centres, alongside community midwives, health visitors, nursery staff and so on, do an excellent job in reaching out to those families who have often been beyond the reach of traditional services. They also do an excellent job in helping lone parents to get back into training and work. Will my right hon. Friend give an assurance that his Department will support the retention of family support workers in children's centres, unlike the Conservative party, which wants to get rid of them?

James Purnell: I can give my hon. Friend that assurance, and I can go further: she will be glad to know that we will ensure that we pilot the use of Jobcentre Plus advisers working in children's centres, so that when parents take their children to get support there, they also discover how they can find

opportunities to work. So we are making sure that we have both health and children's services working hand in glove with the services from the Department for Work and Pensions and from Jobcentre Plus.

Mr. David Heath (Somerton and Frome) (LD): The Minister was talking earlier about getting people on the blind and partially sighted register back to work. Does he accept that it is actually far better and more cost-effective to keep people, particularly those with degenerative eye diseases, in work while they are still capable of working, rather than their losing their jobs? That needs support and the provision of adaptations. Is that a priority for the Department?

The Parliamentary Under-Secretary of State for Work and Pensions (Mrs. Anne McGuire): I have discussed the issues that the hon. Gentleman raises with the organisations that represent blind and visually impaired people. He is quite right to suggest that one of the issues that we need to consider is how we maintain people in employment when their vision is deteriorating, as it does for many working people. He can be assured that we are working to ensure that people are maintained in employment for as long as possible, because one of the major issues that we face is that, if people drop out of employment, it is far more difficult for them to move back into it.

Mr. Ronnie Campbell (Blyth Valley) (Lab): When the Minister tries to get people back to work, which he is undoubtedly trying to do, will he take it a little bit easy on the older members of our society, such as miners and shipyard workers who are about the age of 60 who have most probably worked all their life in hard industry and are crippled with arthritis? One of my constituents is being chased to go back to work, and he is 61. I think that it is a bit much.

James Purnell: Of course we want to provide more support for those who are in greatest need. My hon. Friend may have seen that we announced last week that we will provide extra support for people who are the poorest and most disabled. People who are in the support group of the employment and support allowance will be an extra £16 a week better off. That shows that our reforms are about two things: helping people who can work back into work and providing more support for those who need more help.

Greg Clark (Tunbridge Wells) (Con): Can the Secretary of State say why the number of people in severe poverty—5.2 million—is the highest that it has been in 27 years?

James Purnell: The hon. Gentleman keeps banging on about those figures, but he knows perfectly well that the Office for National Statistics has said that they are not reliable because the sample is too small. It is interesting to hear him talking in today's questions, because I believe that, last week, he told *The Guardian*—his favourite paper—

Mr. Speaker: Order. I must stop the Secretary of State. It is for him to give an account of his stewardship, not to talk about an hon. Member speaking to *The Guardian*.

David Taylor (North-West Leicestershire) (Lab/Co-op): Further to the earlier question from my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan) about employers encouraging older people in the workplace, one in four of UK adults are, like me, over the age of 60; will the Minister say whether he believes that each tier of our right hon. Friend's Government is adequately represented in that regard? Will he urge the Prime Minister to ensure that the special contribution of the over-60s is better reflected in future reshuffles?

The Minister for Pensions Reform (Mr. Mike O'Brien): Good question. I am sure that I can pass on my hon. Friend's observations to the Prime Minister.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): Will the Minister comment on grants of up to £3,000 to purchase vehicles being made available to foreign nationals working in the UK?

James Purnell: I am very happy to make inquiries into that matter. Obviously, we have a Motability scheme to support disabled people to drive. I do not think the matter the hon. Gentleman raises is one for my Department, but if he writes to me, I will be happy to look into it.

Mr. Mark Hendrick (Preston) (Lab/Co-op): Will the Minister for Pensions Reform tell us how much better off pensioners are under this Government?

Mr. Mike O'Brien: There is a bit of a difficulty for the following reason. We have been quoting figures that the average pensioner household will be £1,500, or £29 a week, better off, but last week the Conservative party published its own document, which is well worth looking at—

Mr. Speaker: Order.

Mr. Henry Bellingham (North-West Norfolk) (Con): Further to the question by my hon. Friend the Member for Tunbridge Wells (Greg Clark), the living in poverty figure is 5.2 million—that is an Office for National Statistics figure. Will the Secretary of State now answer my hon. Friend's question, because he has passed the buck a number of times today?

James Purnell: Child poverty is down by 600,000, and pensioner poverty is down by more than 1 million. That is in contrast to the record of the Conservative Government, under whom both went up.

Miss Anne Begg (Aberdeen, South) (Lab): Last week, the Secretary of State made an announcement about the employment and support allowance. Will he tell the House how important that allowance will be, in giving both support to those who cannot work and help to those who can work?

James Purnell: That is exactly right. It will mean £16 more for the most disabled people. They will not be required to work, but as a consequence of the benefit changes we are introducing they will have much more support to get back into work, and much more income as well.

Heathrow Terminal 5

3.31 pm

Mrs. Theresa Villiers (Chipping Barnet) (Con) (*urgent question*): To ask the Secretary of State for Transport to make a statement on the problems occurring for passengers at Heathrow terminal 5 and the security measures in place at the terminal.

The Parliamentary Under-Secretary of State for Transport (Jim Fitzpatrick): I thank the hon. Member for Chipping Barnet (Mrs. Villiers) for providing the opportunity to make a statement on the problems occurring for passengers at Heathrow's terminal 5. The Secretary of State sends her apologies for being unable to respond to the question herself, but she is on a pre-arranged regional visit; I believe that the hon. Lady and the hon. Member for Lewes (Norman Baker) are aware of that.

Heathrow's new terminal 5 opened to the public on Thursday 27 March. The terminal is operated by BAA plc, but British Airways is the sole airline using it. On 27 March, BA moved to T5 the majority of its short haul operations, which accounts for about 400 flights per day and some 34,000 passengers.

The management of terminal 5 is an operational matter for British Airways and BAA, but that does not mean that the Government are not taking a keen interest in seeing that the difficulties T5 has faced since it opened last week are addressed and resolved as quickly as possible. On its first day in operation, T5's bespoke baggage system was affected by a number of issues. First, there were technical software problems, but more significantly BA's challenge was integrating teams of staff, and it has been addressing this as a priority.

After 27 March, the baggage system became clogged as more bags were checked in than were being placed on aircraft. On a number of occasions, the system stopped functioning, which led to planes taking off without some or all of their luggage. BA has had to cancel short haul flights to ease the pressure on the baggage system. By the end of the weekend, some 28,000 bags had been placed in temporary storage. BA drafted in 400 volunteers over the weekend to help sort those bags and estimates that it will take up to a week to get them back to their owners.

The issue is mainly a problem for departing passengers. BA has advised that the incoming arrival bag times have been coming down steadily over the past few days and the average first bag time is now seven to eight minutes. That is as good, if not better, than for other Heathrow terminals.

As the Secretary of State has made clear, we expect BA and BAA to work together to ensure that solutions are found and that there is as little disruption as possible to passengers. Department for Transport officials have been in touch with BA and BAA at a senior level throughout. The Secretary of State spoke to the chief executive of BA, Mr. Willie Walsh, and to Mr. Colin Matthews, chief executive of BAA, on Saturday, and I visited the airport on Sunday to see the situation at first hand.

We have also been assisting BA, where appropriate given the necessity of maintaining effective security, in optimising all its security screening options, to help it tackle the backlog of bags that have yet to be reunited with their owners.

As our discussion document "Towards a Sustainable Transport System", published last October, makes clear, we want a much greater emphasis on the needs of transport users. Passengers should expect airline and airport operators to deliver a good standard of service; so, although we recognise the considerable challenges in opening a major new terminal, we agree that it is extremely regrettable to say the least that passengers using T5 have had to suffer an unacceptably poor travel experience. Although I am convinced that T5 will ultimately prove to be a significant benefit to the passenger, there is no denying that delivery so far has fallen well short of expectations. What struck me on Sunday was just how devastated individual staff members were, from chief executives through to staff on the shop floor, that this had gone badly wrong. They were working hard to restore their own pride, as well as that of the operation, as was shown by, among other things, the number of volunteers who were helping.

The important thing now is to put things right. BA's and BAA's focus must not be deflected from resolving the problems affecting T5 and ensuring that the passenger experience improves significantly as a matter of urgency. That includes ensuring that those passengers who have been affected by disruption receive, at the very least, the assistance and compensation to which they are legally entitled. It is in both BA's and BAA's interests to work effectively together to deliver the necessary improvement. The travelling public are not mainly interested in who is to blame for which particular failing, but rather in being treated properly when things go wrong and in seeing real progress towards the high standards of customer service to which both BA and BAA aspire. Once T5 is on track, we will press both operators to identify the lessons learned and to explain their plans for ensuring that good service standards are not only delivered but maintained.

Before concluding, I must comment on security at T5. As one would expect, I am unable to go into detail on the specifics of issues raised in the last few days, but I would like to reassure the House that the Government enforce a sophisticated airport security regime, which delivers many layers of protection to the travelling public. The Department works closely with airport operators to ensure that standards are met, and officials have worked particularly intensively at Heathrow in recent weeks, given the opening of T5. That is normal in respect of security when a new terminal comes on line and helps to identify any areas that require improvement. The Department then works with the operator to ensure that swift action is taken to ensure that appropriate mitigation is in place. The process has been no different with T5. Let me assure you, and the House, Mr. Speaker, that aviation security is of the highest priority for the Government.

In conclusion, we accept the reality of the problems facing passengers using T5, we are monitoring the situation very closely to encourage BA and BAA to address the issues and we stand ready to assist in any way if it is appropriate to do so.

Mrs. Villiers: Thank you, Mr. Speaker, for allowing this urgent question.

Since terminal 5 opened for business in the early hours of Thursday morning hundreds of flights have been cancelled, thousands of bags have been delayed or have gone missing, and thousands of passengers have suffered severe inconvenience and frustration. Both BA and BAA have let down their customers badly and, yet again, the state of Heathrow is a national embarrassment.

Even more worryingly, yesterday's newspapers reported that Department for Transport inspectors had managed to bypass security checks on nine occasions during trials of the terminal's new systems and that the terminal's alarm system was not working properly. Will the Minister tell us what tests were carried out in relation to T5's security systems in advance of the opening? Will he give us the results, including details on the number of times inspectors were able to bypass security checks? What steps were taken to remedy the problems revealed by the tests carried out? Were the tests re-run and, if so, what was the result? Is it true that the fingerprint checks were dropped shortly before the terminal's opening to switch to a photographic recognition system? It is hard to believe that there would have been enough time to test that system appropriately in the short time available.

The Secretary of State said of T5 that "this building exhausts superlatives." At the launch, she said:

"Terminal 5 is a bold statement of intent for Heathrow's future."

She continued:

"It sends out a message that together we are working to make Heathrow a world-class airport again."

Given the impact of the project on our image overseas, to what extent did she or the Minister challenge BAA and BA about the adequacy of their preparations before the opening of T5? Did the Secretary of State or her officials scrutinise the plans that those two companies had for the first week of operation of such a crucial project for our national interest? How confident is the Minister that the problems will be resolved by the time terminal 4 flights switch to the new terminal? Is he confident that BA and BAA have kept passengers adequately informed during the crisis and given the best advice on the right compensation? Is he sufficiently confident that BAA's renovation of Heathrow's other terminals will be completed on time? What steps are being taken to ensure that the problems of the past week will not recur when the terminals reopen?

What steps are being taken to ensure that BAA and BA plan properly for the huge influx of passengers during the 2012 Olympics? A repeat of the fiasco of the last few days would be a disaster for the 2012 games and would leave the country a laughing stock around the world. Surely a company faced with real competition would be less likely to make basic and complacent mistakes such as leaving staff without an overflow car park facility on the most important day for Heathrow for a decade.

Does the Minister agree that the calamitous events of the past few days have strengthened the case for breaking up BAA's monopolistic grip on airport capacity in the south-east? Does he agree that the time has come for the Competition Commission to proceed with the break-up? Finally, will the events of the past few days give the Government any cause to reconsider whether BAA is capable of managing the project to construct the third runway and sixth terminal that the Government are dead-set on building regardless of whether crucial environmental questions are answered or not?

How can the Minister or the Secretary of State possibly hold BAA to account effectively on all the critical questions that I have asked? How can they get tough on BAA's performance on T5 when the Department has actively colluded with the company to fiddle the figures on Heathrow expansion? The cosy relationship between the Labour establishment and BAA on a third runway is notorious and means that the Government cannot possibly be objective in judging BAA's lamentable performance during the opening of terminal 5.

Jim Fitzpatrick: The hon. Lady has asked a series of questions and I shall try to respond to as many as I can. First, I rebut the allegation of collusion. The consultation that the Department recently concluded in respect of the expansion of Heathrow was based on the 2003 White Paper that followed years of examination of whether we could meet the strict environmental standards that we laid down on noise, emissions and access. We were confident that those standards could be met and that is contained in the consultation documentation—the matter is out for consultation. Of course, the hon. Lady will have the opportunity to discuss the issues on Wednesday afternoon, when the Liberal Democrats have a half-day Opposition debate on Heathrow. I suspect that we will deal with the issues in more detail then.

Fingerprint checks were not dropped as a matter of security, but there were questions about the system's efficacy and BAA decided not to proceed with it at that time. That was not a matter for the Department for Transport or for TRANSEC. We had no reason to believe that the plans for T5 would not work. The building—I believe that we all monitored its progress over recent years—is an exemplary, of British engineering, architecture and construction. It is a magnificent structure. Officials of the Department for Transport, BAA and BA are always in regular contact and we had no reason to believe that it would not work. We were confident about that and we were sure that the terminal would operate effectively.

This has been a great disappointment. As the hon. Lady said, national pride has been dented. Her Majesty opened T5 to national fanfare and delight in early March. The following week, when the A380 arrived for its first flight, many of us believed that Heathrow had turned a corner and that the bad publicity of recent years would turn into positive publicity, notwithstanding the importance of scrutiny as regards the expansion. Clearly, that was not the case.

The hon. Lady asked about compensation. The European Union's denied boarding and cancellation regulations set out an airline's responsibilities to passengers in the event of long delays on departure or the cancellation of flights. It is the responsibility of British Airways to comply with that regulation with

regard to the delays and cancellations experienced at terminal 5 in the past few days. From our discussions with the airline, it is clear that it is aware of its responsibilities under those regulations, and is endeavouring to comply with them. The Civil Aviation Authority is monitoring the situation to ensure that that happens.

The 2012 Olympics will be a matter of great national pride. We are very confident that we will be able to deliver the Olympics as outlined, on time, and we have no reason to believe that that will not be the case. Incidents such as T5 serve only to reinforce our resolve to ensure that we redouble our efforts and that the 2012 Olympics are a huge success.

I believe that ultimately, and within a short period, terminal 5 will be a source of great national pride. It is a magnificent building; the services within it are top of the range in terms of passenger experience, and we believe that BA and BAA will be able to show that off to the world in very short order.

John McDonnell (Hayes and Harlington) (Lab): Will the Minister join me in congratulating my constituents who work at Heathrow, who, despite the job cuts in recent years and despite BAA trying to attack their pension fund before Christmas, nevertheless loyally turned out in large numbers, many of them volunteers, to help the travelling public? May I ask him to start thinking again about the future expansion of Heathrow, given the grotesque incompetence of BAA in managing the terminal 5 project in recent weeks and given that all the Government's policies have been based upon the advice of BAA?

Jim Fitzpatrick: I am very happy to acknowledge the role of all those working at Heathrow, who have tried to put the situation right. As I said earlier, one thing that struck me in speaking to staff members at all levels within BA and BAA was the damage to their self-esteem, and the fact that they were taking it personally that the systems had failed them. They were working extremely hard to try to correct the situation, as was evidenced by the number who volunteered to come in and do so.

The role of BAA in the consultation exercise was that it advised and supplied information. We set out in the 2003 White Paper that, for the economic interests of UK plc, we needed to increase the capacity at Heathrow, and that BAA had a role to play in that exercise. We did not accept all that it sent us without checking it. We have our own experts and officials in the Department who ensured that what BAA supplied was double-checked and that the evidence that we produced in the consultation exercise was Department for Transport information, not BAA information.

On BAA and its competence, I believe that we all know that the Competition Commission is to report on the operation of BAA in 2009. It would not be appropriate for me to comment on that matter at this point.

Norman Baker (Lewes) (LD): The events of the past few days represent a disgraceful inconvenience to passengers, reflect extremely badly on BA and BAA and are a national disgrace. I notice that the terminal 5 website still shows BA's chief executive, Willie Walsh, describing it as

"an extremely sophisticated baggage system with a terminal built around it."

It reminds me rather more of the legendary sign at Oslo airport, which says:

"We take your luggage and send it in all directions."

How could the new terminal open with cancelled flights, parking problems, staff shortages and non-functioning escalators on day one? Will the Minister contrast that fiasco with the smooth opening of St. Pancras International, and perhaps conclude that members of the public, when they can, might be better taking the train, particularly given the lower carbon emissions associated with rail?

The Minister mentioned compensation. Is he aware that the CAA has indicated that it believes that British Airways has breached EU legislation on passengers' rights by limiting compensation and expenses? What action will he take to ensure that BA provides its passengers with the compensation to which they are entitled as soon as possible?

What guarantee can the Minister give us that when there is a big surge in people wishing to travel by air this weekend, with the school holidays coming up, people will not be subject to cancelled flights, long delays and lost baggage at terminal 5?

On security, how did BAA and the Government get themselves into a position where their plans to implement the fingerprinting of passengers were criticised by the Information Commissioner and had to be withdrawn at short notice? Why were they not checked in advance? Will the Government ensure that we have good security at Heathrow without resorting to the type of police state measures that some of the Minister's colleagues are all too keen on?

Finally, does this not show that the Government are wrong to accept the word of BAA and BA and their assurances when it comes to major infrastructure projects of national importance? Will the Government learn that lesson and commission independent research into the proposals for a third runway rather than relying on BAA to write their consultation paper for them?

Jim Fitzpatrick: In my past few answers I tried to rebut the allegation that BAA wrote our consultation document for us. That is patently not the case; it is a Department for Transport document and we stand by that. I hear what the hon. Gentleman says about the British Airways website. I am sure the company heard it too and is no doubt correcting the website at the moment. I shall not criticise BA for that being the last thing it is paying attention to, because the company is trying to make sure that the operation at T5 is corrected and improved to serve passengers. That is where the focus ought to be.

I believe I answered the point about compensation; the CAA is monitoring the situation and British Airways is clearly aware of its responsibilities under the EU's denied boarding and cancellation regulations and is endeavouring to comply with them. Obviously, members of the public will be able to check on various websites for advice on how best to proceed.

[Jim Fitzpatrick]

On the hon. Gentleman's advice that people choose rail rather than air, we see rail as a major success story for the country. The Government are investing £88 million a week in rail travel, as we know. The public make their own decisions, and as rail operation has improved respective percentages for Manchester to London travel via rail or air have been reversed. However, that does not obviate the need for air travel to different parts of the world, or indeed different parts of the country, if necessity arises.

We are disappointed about what is happening at the moment, but we are confident that ultimately terminal 5 will be a massive addition to Heathrow and a matter of national pride. We all acknowledge that it is not there yet, but people are working hard to try to make sure that it is as quickly as possible.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): While I sympathise with Her Majesty's Government's efforts to get those two private companies to run their businesses efficiently, is it not true that in fact the United Kingdom's reputation suffers from such a major fiasco? Will the Minister press both BAA and BA to answer some simple questions? How much training was given to baggage handlers? What facilities were available for people to get to work efficiently and on time? What is the real timetable for putting things back into operation after these disasters? If we do not have the answers to those questions soon, not only will the problem continue but it will continue to make Heathrow a disaster area.

Jim Fitzpatrick: My hon. Friend, who as we all know chairs the Select Committee on Transport and is held in high regard throughout the whole House, identifies the fact that damage to Heathrow is damage to UK plc. That is the very reason why we support expansion at Heathrow; running at 98.5 to 99 per cent. capacity it does not serve the UK as well as it should. Without expansion the UK will continue to suffer and that will affect our economic ability to compete on the world stage.

My hon. Friend raises absolutely appropriate points in respect of analysis and a post-mortem into what went wrong. As I said in my original remarks, the priority at present is for BA and BAA to continue to work hard to correct what has gone wrong, but we shall want to see the lessons, to know why things went wrong in the first place so that we can be assured for the future. I know that my hon. Friend and her Committee will take a keen interest in these matters, and we will share as much information as possible with her as it arrives.

Mr. John Randall (Uxbridge) (Con): The Minister did not answer the questions asked by my hon. Friend the Member for Chipping Barnet (Mrs. Villiers) about security, which, of course, is a Government responsibility. Will he confirm that his officials were able to bypass security at terminal 5 on a number of occasions? What weaknesses did they discover, what has been done about it, and were they tested again?

Jim Fitzpatrick: I apologise to the hon. Lady for not responding to that specific point. I tried to note down her questions, and I accept that I missed that one.

There have been reports of weaknesses in the security system, which were identified beforehand. I can assure the House, notwithstanding the fact that I am not likely to go into the detail of security arrangements from the Dispatch Box, that TRANSEC and the Department would not have given the green light to T5 to open if we were not satisfied that the security arrangements in place on 27 March were adequate to protect members of the public. We are proud of the security and protection that we afford the travelling public, and those issues that were identified as requiring attention were either addressed or being addressed, but they were not a reason not to proceed with the opening.

Mrs. Claire Curtis-Thomas (Crosby) (Lab): My hon. Friend will be aware that Heathrow is the busiest international airport in the world bar none, and that that project constitutes a £4.2 billion investment. I stand to defend my engineering colleagues involved in the project, they have done an outstanding job, and we draw on the best in the world. I accept the inconvenience that the problem has caused passengers, but does my hon. Friend accept my point, on behalf of the industry that I am proud to represent, that this is a teething problem that will pass? Lessons will be learned, and the technology that we have developed in relation to Heathrow will be sold to other parts of the world, which regard T5 as a major flagship project for avionics.

Jim Fitzpatrick: My hon. Friend's professional background and expertise are well known in the House. I fully agree with her enthusiasm and confidence that these are teething problems but, none the less, they are serious for those individuals who have been delayed, whose flights have been cancelled, and who have lost their luggage. Notwithstanding the confidence of BA and BAA that they can sort the matter out given time, those problems ought not to have arisen, so they are trying to address them as quickly as possible.

I certainly hope that what we all believed and expected to be the case will come to pass, and that T5 will be the jewel in Heathrow's crown. T3's frontage and reception area have improved beyond recognition while this has been going on, and there is a new Virgin reception area, too. There have already been improvements at Heathrow, and they continue to be made. What happened in the past week is disappointing, but everyone is working hard to make sure that it is corrected as quickly as possible.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): May I, too, pay tribute to the front-line BA staff whom I saw at Heathrow terminal 5 on Thursday? They were operating in exceptionally difficult circumstances, with little information and absolutely no sign of any senior management at that stage. Staff demoralisation is nothing new—it has been happening for years—and last week's shambles was just a consequence of that.

Will the Minister impress on BA the fact that there is tremendous frustration, particularly in Scotland, that every time BA gets it wrong, it is always the domestic services, especially those to Glasgow, Edinburgh and

Aberdeen that are cut first? That is bad for Scotland, it is unfair treatment for Scottish passengers, and it must not be allowed to continue.

Jim Fitzpatrick: The hon. Gentleman outlines the fact that the situation is unacceptable both generally and to his constituents in particular, and I fully agree I have said repeatedly in the past 27 minutes that we are doing everything we can to assist and ensure that the situation is rectified. I would quibble with him, however, over one small point. Notwithstanding the efforts and endeavours of front-line staff, to whom I paid tribute, both when I replied to my hon. Friend the Member for Hayes and Harlington (John McDonnell) and in my opening remarks, senior managers are working hard. When I was at Heathrow, I met Colin Matthews, Gareth Kirkwood and Mark Bullock, who had been working extended hours with ordinary staff members. They are responsible they are the management—and were expected to be there, but they were working shoulder to shoulder with their colleagues, including volunteers, doing everything they could to put the situation right. I have no reason to doubt that that stretches through all levels and ranks in the organisations.

Miss Anne Begg (Aberdeen, South) (Lab): I was there last Thursday, and I think we should get a badge saying, "I survived T5". Unlike the hon. Member for Orkney and Shetland (Mr. Carmichael), I, luckily, managed to get on a plane and take off. It was delayed by only an hour and a half, and I now realise how lucky we were. Notwithstanding all the problems with the baggage, there were other problems last Thursday, and I hope my hon. Friend will look into them. I must have been the first wheelchair passenger to enter the lift that takes passengers from to the gate down to the side of the plane. I know that I must have been the first, because when I asked the wheelchair services lady who came to pick me up where we had to go, she replied, "How would I know? This is the first time I've ever been here and you're my first job." That lift did not work, so we had to find another. There are obviously problems across the whole terminal that need to be looked into. I hope my hon. Friend will get it sorted. We had great hopes that terminal 5 would sort some of the problems that we have been facing from British Airways. That is why we are so disappointed and upset about what happened last Thursday.

Jim Fitzpatrick: I am disappointed to hear of my hon. Friend's experience. A great deal of effort has gone in from the Department, BA and BAA to deal with mobility issues and to address the challenges that will be faced by people who have disabilities. To hear that there was a lack of preparedness is extremely disappointing, and I will make sure that I communicate that personally to the appropriate senior management.

Justine Greening (Putney) (Con): Does the Minister accept that the shambles at terminal 5 raises serious questions over the further expansion of Heathrow? The issues that have been raised by Members across the House are ones that can be fixed, but they highlight wholesale problems—not just with the baggage system, but with lifts, the car parking system and a range of other things. What if BAA has got its calculations wrong not just about lifts, but about air pollution, public health or congestion? Those cannot be fixed by expanding the airport. Will the Minister assure the House that he will look at the post mortem and pause to consider whether he should plough ahead with the expansion and carry on regardless?

Jim Fitzpatrick: As I said, I am sure that we will look at the issues in depth on Wednesday, although that does not in any way make the hon. Lady's question anything other than appropriate. I assure her that any information that was fed to us was checked by the Department. As I have said on several occasions today and previously, the documentation that was published by the Department for Transport as part of its consultation exercise is our documentation: we stand by the figures that we have published.

We fully recognise that the experience at T5 over the past few days does nothing to inspire confidence in the aviation sector, and we will have to work very hard to repair the credibility and the damage. However, as I have also said, the expansion of Heathrow is of fundamental importance to the economy of the United Kingdom. We believe that we have demonstrated that. It must take place and we have demonstrated how it can take place with the environmental protections that we have laid down in respect of emissions, access and noise. We are confident that, when we analyse the consultation—which, as the hon. Lady knows, is being undertaken at present—and publish our findings in the summer, our validation will be proved to be correct.

Mr. Eric Joyce (Falkirk) (Lab): I was one of a number of Scottish colleagues who had the privilege of looking at the interior architecture of terminal 5 last Thursday. Once we had finished doing that, we did it again, because there was plenty of time. Does my hon. Friend agree that that shows how terminal 5, when it is fully functioning, is a vital economic asset to the whole of the UK—Scotland, Wales, Ireland and England, including London?

Jim Fitzpatrick: I am grateful that my hon. Friend admired what he saw last week, perhaps at greater length than he had anticipated. I, sadly, missed the official opening over which Her Majesty presided, as I was here, waiting to debate the private Member's Bill promoted by the hon. Member for Putney (Justine Greening), but we did not get that opportunity. Sunday was the first chance that I had to see T5 open and completed since I went to see it when it was still a bit of a building site some three months ago. My hon. Friend is right: it is a magnificent building. As my hon. Friend the Member for Crosby (Mrs. Curtis-Thomas) and others said earlier, it is a feat of engineering. It ought to be something of which we are extremely proud. I am sure that we will be proud of it in due course, although, sadly, we are not able to express that admiration at present.

Stewart Hosie (Dundee, East) (SNP): Fortunately, I fly to Dundee from London City airport, and I am truly grateful for that. However, I understand that one in six of all air journeys from Scotland—more than 3 million passenger journeys a year—go to Heathrow. It is a vital business gateway. I am sure that the Minister has the quotes from the business community

[Stewart Hosie]

immediately when the chaos happened. The Federation of Small Businesses Scotland said:

"It is an open secret that flights to and from Scotland are the first to be scrapped in order to clear the backlog".

The Scottish Chambers of Commerce added:

"It seems once again that services to and from Scotland are suffering disproportionately."

These things happen from time to time, so will the Minister make representations to BA and BAA that, should events such as these occur again, essential business services to Scotland from whatever airport will not be disproportionately affected in favour of other flights?

Jim Fitzpatrick: I should declare an interest; as the hon. Gentleman knows, London City airport is in my constituency. I am pleased that he was using it and I hope that he enjoyed the experience.

The question of flights and routes from Scotland to London airports is raised fairly regularly by hon. Members on the Government Benches, as well as by Opposition Members. I know how important those routes are, particularly to the business community in Scotland. Obviously, they are a matter for commercial decision, although there are some protected routes by virtue of criteria that are laid down. We will always listen to representations when concerns are raised, and the hon. Gentleman has stated that of which we are all aware.

Several hon. Members *rose*

Mr. Speaker: Bob Neill—*[Interruption.]* Brian Binley.

Mr. Brian Binley (Northampton, South) (Con): You are very kind, Mr. Speaker. I am grateful, although slightly bemused—but thank you.

Last year, I raised this very issue with the Prime Minister. I said that it was absolutely necessary to cut delays at our national airports, particularly at Heathrow.

Jim Fitzpatrick *indicated assent.*

Mr. Binley: I see the Minister nodding, and I am grateful that he remembers that occasion. The Prime Minister said that he would take on board all the points that I made. In particular, he said that he would pass on to BAA his

"desire for proper staffing at Heathrow to make it easier and more convenient for people to undertake their journeys."—[*Official Report*, 14 November 2007; Vol. 467, c. 686.]

How was the promise kept? Why did it have so little effect? Will the Minister assure me that he will now get involved, on a detailed and regular basis, to stop this immensely harmful incident from doing any more damage to Britain's industrial and commercial interests?

Jim Fitzpatrick: Like everybody else in the House, the hon. Gentleman knows that the Prime Minister is a man of his word. That promise would have been kept by the PM; I am sorry that I have not spoken to him directly about it. However, I assure the hon. Gentleman that the Prime Minister was no less disappointed than he or I at what unfolded at Heathrow last week and was no less embarrassed than those who were working at and operating Heathrow.

The matter is of national significance and importance; as many right hon. and hon. Members have said, Heathrow is absolutely pivotal to the UK's economy. It is our major international hub and the gateway through which many of our business partners travel. If Heathrow is not functioning, the UK suffers. That is why we are committed to expanding at Heathrow; operating at 98.5 to 99 per cent. capacity is just untenable. I fully accept the hon. Gentleman's criticism. The Prime Minister is personally involved, to make sure that the matters are addressed as quickly as possible. Furthermore, as I outlined previously, my right hon. Friend the Secretary of State has also been involved.

On the question of the Heathrow consultation, I should like to clarify that although, as I have said, we are confident of the analysis in the consultation document, no decisions have been made. The responses are being analysed and will inform final policy decisions. That is exactly what we have been saying since the consultation process started. The analysis is ongoing. We will report back to the House in due course, once the analysis has taken place. We hope to report by the summer, because Heathrow is far too important to Britain.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): I have listened to my hon. Friend's responses to the points raised by Members from Scottish constituencies, but there is a more serious issue in relation to some of the northern English airports. There is no competition between Newcastle and Heathrow. Air travel is vital for the economy nationally and even more vital for our regional economy. Can we have some competition, or better regulation, to ensure that flights between Heathrow and Newcastle are not disproportionately affected? At the moment, any time there is a problem, as with Aberdeen, Edinburgh, Glasgow and, sometimes, Manchester, Newcastle flights are cancelled or badly delayed.

Jim Fitzpatrick: I can only sympathise with the points raised by my hon. Friend. I do not think that I can add to what I said to the hon. Member for Dundee, East (Stewart Hosie). I understand and I am sensitive to the position, and I fully empathise, but these are operational matters, and airlines and airport operators obviously need to take account of customers' feelings when problems arise.

Susan Kramer (Richmond Park) (LD): I wonder whether the Minister recognises that the shambolic opening of T5 is just the latest in a series of operational mismanagement experiences from BAA and BA and other members of the aviation industry. In the past, they have used the excuse that lack of runway capacity has caused trouble at Heathrow. Does he recognise that it is time to be less gullible and not to take those statements, or the information that has been provided to him by the industry, at face value, and to understand that that is not the cause of the problem and that the whole expansion project needs to be thought through again?

Jim Fitzpatrick: I thought that Her Majesty performed a magnificent opening of T5 on 14 March. The terminal's going live last week was obviously a completely different occasion. I have tried to answer the points raised by the hon. Lady in respect of the information, data, evidence and science that we have published in the consultation documents. It is our information, and we stand by those publications. This is a matter not of being gullible but of trying to protect UK plc.

Miss Anne McIntosh (Vale of York) (Con): The Minister will be aware that for transit passengers from the north of England and Scotland this whole scenario is an unmitigated disaster. I think that he said that 26,000 bags were still to be reconnected to their passengers. International legislation does not permit those bags to travel by passenger plane unless they are accompanied on the same flight by the passenger. How does he propose to get round the problem of reuniting the bags with the passengers?

The Minister did not respond to the question about rolling out the next set of improvements with the closure of terminal 2. Passengers using terminal 2 will be filled with horror by the prospect of having to go through terminal 5 when that happens.

I entirely endorse

Mr. Speaker: Order. Only one supplementary is allowed; there are several there already.

Jim Fitzpatrick: The hon. Lady raises an appropriate point. There is an additional security complication by virtue of passengers having been separated from their bags. As I said in my opening remarks, arrangements are in place to ensure that those bags can be reunited with their owners at the location to which they have flown. I am afraid that I cannot go into further security detail as to how that is being accomplished, but I can assure her that it is being done.

Dr. Vincent Cable (Twickenham) (LD): Since BAA is in a financially precarious position following the acquisition by Ferrovial, what are the Government's responsibilities at Heathrow in the event that the situation should deteriorate further, leading to possible insolvency?

Jim Fitzpatrick: We are confident that Ferrovial and the investment in Heathrow is secure. We do not believe that it will go into insolvency or that there will be difficulty in its fulfilling the investment plans and the improvements to Heathrow to which it is committed.

Mr. Philip Hollobone (Kettering) (Con): Is not what we have here, as with Network Rail and the disastrous overrunning of the new year engineering works, the inability of managers at middle and senior management levels to manage projects effectively? Given that the Government will not have a second chance with the Olympics, may we have a major Government inquiry into why project management skills for some of our flagship projects have proved so woefully inadequate?

Jim Fitzpatrick: The hon. Gentleman raises the obvious point that we need to identify why these situations happen, what went wrong, and how we can prevent such situations from happening in future. As I said to my hon. Friend the Member for Crosby (Mrs. Curtis-Thomas), we will be asking for those lessons to be communicated to us, and we will discuss the matter with BA and BAA in due course. I am sure that, as always, the hon. Gentleman will take a keen interest in these matters.

Points of Order

4.14 pm

Mr. Gerald Howarth (Aldershot) (Con): On a point of order, Mr. Speaker. I am conscious, as is the whole House, that you are extremely vigilant in seeking to protect the interests of the House to ensure that important announcements made by Ministers are made first to the House rather than to the media. This morning, the Ministry of Defence announced by way of a written ministerial statement that it has signed a contract with a consortium called AirTanker for the future strategic tanker aircraft. That contract was foreshadowed in 1997 as the largest private finance initiative the Ministry of Defence has produced, worth about £13,000 million.

The MOD announced in February 2005 that it had selected AirTanker as the preferred bidder, yet it was only today that it issued a written ministerial statement. In fact, there was a press conference to tell the press all about the matter at 2 o'clock last Thursday. I wonder whether you could advise me on what I might do, Mr. Speaker. I learned that there was to be such a press conference at 1 o'clock when I was attending a conference organised by the Society of British Aerospace Companies. I asked my office to check with the Ministry of Defence, and the noble Baroness Taylor sent me a letter, in which she said:

"Due to the rapid pace of the final stages in closing this complex commercial and financial deal, it has not been possible to follow the normal parliamentary protocols in making this announcement."

However, the fact is that not only has this process been in gestation for 10 years, but the company concerned, Thales, produced a draft press release last Wednesday, in which there was a reference to the Secretary of State for Defence.

Mr. Speaker: Order. The hon. Gentleman has made his point of order. I strongly disapprove of press conferences on matters that should come to the House first. I can tell the hon. Gentleman that I am going to look into the matter; I take it very seriously. I shall get back to him and, of course, the House.

Mr. Howarth: Further to that point of order, Mr. Speaker. May I thank you very much for that? There will be occasions on which there are contractual difficulties, but in those circumstances Opposition spokesmen and others concerned ought to be advised by telephone.

Mr. Speaker: Order. In a sense, the hon. Gentleman should not push his luck. The Speaker is agreeing with him, and when the Speaker agrees with him, he should leave it at that.

Mr. Howarth: Thank you, Mr. Speaker.

Lembit Öpik (Montgomeryshire) (LD): On a point of order, Mr. Speaker. I believe that we are just about to move on to the housing legislation. I seek your guidance on what we might be able to do to extend the amount of time we have to debate it. Currently, given the limitations of time and the enormous number of amendments that have been submitted, we have 73 seconds per amendment. Is there anything that we can do to give the Government a kick so that we have enough time to ensure that the housing crisis is not compounded by a crisis of scrutiny of one of the most important pieces of housing legislation that we have ever discussed?

Mr. Speaker: I have a great deal of sympathy with the hon. Gentleman, but as he might know, certain things are within my powers, and certain things are outwith them. He should take up such matters with the usual channels. Housing is very important in my constituency, and I well understand how he feels.

Simon Hughes (North Southwark and Bermondsey) (LD): I heard exactly what you said, Mr. Speaker, but further to the point raised by my hon. Friend the Member for Montgomeryshire (Lembit Öpik), you were in the Chair when the Leader of the House said twice that, when significant numbers of Government new clauses and amendments were put forward on Report, she would look at whether there could be injury time, as it were. She repeated that last Thursday. I think that I am right in saying that there are 18 Government new clauses and 18 Opposition new clauses, but more Government amendments than Opposition ones. Have you had any indication, Mr. Speaker, that the Leader of the House is willing to come back to the House today, and would you allow her to come back as soon as possible to make a statement about proposed changes so that we do not have such a nonsensical procedural mess again?

Mr. Speaker: The hon. Gentleman's complaints strengthen the case that I made. This is a matter for the House and for the Leader of the House. He should be taking it up with her. As far as statements are concerned, the Leader of the House is always welcome to come and make statements, but that is up to her.

Housing and Regeneration Bill *[Ways and Means]*

4.19 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): I beg to move,

That, for the purposes of any Act resulting from the Housing and Regeneration Bill, it is expedient to authorise

(1) provision about the fiscal consequences of transfer schemes, and

(2) consequential amendment of fiscal legislation.

The Bill abolishes three existing bodies—the Commission for New Towns, the Urban Regeneration Agency and the Housing Corporation—and transfers their responsibilities, liabilities and assets to two new bodies: the Homes and Communities Agency and the Office for Tenants and Social Landlords, or Oftenant. The two new bodies will operate only in England. Any existing functions and assets of the CNT in Wales will be transferred to Welsh Ministers.

Clauses 53 and 67 and schedule 6, which we will discuss later, provide for schemes under which properties, rights and liabilities can be transferred. In any statutory reorganisation, a tax charge might arise on the transfer of assets and liabilities between the predecessor and successor bodies unless specific provision is made to the contrary. It is general Government policy that such transfers should be tax-neutral—the transfers should not give rise to a gain or a loss. The new bodies should be entitled to any tax reliefs and allowances that applied to their predecessors immediately before the change. The Government amendments make such provisions and ensure that the reorganisation of statutory functions can take place without unwanted tax consequences.

The Government amendments also ensure continuity of trade, so that the Homes and Communities Agency and Oftenant are afforded the tax treatments that are currently provided to the Urban Regeneration Agency and the Housing Corporation. The ways and means motion authorises the relevant provision.

4.21 pm

Lembit Öpik (Montgomeryshire) (LD): I do not disagree with the motion, but it is ironic that time is allocated for that one item but not so much for the rest of the Bill. How can we decide, given that we have not considered the detail of the Bill, some of which has a direct impact on what the Under-Secretary asks us to approve now? I seek reassurance from him that he is confident that we can get through all the amendments, because the Government are making massive changes to the content of the Bill and asking us to give financial approval before we have gone through it. Does he agree that approving the motion means, in a sense, putting the cart before the horse?

Mr. Wright: The hon. Gentleman makes an important point, but I take issue with him on several matters. First, we are not fundamentally changing the nature and scope of the Bill, which is designed to improve the supply and quality of housing, linked with regeneration and community investment in England. It is also designed to ensure improved services for tenants.

Let me set out my approach to the rest of our deliberations today. I intend to be as brief as possible—

Mr. Speaker: Order. The Under-Secretary can do that when we move on to the Bill.

Question put and agreed to.

Orders of the Day

Housing and Regeneration Bill

As amended in the Public Bill Committee, considered.

New Clause 11

POSSESSION ORDERS RELATING TO CERTAIN TENANCIES

'Schedule (Possession orders relating to certain tenancies) (which makes provision about possession orders and their effect on secure tenancies, assured tenancies, introductory tenancies and demoted tenancies including provision about the status of existing occupiers) has effect.'. *[Mr. Iain Wright.]*

Brought up, and read the First time.

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to discuss the following:

Government new clause 12—*Shared ownership leases: protection for certain leases.*

Government new clause 13—*Service charges: provision of information and designated accounts.*

New clause 1—*Consultation principles*—

'(1) The Secretary of State shall, by regulations made by statutory instrument, set out a code of practice to govern local authority consultations with tenants concerning

(a) a change of landlord, or

(b) a major change in the management of their homes.

(2) Regulations made under subsection (1) shall require the local authority to

(a) place in the public domain all relevant information as is necessary for them to influence or control the management of their accommodation, and environment including the resources available to the authority to spend on its stock, stock conditions surveys, the business plan of the proposed landlord, the transfer valuation, details of any land and property to be disposed of, and any other information on which the Offer Document and transfer proposal is based,

(b) ensure at the start of the consultation that all tenants are aware of their rights to access information as set out under paragraph (a),

(c) ensure that material it produces is objective, balanced, informative and accurate,

(d) provide the same level of resources for any tenant group who serves written notice on the authority opposing a proposal as that given to any tenant group making such a proposal so that they can put an alternative view to tenants,

(e) not deny any reasonable request from any group under paragraph (d) for lists of addresses and access to notice boards, meeting facilities and other relevant resources to enable all parties to communicate with those entitled to vote,

(f) give two months notice of

(i) the start and end date of the ballot, and

(ii) how those eligible will be able to vote, and

(g) ensure that information regarding who has voted at any point in time is treated in confidence,

(h) not exceed spending limits for these consultations as may be determined by the Secretary of State and certified as proper by the District Auditor.'.

New clause 8—*Subsidy arrangements: formula and exclusions*—

'(1) In section 80 of the Local Government and Housing Act 1989 (c. 42) (calculation of Housing Revenue Account subsidy) after subsection (3) insert

"(3A) In determining a formula for the purposes of this section for any year, the Secretary of State shall take into account

(a) the resources required properly to manage, maintain and repair houses and other properties within their respective Housing Revenue Accounts,

(b) research into these matters, and

(c) the resources required to enable respective authorities to acquire, rehabilitate and build new housing to be held within their Housing Revenue Accounts that contributes to meeting the need for affordable housing within their respective areas.'.

New clause 9—*Orders for possession*—

'Section 7 (orders for possession) of the Housing Act 1988 (c. 50) is amended as follows

(1) In subsection (3), at the beginning of the subsection, add "Subject to subsection (3A)".

(2) After subsection (3), add the following subsection

"(3A) Ground 8 in Part 1 of Schedule 2 shall not be used in possession proceedings brought by registered providers of social housing, as defined in section [79] of the Housing and Regeneration Act 2008.".

(3) In subsection (3), for "subsections (5A) and (6)" substitute "subsections (5A), (6) and (6A)".

(4) In subsection (4), for "subsections (5A) and (6)" substitute "subsections (5A), (6) and (6A)".

(5) After subsection (6), insert

"(6A) If the court is satisfied

(a) that Ground 8 in Part 1 of Schedule 2 to this Act is established; and

(b) that some rent is in arrears as a consequence of a delay or failure in the payment of relevant housing benefit, it shall not make an order for possession unless it considers it reasonable to do so."

(6) At end insert

"(8) In subsection (6A) above

(a) "relevant housing benefit" means

(i) any rent allowance or rent rebate to which the tenant was entitled in respect of the rent under the Housing Benefit Regulations 2006 (S.I. 2006/213); or

(ii) any payment on account of any such entitlement awarded under Regulation 93 of those Regulations;

(b) references to delay or failure in the payment of relevant housing benefit do not include such delay or failure so far as referable to any wilful act or omission of the tenant.'".

New clause 29—*Sinking funds*—

'(1) The Secretary of State must, within 12 months of the date on which this Act is passed, make regulations regarding the terms of leases granted by local authorities for residential properties.

(2) The regulations made under subsection (1) shall provide that all leases granted by local authorities for residential properties shall be deemed to include provision for tenants to make contributions to a sinking fund to be used to finance any proposed works in relation to tenants' properties.

(3) Regulations made by the Secretary of State under this section shall be made by statutory instrument.

(4) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of either House of Parliament.'.

New clause 31—*Involvement of tenants in decisions on works*—

'(1) The Landlord and Tenant Act 1985 (c. 70) is amended as follows.

(2) In section 20ZA (consultation requirements: supplementary), for subsection (5) substitute

"(5) Regulations under subsection (4) shall include provision

(a) requiring the landlord to give reasons in prescribed circumstances for carrying out works;

(b) requiring the landlord to provide details of proposed works, including estimates of costs, to tenants or the recognised tenants' association representing them;

(c) requiring the landlord to invite residential tenants or the recognised tenants' association to propose the names of persons from whom the landlord should try to obtain other estimates;

(d) requiring the landlord to consult those tenants affected by the proposed works on

(i) the specifications for any tenders issued in respect of the proposed works, and

(ii) all tenders received in respect of the proposed works;

(e) to enable tenants or the recognised tenants' association to submit, within a specified period of time, a counter proposal in respect of proposed works, specifying alternative provision of the proposed works;

(f) requiring the landlord to

(i) have regard to any observations made by tenants or the recognised tenants' association in relation to the proposed works,

(ii) hold a ballot of the tenants directly affected by the proposed works on any counter-proposal that is supported by 25 per cent. or more of those tenants directly affected by the proposed works, and

(iii) adopt the counter-proposal if it is supported by a majority of tenants directly affected by the proposed works in the ballot;

(g) requiring the landlord to make available for inspection by the public at reasonable times and for a period of 10 years from initial publication

(i) details of any proposed works and any responses to consultations on such works,

(ii) any counter-proposals that are supported by more than 25 per cent. of tenants directly affected by the proposed works, and

(iii) any requests to a residential property tribunal service for adjudication and details of the consequent decisions;

(h) in cases of dispute, for a leasehold valuation tribunal or other independent arbitration tribunal to make a determination in respect of proposed works or agreements upon application by a landlord, residential tenant or the recognised tenants association.".

(3) In section 19 (limitation of service charges: reasonableness), after subsection (3) insert

"(3A) If the relevant contribution of any residential tenant in any 12 months period exceeds £12,000, arrangements must be made by the landlord for such tenants to pay that contribution in monthly instalments not exceeding £250 for that period.".'.

Amendment No. 5, page 113, line 14, in clause 280, leave out from 'ballot' to 'or' in line 15 and insert

'in accordance with the code of practice set out in section (Consultation principles);'.

Amendment No. 145, page 114, line 7, in clause 281, at end add—

'(4) Section 105 of the Housing Act 1985 (consultation on matters of housing management) is amended as follows.

(5) In subsection (2), after paragraph (b) insert

"(ba) a proposed measure or policy relating to the matters specified in paragraphs (a) and (b) about which the Secretary of State has published a consultation document to which the landlord authority intends to make a written response;".'.

Government amendments Nos. 31 to 41.

Amendment No. 14, page 122, line 38, in clause 290, after 'the', insert 'earlier of

(a) the'.

Government amendment No. 42.

Amendment No. 15, page 122, at end insert ', or

(b) the completion of the sale'.

Government amendments Nos. 43 to 50.

Government new schedule 2—*Possession orders relating to certain tenancies.*

Government new schedule 3—*Service charges: provision of information and designated accounts.*

Government amendments Nos. 51 to 59.

Mr. Wright: You rightly pulled me up, Mr. Speaker, on my inappropriate and somewhat hasty answer to the point the hon. Member for Montgomeryshire (Lembit Öpik) made earlier.

Let me set out my general approach to the consideration of the Bill. Hon. Members will be pleased to hear that I will be as brief as I can in setting out the pertinent points relating to Government amendments. I want to ensure that the Bill gets as much scrutiny as possible on the Floor of the House. I also want other hon. Members to have time to raise important points and discuss important amendments.

In answer to the hon. Member for Montgomeryshire, I have to say that I do not believe we are changing the fundamental nature and scope of the Bill. The Government amendments result from close—forensic, I may say—scrutiny in Committee in January. We agreed to bring forward a number of things—I will talk in a moment about the importance of tolerated trespassers—and have tabled a number of minor technical amendments relating to the Committee's scrutiny and deliberations. I should also like to give the House notice of a significant series of amendments and a new clause—new clause 27—regarding the standards, the direction and the relationship between the Secretary of State, Oftenant and registered providers in the regulatory framework. Notwithstanding my point about being brief, I want to mention direction and standards at some length.

Lembit Öpik (Montgomeryshire) (LD): I hope that you will bear with me, Mr. Speaker, while I make my final procedural point about the timing. The Minister must accept that we have a ludicrously short time in which to discuss an enormous number of amendments, as I am sure the spokesperson for the official Opposition agrees. Can the Minister therefore give us an assurance that, should we run out of time, he will not only meet us proactively to see what we can do to put things right in the Lords, but act informally to get feedback from all the many housing-associated organisations, which are extremely frustrated at not

[Lembit Öpik]

being able to provide us or him with sufficient feedback, given that we first saw the amendments only five days ago?

Mr. Wright: I reiterate the point that I have already made: we are not amending major parts of the Bill out of the blue. Many of the amendments are technical and complex, but the Bill has been through the Committee stage, which is important. I want to be as brief as possible, to give other right hon. and hon. Members time to speak, but let me first make the point again that the Bill has been through the Public Bill Committee stage. There was tremendously detailed, clause-by-clause scrutiny, and I am satisfied that it is in a better state on Report, thanks to the deliberations of right hon. and hon. Members, than it was when it first started on 10 January.

Bob Spink (Castle Point) (Con): I am grateful to the Minister for generously giving way. New clause 11 refers to the "status of existing occupiers". Can he explain exactly how those occupiers will be protected when tenants have voted to stay with the council, rather than going with a housing association? How will those occupiers ensure that the finances are in place for the council to continue to maintain their properties properly, achieve the decent homes standard and deliver additional social housing units where they are needed, in constituencies such as Mr. Speaker's and mine?

Mr. Wright: I am grateful to the hon. Gentleman for making that point, which I will mention when I speak to Government new clause 11.

Simon Hughes (North Southwark and Bermondsey) (LD): Just to be clear, so that we can save time later, can the Minister tell us how many Opposition amendments were accepted in Committee—so that we know whether the Bill was amended only where the Government wanted to amend it—and how many Opposition new clauses and amendments that are tabled for today are the Government willing to accept?

Mr. Wright: Those are two important questions. On the first, there was detailed—forensic, I would say—scrutiny of the Bill in the Public Bill Committee, thanks to the hon. Member for Montgomeryshire, who played a sterling role. Despite taking to the field late in the day, he did an excellent job. In conjunction with the detailed and, importantly, forensic scrutiny of the Bill, there was an element of consensus in certain key areas, too, such as sustainable development, with regard to the Homes and Communities Agency, on which the hon. Gentleman tabled an amendment. He has tabled another amendment today—off the top of my head, I think it is amendment No. 229—which will become irrelevant, because we are bringing forward something else.

In response to the distinct questions that the hon. Member for North Southwark and Bermondsey (Simon Hughes) asked, I can say that we have shaped the Bill according to what we need to do and, taking a consensual approach, have brought forward measures on tolerated trespassers, sustainable development and, crucially, the regulatory framework for Oftenant, about which hon. Members in all parts of the House mentioned concerns, particularly the right hon. Member for North-West Hampshire (Sir George Young). It is important that we should debate that.

Grant Shapps (Welwyn Hatfield) (Con): The Minister will know that we had a good debate in Committee on all 242 clauses but, to our amazement, another 137 clauses have been tabled for today's debate, which will last about four hours. How he can define that as forensic scrutiny of the Bill, I have no idea. As we were given just three days to get our heads around the incredible number of amendments tabled by the Government—for procedural reasons, it was only a couple of hours ago that we found out what we would be facing today—I call on the Minister at least to acknowledge that that is not a satisfactory way to go about taking the Bill through Parliament.

4.30 pm

Mr. Wright: I take the point that the hon. Gentleman and others are making. I am proud of the Bill, so I am keen to make sure that it gets the scrutiny and deliberation that it deserves. I want to make sure that it receives sufficient attention. The hon. Members for North Southwark and Bermondsey and for Welwyn Hatfield (Grant Shapps) mentioned the hard work done in the Public Bill Committee; the Bill received a good deal of forensic examination there.

The amendments that we are introducing today concern tolerated trespassers, the Homes and Communities Agency, sustainable development, and directions and standards for the Secretary of State, Oftenant and registered providers relating to the regulatory framework that I mentioned. We have listened and learned; we listened to stakeholders and to right hon. and hon. Members. I want to ensure that we discuss the Bill. I deliberately did not table a programme motion because I wanted to avoid debate about procedure. I want to get on with the debate and ensure real scrutiny of the Government amendments that I am introducing. I would like to get on with the job.

Simon Hughes: I am not trying to delay the Minister—he knows we think he is a good bloke—but he is beginning to emulate the Prime Minister, in that he did not answer the question. The question is straightforward: how many Opposition amendments and new clauses were accepted in Committee?

Lembit Öpik: None.

Simon Hughes: I have had a hint, but it would be helpful if the Minister could tell us the answer. Also, how many of the new clauses and amendments tabled today—there are 98 Opposition amendments and 18 Opposition new clauses—are the Government willing to accept? That is a simple question. Is it one, 10, 20, 30 or none?

Mr. Deputy Speaker (Sir Michael Lord): I would not like the Minister to be led astray, so before he answers, let me say that that is not the matter before the House. I would be grateful if the Minister dealt with the issue that we are considering.

Mr. Wright: I am grateful to you Mr. Deputy Speaker. I was anxious to answer the question that time, but I will treat your ruling with the seriousness that it deserves.

Mr. Nick Raynsford (Greenwich and Woolwich) (Lab) *rose*—

Mr. Wright: I will give way to my right hon. Friend, but first may I pay tribute to him on the Floor of the House? He did an amazing and sterling job in Committee, and made sure that the Bill is much better than it was when the Committee stage started, so I thank him for that.

Mr. Raynsford: I am extremely grateful to my hon. Friend for those kind remarks, and may I return the compliment by saying that I, for one, am extremely pleased that a significant number of Government amendments have been tabled today that build on issues raised by hon. Members in all parts of the House in Committee? The hon. Member for North Southwark and Bermondsey (Simon Hughes) knows perfectly well that Opposition amendments are rarely accepted, because the way in which many of them are drafted makes it impractical to incorporate them in a Bill. He has been in the House long enough to know that the reality is that the key test is whether the Government respond positively to issues that have been raised, where there is a case for change, and I congratulate my hon. Friend the Minister on doing just that.

Mr. Wright: I am grateful for that contribution. My right hon. Friend makes the point well that we have been a listening Government when it comes to the Housing and Regeneration Bill. There were major concerns, particularly with regard to the regulatory framework. Accusations were made, and I hope to deal with that subject at length later in our proceedings—if I stop taking interventions, that is. The point was made that there are major concerns about the regulatory framework. There were accusations that the Secretary of State could policy-passport matters for registered providers, that there was no freedom as regards the corporate direction of the boards of registered social landlords, and that there could be micro-management on the part of the Secretary of State. We have listened and we have learned, and I pay tribute to my right hon. Friend for helping to make that happen.

My hon. Friend the Member for City of Durham (Dr. Blackman-Woods), who is not in the Chamber, made an important point about sustainable development and the Homes and Communities Agency; we took that on board. The hon. Member for Montgomeryshire mentioned tolerated trespassers. New clause 11 deals with that subject, and I shall say more about it at some point.

The essential fact, which I must state very firmly, is that we are not introducing measures that were not discussed in Committee. The level of debate has been appropriate to the magnitude and stature of the Bill.

Lembit Öpik *rose*—

Mr. Wright: I should like to move on, but I will give way to the hon. Gentleman first.

Lembit Öpik: I am going to help the Minister to move on. I agree that the Government seem to have listened to some of the discussions that took place in Committee. I give credit to the Minister, who is a pleasure to work with because he does not always follow the line that is given at the beginning of a debate. However, in view of the terrible squeeze on our time, will he assist us by highlighting the interrelationship between the amendments tabled by me, by Conservative Front Benchers and by others, and the Government amendments? That would help us to see where the Government have adopted our thinking, and might avoid the need for us to argue a case for amendments that the Minister genuinely believes the Government have embraced in spirit—if not in terms of the exact wording—in their own amendments.

Mr. Wright: The hon. Gentleman has made an important point. I shall try to make that clear throughout my speech.

I am aware that, having spoken for 13 minutes, I am still dealing with new clause 11. Given that, according to the hon. Member for Montgomeryshire, we have only 73 seconds to debate each amendment, I think I should now move on.

The new clauses and amendments deal with the tolerated trespasser doctrine. They will resolve the problem for existing tolerated trespassers, and will ensure that no tolerated trespassers are created in future. The changes will apply to secure, assured, introductory and demoted tenancies. The new clauses and amendments were tabled following a commitment that I gave in Committee, and in response to concerns expressed by Members in all parts of the Committee—I say that particularly to the hon. Member for Montgomeryshire—and by stakeholders.

An important group of amendments centres on Government new clause 12, which will allow all affordable housing providers, not just housing associations, to offer shared ownership properties for sale without the risk of so-called early enfranchisement, in which the sharing owner acquires the freehold of the property before he or she has acquired 100 per cent. of the equitable interest in the house under the terms of the shared ownership lease. Let me emphasise again to the hon. Member for Montgomeryshire that Members of all parties made points about affordable housing, the principles of shared ownership and, in particular, rural areas. To be fair to the hon. Gentleman and his party, I know that that last issue concerns the Liberal Democrats greatly.

Our proposed measures will end the lack of protection for non-housing association providers in current leasehold legislation from the risk of early enfranchisement, thus removing the disincentive for a variety of providers to offer shared ownership properties. Amendments Nos. 32 to 39 will help to ensure that all shared ownership properties, irrespective of the provider, can be retained for future purchasers in protected areas. As I have already hinted, I am thinking especially of rural areas where replacement has proved difficult and where we need to do more to retain and replenish the stock.

I am keen to hear all the important points that will be raised, so I will now be brief. Government new clause 13 and new schedule 3, along with the related

[Mr. Iain Wright]

consequential amendments Nos. 48, 49, 52, 54, 55, 57 and 58, establish new requirements for landlords to provide regular service charge statements containing specified accounting information. I risk incurring, at an early stage, the wrath of my hon. Friend the Member for Great Grimsby (Mr. Mitchell): I am ashamed to admit that I am a chartered accountant. I know how much my hon. Friend loves chartered accountants, but I think it important to ensure that we have specific provisions on accounting information.

I shall end my speech here, as I want to provide the maximum time for Members to raise important issues.

Sir George Young (North-West Hampshire) (Con): In response to what the Minister said at the beginning of his speech, may I say that it might have been politic if he had briefly apologised to the House for waiting until almost the last minute before tabling 37 pages of amendments? The Bill had an unusually long lapse of time—eight weeks—between Committee and Report. Waiting right until the end before tabling 37 pages of amendments and then writing to members of the Committee an eight-page letter, which I received only today, does not give us enough time to consult the organisations that have an interest in the Bill. When the Minister replies to this group of amendments and new clauses, I hope he will find it within himself to apologise for any discourtesy. I raised this matter at business questions, and the Leader of the House promised to pass on to the Secretary of State my message that the first speech from the Government side should include an apology for this cavalier treatment of the House. I hope that the Minister can do that.

We had a harmonious and constructive Public Bill Committee stage, but I am slightly worried that we may not be able to give the same degree of scrutiny to the Government new clauses before us this afternoon as we did to similar proposals in Committee.

I have a particular interest in new clause 9, which I tabled. It deals with ground 8 possession action for rent arrears in housing benefit. If the Minister had been looking for an issue on which to do some bridge building, my new clause would have provided the basis for doing so. When I moved what was then new clause 12 in Committee, I received support from the right hon. Member for Greenwich and Woolwich (Mr. Raynsford) and from the hon. Members for Luton, South (Margaret Moran) and for Edmonton (Mr. Love). All who spoke in that Committee debate were concerned about the use of ground 8.

In a nutshell, ground 8 means that a court has no discretion whatever and has to give possession if the rent is in arrears for more than two months. The new clause I then proposed sought to exempt social landlords from that obligation and to give the court discretion not to award possession where, for example, the reason for the arrears was the local authority's failure to pay the housing benefit. I thought that I made a powerful case, and, indeed, when the Minister replied in Committee, he opened his remarks by saying:

"How can I possibly refuse the last amendment from the right hon. Gentleman?"—*[Official Report, Housing and Regeneration Public Bill Committee*, 22 January 2008; c. 467.]

Yet he went on to do exactly that. It was only when I managed to encourage the appropriate body language from him—as can be seen in column 469, when I asked him to "have another look" at the issue on Report—that I decided not to press the matter to a Division.

In the meantime, the Minister kindly wrote to me on 19 March about ground 8 possession for rent arrears, but I have to say that I was not wholly reassured by what he said. Rejecting ground 8 amendments, he said:

"However, it is also clear that these concerns are based on a very limited and predominately anecdotal evidence base."

I have with me some Shelter briefings that list a large number of cases in which ground 8 has led to possession proceedings, so I am not persuaded that the evidence is primarily "anecdotal" or that Shelter would take kindly to that description of the briefing it has supplied to me and others. Towards the end of his letter, the Minister appears to concede the case, saying:

"However, concerns appear to remain over the actions of a small minority of RSLs and I am keen to see that these are resolved."

Well, so am I, and the way to resolve them is to accept new clause 9, which gives the courts discretion not to award possession. Let me remind the Minister that Lord Justice Dyson said of the current position:

"We acknowledge that this conclusion will lead to tenants who are in receipt of housing benefit having no defence to a claim for possession in circumstances where they are not at fault. The statutory scheme is, therefore, potentially draconian in its application."

The Minister will know that Scotland has already changed its law. Section 12 of the Homelessness etc. (Scotland) Act 2003 amends ground 8 to give courts discretion in rent arrears cases when housing benefit issues are outstanding. The Law Commission recommended in its April 2006 report "Renting Homes: The Final Report" that ground 8 should be abolished. The Minister has made other amendments to the law on repossession—I think he has amended ground 1—but he has not amended ground 8. I hope, however, that even at this late stage he will think again and see whether he cannot do in England what has already been done in Scotland and prevent the tenants of social landlords from being evicted when, through no fault of their own, they are in rent arrears because the local authority has not paid their housing benefit on time.

4.45 pm

Mr. Michael Meacher (Oldham, West and Royton) (Lab): I have a great deal of sympathy with what the right hon. Member for North-West Hampshire (Sir George Young) said about new clause 9, but I want to speak specifically to new clause 8, which is not entirely unrelated and which goes to the heart of the Government's policy on council housing.

There are three drivers behind new clause 8. First, the demand for social and affordable housing in the country at present far exceeds what could be accommodated by the Government's present plans for the sector. Secondly, it is unrealistic to rely on the private sector to provide decent, secure homes that people on lower incomes need at prices that they can afford; nor, unfortunately, is there evidence—quite the contrary—that housing associations are rising to the challenge to fill the gap. Thirdly, the funding for local

authorities to maintain and repair their existing stock, let alone to build the new homes that are so desperately needed, is grossly inadequate.

On the first point, the Government say that they propose to increase the number of houses built per year from 200,000 to 240,000, to reach a total, which we have heard so many times, of 3 million by 2020. But the current baseline, of course, is not 200,000; it is actually about 170,000. That figure is likely to fall, sadly, for a number of years ahead, because of the sub-prime market disaster gradually deepening and the credit crunch. The number of specifically social and affordable houses needed is estimated by Shelter to be over 50 per cent. higher than under the Government's current spending plans and more than 100 per cent. by Alan Holmans, who is a very respected housing economist, if the backlog of housing need is to be met within a reasonable period, which I am sure that all Members on both sides of the House would wish.

On the second point, there is no way in which the private sector in the current economic climate will be remotely able to fill the gap; nor, indeed, is it very wise for it to try to do so anyway. According to a parliamentary answer that I received in November, more than 200,000 households have already taken out mortgages with a house price to income ratio in excess of six to one, including 38,000 with a ratio in excess of 10 to one. That is clearly unsustainable. We are already in great danger of generating our own sub-prime market disaster, too—not just in the US—and we certainly do not want to make things any worse.

The passion for private ownership, which I find very difficult to understand but with which the Government seem to be obsessed just as much as the previous Tory Government were, is absolutely fine for people who can afford it—probably all hon. Members own their own house—but it is not shared by the majority of people on low incomes at the bottom end of the scale. Probably a fifth of the population, or something of that order, have such low incomes and such uncertain employment prospects that they will never be able, under present circumstances, to afford to buy and maintain a home. For them, what is clearly needed is good quality, secure public housing at rents that they can genuinely afford. That is the issue at the heart of the Bill. Indeed, that is the message that, given current housing demand, people are crying out for the Government to hear.

In 2006, 1.6 million households were on council waiting lists. I have not seen later figures, but I suspect that today the number is nearer 2 million. Indeed, 12,000 are currently on the council waiting lists in my Oldham constituency, yet the total council housing stock in Oldham is today only about 12,500, down from 27,000 some 20 years ago. In addition, across the country almost 100,000 households are homeless and in temporary accommodation, according to a technical view of homelessness.

Let me turn to a key issue by relating a remarkable fact. There can be no clearer indication that the demand for council housing is both very strong and growing despite the pressure-cooker conditions that now prevail in terms of public rented housing, than that 2.5 million existing council tenants have opted to remain with their council even though the Government have denied them the fundamental basic right of the fourth option. Regretfully, I must say that I think that denial is morally and politically indefensible.

Simon Hughes: Does the right hon. Gentleman accept that some councils have supported their tenants in remaining council tenants not at arm's length or in any other such way, but as ordinary, straightforward, traditional council tenants? In my borough, all four parties on the council support that view. Some councils still resist Government attempts at bribing and blandishment to force them to have an arrangement that the tenants and all their elected representatives do not want.

Mr. Meacher: I fully accept that, and it is the background to the point I am about to make. Given the huge and swelling extent of unmet housing need, it is crucial that the funding of public rented housing—in particular the levels of management and maintenance allowance and the major repair allowance—is wholly adequate. It clearly is not at present. A new Government report out this month, "Self-financing of council housing services: summary of findings of a modelling exercise", astonishingly states that current allowances undercut

"basic investment needs by 43 per cent. over 30 years".

Coming from an official Government report, that is a staggering statement: the funding provided for council housing is little more than half of what is needed—that is official.

The report was published by the Department for Communities and Local Government, and it also states that

"anticipated levels of future subsidy...are not sufficient to maintain a sustainable level of housing services within the HRA"

housing revenue account

"subsidy system."

That is also a remarkable statement. This shortfall in allowances is what is driving councils to privatise their homes in defiance of the wishes of their tenants—and against the wishes of most of the councillors as well. It also means that many local authorities cannot meet the Government's decent housing standard, and that many who can at present will be unable to sustain the standard in the longer term.

Other amendments in the group, notably new clause 1, protest at the bullying and blackmailing of tenants into stock transfer by some councils—and by quite a lot of landlords—but that will continue to happen unless the basic management allowances are substantially raised along the lines set out in new clause 8. That is my basic case.

Perversely, the net funding trail is going in the opposite direction. Council rents are rising faster in order to close the gap on private rents in the locality. Ideologically, that turns the whole purpose of council housing on its head. Council rents are even rising higher than expenditure, so that tenants are paying what amounts to a tax to the Treasury, which works out at some £180 million this year—a parliamentary answer of 18 December last year even suggested that the figure could rise to £900 million a year by 2022. That is on top of the £1.5 billion taken each year from

[Mr. Meacher]

council housing revenue accounts, ostensibly to pay back historical debt. That, again, is odd because tenants do not own the stock and it is difficult to see why they should be burdened with having to service the debt.

New clause 8 is about justice for tenants. It would require the Secretary of State to calculate the housing revenue account subsidy needed to ensure that local authorities can properly "manage, maintain and repair" their homes and

"acquire, rehabilitate and build new housing"

so as to be able to meet

"the need for affordable housing within their respective areas."

That moderate, reasonable and measured request is long overdue and it is now incumbent on the Government to commit to that position. If they do not, I intend to support new clause 8 in tonight's Divisions.

Simon Hughes: I, too, shall be brief, although these are large matters that affect huge numbers of people. I believe that I am still the Member of Parliament who represents the largest number of council tenants—about 40,000—who live in some two thirds of all the homes in my constituency. A further 10,000 people in my constituency have bought under the right to buy and are leaseholders of the council, so they, too, have a council interest. I wish to discuss the amendments and new clauses relating to those two groups.

I wholeheartedly endorse new clause 1 and new clause 8, which has just been discussed by the right hon. Member for Oldham, West and Royton (Mr. Meacher). The regime affecting councils and their council housing stock continues to be nonsensically unfair and unreasonable. It is not justifiable not to have a level playing field whereby the money put in can be put back into the housing stock for which it is raised. Where the tested democratic wishes of the tenants, plus their elected representatives, want council housing to continue, the Government cannot have it both ways—they cannot say that they believe in the devolution of decision making and then force other outcomes and fiddle the financing to make things much more difficult, as the right hon. Gentleman made clear.

Southwark council has resisted all attempts to force stock transfer and will go on resisting them even if it has to raise its own capital to do so. If the Government ever insisted on forcing us or trying to force us, we would go to court to challenge them. I am advised by colleagues that that would be the approach. The Liberal Democrats are the majority party in the joint administration, but that is the view of all four parties with elected representatives on the council—the Liberal Democrats, the Labour party, the Conservative party and the Green party.

Secondly, I am surprised that the Under-Secretary of State for Communities and Local Government, the hon. Member for Hartlepool (Mr. Wright), who understands council housing matters from events in his own constituency and the history of the north-east, has not managed to persuade the Government that their policy in this area has been flawed and that we need a regime, such as that proposed in new clause 1, tabled by the hon. Member for Great Grimsby (Mr. Mitchell), which would ensure that the decision-making processes are fair, transparent and not rigged against the interests of tenants. I shall leave others to make that case. Many colleagues are, in general terms, part of a movement called "Defend Council Housing", and they believe that council housing was, is and will continue to be a good thing.

5 pm

The first council housing in England was in my constituency, too. It was built by a very eminent MP, Dr. Salter, who was originally a Liberal and then a member of the independent Labour party, and his colleagues in Wilson grove in Bermondsey. It is still there. People want to live in it. It is decent housing, built in the 1920s. Many other places followed that tradition—it is a 20th-century version of the social housing tradition set by some housing associations, of which we are very proud.

The Government seem to believe that the only happy council tenants live in council estates where every other resident is not a council tenant. That has never been my experience. People are happy to live next to other council tenants. If the management is good, they do not insist that the person next door is an owner-occupier or the tenant of a social landlord or housing association. They are happy that the other people are council tenants as long as the management is good. If management is good, council tenancies are often more popular. People would often rather be a council tenant than a tenant of a housing association, because councils are often much more accountable to their tenants. At least with councils, tenants can kick out the management every four years.

I am about to have a meeting with the Guinness Trust. For years, the tenants of Guinness Trust properties in my constituency—one near London Bridge and Guy's hospital at Snowfields, one off the Old Kent road at Pages walk, and one in Kennington—have felt that the service has been lousy and unresponsive. The chief executive comes to meetings. He is a nice man and he makes lots of promises, but he does not deliver on them. The same applies to the Peabody Trust, which is also based in my constituency. It is a good organisation, but often has not delivered. Housing associations, particularly the bigger ones, often fail. That is why council housing is a good thing. I would hope that a Labour Government share that view.

I want to speak briefly about new clauses 29 and 31 and amendment No. 145, which are tabled in my name. The Minister and his advisers will notice that they are familiar. That is because they feature in my Leasehold Reform Bill, which was number 14 in the ballot for private Members' Bills and got off the runway a few weeks ago, when I was able to start Second Reading. If the Minister is not willing to buy these provisions—if I cannot incorporate them into this Bill—I hope that by the end of the next few weeks he will agree to either this wording or some other wording so that my Bill can become law as a complement to this Bill.

New clause 29 is simple. It would allow local authorities to set up sinking funds. Councils used to have sinking funds, but they were abolished following a court case. Effectively, we will never again have a communal sinking fund, for all sorts of reasons with

which I need not trouble the House. Such a fund is a bit like a piggy bank. People often prefer to put in money up front against the rainy day when they will have to pay money for capital works. The new clause would allow councils to set up sinking funds that were specific to a property. That would mean that the leaseholder could put some money aside so that there was some money in the kitty five years later, when the roof had to be done or the lifts had to be replaced. The provision would be discretionary – the leaseholder would not have to put money into the sinking fund – but it would clarify the uncertainty of the legal provision. Such a provision would be widely welcomed – I have consulted widely on that.

More important is new clause 31, which would fundamentally change for the better the way in which leaseholders are consulted about works on their estates. Most leaseholders in North Southwark and Bermondsey are on estates. The Government tell the council that it has to comply with the decent home standard by 2010, and the council says, "Yes, Government. We are happy to do that." The date might slip a bit to 2011 due to the debate about the money. However, the implication is that although the tenant gets the work done at no significant extra cost as it is paid for by the housing revenue account, the leaseholder is billed for the work. They are not against it, but the bill can be very expensive. You may know, Mr. Deputy Speaker, although I do not know what the situation is in your constituency, that the bill for capital works can be as high as £27,000. That can come out of the blue to a pensioner couple with no reserves. The new clause would ensure that the residents and the leaseholders were involved at all stages of the process.

Proposed subsection (2), for example, would require consultation by the landlord, the council, with the leaseholders – they are confusingly called "tenants" in the Bill and the Landlord and Tenant Act 1985, which the new clause would amend – on specifications for any tenders. It would also allow tenants, or a tenants and residents association, to have a counter-proposal considered by the local authority if they were to get support from 25 per cent. of their total number. The council might say, "We are going to replace all the windows and doors in your tower block." If there were support for a counter-proposal that actually the windows did not need to be replaced, just the doors, it would have to be put as an alternative in a ballot. If the counter-proposal were supported by 25 per cent. of the tenants or more, such a ballot would be agreed to.

The new clause would require the documents on such matters to be kept and available for at least 10 years. One problem that has occurred, including on the Brandon estate in Walworth, on the Southwark-Lambeth border, has been whether proposals for new windows are acceptable and compatible with the style of the property concerned. That issue can be contentious, and it returns later when an idea is suddenly resurrected. People quite rightly say, "We want to see the paperwork" – the justification of why the windows need to be replaced. Often, the documents are not available for as long as 10 years. In the life of a leaseholder, 10 years may be quite a short time to be in a property, so the new clause would set a 10-year minimum requirement for keeping the documents.

Finally, the new clause suggests that local authorities should be able to set up independent local arbitration tribunals. The leasehold valuation tribunal, which is a national body, is a good thing, but somebody has to pay to have a case there. By definition, as it is national, it is not local. There are some good arbitration bodies – we have a very good mediation service in Southwark – but not every local authority has one. The new clause would allow a local arbitration procedure, so that if there were a dispute between the council and the leaseholders, both sides could agree to the case being resolved locally, at little or no cost. Tribunals would obviously have to be independent, not run by the council.

With regard to amendment No. 145, sometimes, understandably, councils have to do things because the Government tell them to. That is okay, if that is what Parliament agrees and gives the Government the power to do. Decent homes policy is one such example. The Labour Government decided that there should be a policy of upgrading all social housing to minimum standards by 2010-11, and I supported them. That might slip slightly, but the principle is good. When that was agreed and imposed, however, there was no consultation with leaseholders about its impact. It is very important that, if the Government initiate a policy, there is consultation with leaseholders about its impact on them, not just on tenants.

Tenants and leaseholders would be much better served if the new clauses on their issues were agreed to. You saved the Minister earlier, Mr. Deputy Speaker, from owning up to the fact that the Government have not yet accepted any amendments or new clauses. He has an opportunity to redeem himself, gain credibility and gain love and support from tenants and leaseholders. He can improve the prospects of the Labour party in the elections on 1 May in London and elsewhere. In the end, he can do what is right for tenants and leaseholders by accepting the new clauses. I hope that he will be brave enough to make his name by doing that. If not, I promise him that my Bill will come back in June, and will be back again and again until, eventually, he will have to give in.

Mr. Austin Mitchell (Great Grimsby) (Lab): I rise to speak to new clause 1, amendment No. 5 and new clause 8. My hon. Friend the Minister told us that he would continue to listen to the debate, and I assure him that the council house group in whose serried ranks I sit is also continuing to listen. Our proposals in the new clauses and the amendment, and in other measures that will be considered later, are meant to help the Government to achieve their proclaimed purpose of launching a housing drive.

That will be difficult because the fall in house prices as a result of the sub-prime crisis will discourage builders. It will also be difficult because, although the Bill greatly helps registered social landlords, they are not the most thrusting and dynamic force when it comes to launching building drives. Indeed, RSLs have not taken up the money already made available by the Housing Corporation; they show a laggard lethargy and do not want to take risks. They would rather build balances and surpluses than new houses.

We want to help the Minister in his building drive and we want a better deal for council housing, which is also the Government's intention. We were told last year

[Mr. Austin Mitchell]

that they would relaunch council house building and councils would be allowed to build. We welcome that and we want to move those proposals on, because the Bill's impact assessment indicates that only 2,500 council houses a year will be built under the measure. That may be an increase on the current pathetic totals, but it does not match demand – 1.6 million people are on council house waiting lists.

The bad thing about the Bill is that it keeps up the pressure on councils to privatise their housing stock. Over the years, they have been bullied, bribed and bamboozled into getting rid of their stock and privatising it. It is unreasonable of the Government to keep up such pressure on councils that want to retain their housing stock, while at the same time trying to encourage councils to build. The Government should not bash councils by cutting funding while expecting them to contribute to the housing drive, which is necessary. Councils should contribute, because they know the needs of their area and can give a lead.

New clause 1 and amendment No. 5 would restrict pressure to privatise. The ballots that are compulsory for RSLs that indulge in large-scale voluntary transfers are in many cases undemocratic and unreasonable, and in a few cases a travesty of democracy. President Mugabe, through his observers in the UK, has almost certainly learned lessons from how such ballots were conducted in the past.

I instance the fate of my attempts to oppose a proposal for a large-scale voluntary transfer in Grimsby. I prepared a magnificent pamphlet with brilliant photographs, by me, of people who opposed the transfers. As soon as the council heard of the imminent publication of that great opus – my fantastic argument – it brought forward the ballot, so my pamphlet was issued five days after everybody had received their ballot papers.

I wrote to the Electoral Reform Society to protest, as one does on such occasions, and received the reply that it had no control over the timing of the ballot, which was entirely up to the council, but that most people who vote in such ballots do so within four days of receiving the ballot paper. My pamphlet went out on day 5, so that information was extremely comforting.

Housing officers were going around saying, "Vote for privatisation because you love us and you want us to keep our jobs." The electors were deluged with videos made by rival television personalities, telling them that their bathrooms would be done up by Jacques Cousteau and their gardens developed by "Ground Force". They were told that their houses would have fantastic décor, with safety features, new doors and windows, and new kitchens, bedrooms and bathrooms. They would be living in paradise.

The situation was extremely unbalanced. I shall not go on, but such practices are found all over the country. In Sefton, for instance, the council lost the ballot for large-scale voluntary transfer and promptly issued lawyers' letters to the protestors, telling them that they must not interfere in the democratic process. Within a few weeks, the council held another ballot that, on a lower poll, reversed the verdict of the first.

That is the kind of undemocratic practice that has been going on. I have a list of examples. I will be happy to supply my hon. Friend the Minister with it, because I know that he wants to address those problems. The Bill proposes that tenants have a right of appeal against a ballot, but appeals must be made within 28 days. These people are not tenants of the Inns of Court, but council housing tenants – 28 days is not long enough for them to organise an appeal and make a case, so the time limit needs to be extended.

To give another couple of examples, the City and County of Swansea resolved that

"notwithstanding expenditure in excess of £1.4 million by the cabinet, a fair and balanced case was not presented to tenants."

In north-east Somerset and west Wiltshire, the district auditor found that the local authority had acted unlawfully in using public money to promote stock transfer. I have a long list of such examples, which show that there has been a travesty of democracy. We have held two conferences for tenants from all over the country, who expressed their concerns.

5.15 pm

John Hemming (Birmingham, Yardley) (LD): I share the hon. Gentleman's concern about the ludicrous way in which one-sided arguments are made in large-scale voluntary transfers. In new clause 42(h), he proposes a limit on the amount of money that is spent. In Birmingham, which, admittedly, is the largest public sector landlord, £12 million was spent about five years ago to try to bamboozle tenants into a stock transfer. Would that be covered by his provision? What is a reasonable limit?

Mr. Mitchell: Enormous amounts of money have been spent. I do not wish to make a judgment on Birmingham – that is up to Birmingham Members – but we are spending millions to give away billions in public assets such as land, housing and public property. It is a one-sided argument, which is why we tabled the new clause. We want to try to produce a fairer balance for tenants, whom the Minister wants to empower. However, tenants for and against have to be empowered. At least the Minister is listening, and I hope he has heard what has been said about the unfairness of the procedures and tries to rectify the situation.

New clause 8 deals with the financial situation of councils, which is crucial if we are to keep council housing in the state sector. That is my preference. There are still 2.8 million council houses in the UK, and I want the Bill to do more for the people who live in them. They are the neglected majority in social housing, and we need to do more for them.

We considered reform of the housing revenue account, but the Secretary of State is holding a review of that account, which will report next year. We decided not to tackle the issue in that fashion, and not to question the subsidy transfers, from which some people gain and most lose. Chesterfield has been vociferous in telling us how much it loses.

I will not go into the issues of historic debt or right-to-buy sales, the proceeds of which have not been put back into local housing, as all those are for the housing revenue account review. However, there is a major problem that the Bill must deal with – the inadequate funding of council maintenance, management and major reviews over a long period. That is on top of big

extractions from the housing revenue account. Over the years, some £13 billion has been taken from that account by daylight robbery. The Government are still taking £1.6 billion out of housing revenue accounts, and they are still taking £0.5 billion from right-to-buy sales. Inevitably, that produces a rankling sense of injustice.

Lynne Jones (Birmingham, Selly Oak) (Lab): My hon. Friend makes an important point about the amount of money that has been stolen out of council housing. Is it not about time that we scotched the myth that council tenants are subsidised and feather-bedded? Far from it, resources have been taken out of council housing, which should have been invested for the benefit of council tenants and for the thousands of people on the waiting list.

Mr. Mitchell: My hon. Friend is right. Money is being taken out of the pocket of council tenants and out of the housing revenue accounts that should be used for the improvement of their housing. Indeed, it has not only been taken in the form of the £1.5 billion — soon to be £1.6 billion — that is taken out of housing revenue accounts to be recirculated through subsidy or to pay off historic debt, but my hon. Friend the Minister admitted in a parliamentary answer last December that, on top of all those extractions, the national housing revenue account will go into surplus in the coming year. Effectively, that is another tax of £180 million from housing revenue accounts taken out because, with the increase in rents, the fund has moved into surplus. That surplus will go on growing, and it will reach £1 billion by 2022 if nothing is done about it.

Huge sums are being taken from council tenants, who are being unfairly treated. Interesting light has been shed on that and on the financing of council housing by the study of six authorities opting out of the housing revenue accounts. The study, which is the reason for the new clause, was conducted by the Department and published only last week. The review concludes that

"the business plans for all authorities indicate they need a level of investment over 30 years which is higher than the spending needs assumed in the HRA subsidy . . . In other words, their plans for basic sustainability would not be deliverable within the HRA subsidy system if current policies are maintained."

Steve Partridge, the Housing Quality Network consultant who was advising the inquiry, tells us that

"the major repairs allowance across the country"

is

"40 per cent. short of what most people would estimate is a minimum investment need over 30 years".

He also said that the report identifies the fact that current allowances undercut

"basic investment needs by 43 per cent. over 30 years".

The Government and the Bill cannot go on in this fashion. They must do something to help and support councils that are struggling to maintain their stocks and to achieve a decent homes target, but are being penalised by the Government in this way. That is not good enough. The new clause offers a chance to do something about it, which the Government should take because they need sustainable council house funding. It is no use saying, "We will review these matters next year when the report comes in." There is pressure on councils now.

Perhaps a couple of hundred councils will be forced to conduct large-scale voluntary transfers, or to attempt to do so, and will put the proposal before the electors, possibly for a second time, or in some cases a third, unless they get help from the Bill now. It is no use saying, "Next year we will look at the whole thing again and give councils a fairer deal." The need exists now and the Government must do something. That is the purpose of our amendments.

Mr. Mike Hancock (Portsmouth, South) (LD): Does the hon. Gentleman agree that this is virtually the last chance for some local authorities? If they do not get that help now, they will have no choice about fighting off the privatisation of their council houses. They will have to go along with it reluctantly, because they simply will not be able to afford to resist. They will then have to advise their council tenants, "We had no choice because the Government have not listened, although we know you would like us to be your landlord."

Mr. Mitchell: Absolutely. Another year's delay is a pistol held directly to the head not only of tenants but of many local authorities, which have been struggling to carry on improving and maintaining council houses and reach the decent homes standard. Some will not reach it, yet our manifesto commitment is that it should be reached.

Only by making the kind of change that I have mentioned, not by waiting for the housing revenue account review, will we be able to bring justice to those tenants and councillors now. I worry lest the Government's insistence on waiting until next year is just subterfuge to keep up the pressure of bribery, bamboozlement and bullying on councils to privatise their stock. I hope that that is not the case, but my worry could be avoided through new clause 8.

Mr. Robert Syms (Poole) (Con): In introducing the debate and the programme motion, the Minister talked about the Public Bill Committee. The debate on Report is an opportunity for all Back Benchers — not only those, such as me, who had the privilege of serving on the Committee — to contribute to the Bill. I suspect that today's debate will be dominated by new clauses 1 and 8, to which the hon. Member for Great Grimsby (Mr. Mitchell) spoke. I support a lot of what he and the right hon. Member for Oldham, West and Royton (Mr. Meacher) said.

However we look at it, council housing will be an important part of our housing stock for many years; it is clear that stock transfer is not going ahead at the rate that the Government would like. There will be authorities that maintain their council housing, and if we are to meet the decent homes standard by 2010 and to have decent housing generally, we must take a view about the many millions of people who live in council housing in our country.

New clause 1 is a useful opportunity that allows us to argue a little about the principles on which housing policy should be based. It would be useful if, at the end of the debate, the Minister made a policy statement on where the Government stand on council housing, because we are not entirely sure of where that is. If there is an issue that the House has not debated enough, it is council housing. I remember one or two

[Mr. Robert Syms]

Westminster Hall debates on the subject, but it has not been broadly debated. I hope that the Minister will take the opportunity to set out where the Government stand.

I particularly want to talk a little about new clause 8. I became aware of the housing revenue account subsidy system only recently, when I realised that 20 per cent. of all the rents paid by tenants in Poole were taken by the Government to use elsewhere. Taking money out of housing revenue accounts in Poole, there is an arm's-length management organisation essentially means taking money from tenants in one area to subsidise tenants in another. As we have heard in this debate, well in excess of £100 million is taken from some council tenants to subside others.

I have always believed that need has to be the basis of housing policy. However, if it is to be that, it should be met by national taxation, not by using tenants in one area, who may be less well off, to subsidise tenants elsewhere. The figures have been mentioned today: well over £180 million comes from tenants' rents, and in the vast majority of districts and boroughs people make some contribution, predominantly to the larger cities and inner London. Nevertheless, the transfer of funds and money is very substantial.

Nobody quite understands how the formula is worked out and I welcome the fact that the Government are having a review. However, I suspect that the review will be only modest and I know that some authorities that want to opt out of the subsidy system have been negotiating with the Department, which, as I understand it, wants them to buy themselves out of that system. At the end of the day, if the authorities have to buy themselves out of the system, it may not be worth their leaving it.

I have another point to make about the benefits of council housing versus stock transfer and everything else. If there is a subsidy system in which a local area is losing millions in rents, there is an added incentive for stock transfer, even if the tenants are not pleased with that option because they feel that they are being penalised if they remain council tenants. The contributing authorities include not only relatively leafy Poole and the Surrey boroughs and districts, but authorities such as Bolsover, Chesterfield—I see the hon. Member for Chesterfield (Paul Holmes) sitting in his place—Portsmouth and City of Durham. Many of the former mining areas have quite a lot of public sector stock. Money is coming out of the rents paid by tenants and being redistributed to the Camdens and other areas.

5.30 pm

We should be more transparent about what we are doing. If housing need is the basis of policy, it should be paid for out of general taxation, not by taking money from one set of tenants to subsidise another. In my own borough of Poole, we have very high house prices. That means that social housing takes more of the strain in relation to young couples. If Poole Housing Partnership was allowed the £3 million a year that is taken into new council housing or housing for the elderly, it could manage the housing stock for people generally. There is local demand that could be met if that money remained local.

There must be a fundamental reform of the housing revenue subsidy system, which is not fair; I look forward to Government proposals on that. Liberal Democrat Members make an important point: unless there is reform soon, the consequences for many authorities, boroughs and districts that wish to retain council housing will become very severe.

We need a statement from the Minister about council housing. As we have heard, 2.8 million people are still council tenants. Some very good housing authorities, run by local authorities of all political persuasions, provide good local housing. The hon. Member for Great Grimsby is right that some people would prefer to have their housing provided by a local authority than to opt out and be transferred into some new organisation that was subject, as we all know, to salaries going up, and that may not be as responsive to the demands of local people as the local council providing council housing and the local councillors whom people elect to protect their interests.

It is a pity that the issue we are discussing was raised by a Back Bench rather than a Minister. Nevertheless, the debate is a useful and timely opportunity to raise these important matters.

John McDonnell (Hayes and Harlington) (Lab): The House sometimes gets a bit nauseating in its self-congratulations, but my right hon. Friend the Member for Oldham, West and Royton (Mr. Meacher) clinically set out the arguments for the new clause. I thank my hon. Friend the Member for Great Grimsby (Mr. Mitchell) not only for the new clause but for the work that he has done in recent years to maintain this campaign.

I cannot understand—many of us cannot—why the Government do not incorporate the new clause into the Bill, because it would precisely implement the Labour party's policy. It would also precisely fulfil the promise that was given by the Prime Minister when he was elected leader of the Labour party last year that we would start to build council housing again. When he made that statement, he was cheered to the rafters by Labour party members from constituencies across the country, who knew, as we did, what a housing crisis we were facing. I think that he gave that promise because he understood those problems. To be frank, it was an admission that the existing policy had failed. That policy was based on a belief that the private sector would provide the bulk of new housing that was required by our communities and on an antipathy to local government providing social housing, which led to a forced transfer of council properties into the housing association sector and, wherever possible, devices being used to prevent council houses from being built again.

We need only look at the Government's own statistics to see what that has resulted in. I was elected in 1997, when we ran a campaign attacking the Conservatives for the scandalous fact that we had 40,000 homeless households. The number of homeless went up to 100,000. Last year, the figure dipped down to 80,000, but that is still a scandal. There is a crisis of housing and homelessness in my constituency such as we have not seen since just after the second world war.

I have raised this matter in the House before; I find it emotionally difficult to cope with my surgery each week because of the number of people who turn up with their families, including their children, whom I can do nothing to assist because there is not an adequate supply of housing.

About three quarters of those homeless families have children. I looked up the recent Government figures, and 112,000 children are now being brought up in homeless households, some 700 of whom are living in bed-and-breakfast accommodation. There are 700 children living in bed and breakfasts 11 years after the election of a Labour Government.

John Hemming: I share the hon. Gentleman's concern about children growing up in homeless, rather than roofless, circumstances. Would he agree that that state of affairs has knock-on effects, such as unstable housing and children having to move from school to school? That does not do much good for their education.

John McDonnell: It has catastrophic effects for children, their families and the wider community. There is a continuous churning of families in temporary accommodation with contracts for some housing lasting no more than 12 months—certainly no more than two years in many cases. I thought that the Prime Minister had been clear about what had gone wrong: we had simply stopped building council houses. I looked at some of the figures from the last 20 years. In 1990, the Tories built 16,000 council properties. I know that because I was campaigning at that time in local government about the scandal of so few being built. Last year, we built 251 council properties. The argument will be made that social housing will be picked up by housing associations and other social landlords. It is not. In 1997, when we were elected, 28,554 homes provided by social landlords were built, and last year that number had fallen to 27,000.

We are told that the private sector will make up the difference. The average price of a home is now £219,000, and house price inflation last year was 9 per cent. Many families in my constituency, and I am sure throughout the country, have a debt burden that can only be described as grinding. Individual borrowing is now £1.4 billion. In January alone, £8.4 billion was lent and £7.4 billion of that went on mortgages. It is a massive debt, and it is now predicted that 45,000 families will have their homes repossessed next year. That process has already started in my constituency and I am dealing with those families in my surgeries. Let us look at the Government figures again: 526,000 families, by the Government's assessment, are living in overcrowded conditions. We estimate that 3 million homes are needed, as the Government have said.

As we heard from my hon. Friend the Member for Great Grimsby, the Bill will not fulfil the commitment that the Prime Minister made last year to build council houses again. The best estimate is a trivial 2,500 homes. The Bill will not enable councils to develop the properties that are desperately needed by our constituents, which is why I cannot understand why the amendment cannot be accepted. All it would do is require the Secretary of State to assess local needs and to provide resources to those agencies best suited to providing the homes that we need. In many instances, that will be the local authority. We know what has happened during the past 10 or 11 years when tenants have made decisions about who they prefer as their landlord. We know because it has happened in most of our constituencies. They are clearly told, "If you don't vote to transfer to the ALMO or elsewhere, you won't get the money to repair and refurbish your properties." In any other circumstances, it would be called blackmail. All that the amendments tabled by my hon. Friend the Member for Great Grimsby would do is to produce a level playing field, not preferential treatment, to enable local councils to satisfy the desperate needs of our constituents.

In half an hour, the Prime Minister will go to the parliamentary Labour party to urge a steadying of the ship, and to ask people to buckle down to fighting the local government elections and hold together. One of the ways in which we can restore the Labour vote in constituency after constituency is to go out there and tell people that we will accommodate them decently, build council homes again and treat council tenants fairly again. We will thus restore credibility with those people who put us in power in 1997 and stuck with us throughout the Tory decade and a half.

New clause 1 is worthy of further consideration. I hope that the Under-Secretary does not reject it tonight. If he cannot accept it, at least let us have some further consideration. Perhaps we will then get a rational debate in the other place and a rational housing policy once again.

Mr. Hancock: The hon. Member for Hayes and Harlington (John McDonnell) is not alone in his experience in his surgeries of the despair of those who face repossession. He is not alone in facing the damning lists of people who are desperate for housing, but he is right to tackle the matter in the way in which he has done.

In my 37 years in local government, I always believed that council housing was a good thing for any local authority. I am proud to have been brought up in a council house and I was always proud of the relationship between the tenant, the local authority and the Government. That triangle of strength, whereby all three sides worked together, was good for people. It provided decent homes in areas where they were needed. Mistakes were made—we have all seen the consequences—but the overwhelming majority of people who lived in council houses in the 1950s, 1960s, 1970s and 1980s believed that they were in a decent home and that they could rely on their landlord to take on their responsibilities.

That position changed dramatically, first, under the Heath Administration with the Housing Finance Act 1972, which changed local authorities' responsibility. In the early 1980s, Prime Minister Thatcher fundamentally disposed of councils' right to build houses and made it increasingly difficult. She believed that she could change the system of providing social housing in this country. Hon. Members who have already spoken clearly identified that that experiment in trying to shift matters, which worked for a while, is failing now.

The hon. Member for Hayes and Harlington eloquently exposed the decline in housing associations' ability to provide new housing. They do not want to

[Mr. Mike Hancock]

take the risks involved – in many instances, they cannot afford it. They know that, if they build, few people will be able to afford the rents that they must charge for the development.

Mr. Stewart Jackson (Peterborough) (Con): The hon. Gentleman makes a powerful case, but surely he would not want inadvertently to mislead the House and he should perhaps examine the figures for the Blair Government. Since 1997, 17,300 social housing units were completed. In the previous 18 years, 46,600 a year were completed on average.

Mr. Hancock: I welcome that intervention. I had not reached Tony Blair's part and his appalling treatment of local authorities, especially his total disregard of the role of council houses in providing answers to the housing crisis. Time and again, he mentioned the social consequences of crime and lack of education, but he never once faced up to the housing that his Government denied people. It is shameful for the Labour party, to which I once belonged. If I had not left it in 1980, I would have damn well done so in 1997, when Blair gave no commitment to councils' right to provide the sort of homes that they should have provided.

New clause 1 is essential. If the Under-Secretary is serious – I accept the good faith that hon. Members have attributed to him about rebuilding that partnership, new clause 1 is the foundation stone of making tenants believe that we now have a Government who will address their problems as applicants for housing, whether they are homeless; or elderly people who want to move into a different style of accommodation and are under-occupying their properties, but will not move because there is currently no viable offer; or those who desperately want to be rehoused because they are in overcrowded conditions; or the hundreds of thousands throughout the country who are being told by local authorities, not only mine, that they have no chance of being rehoused in a reasonable time.

5.45 pm

A reasonable time for some local authorities is 10 years, because the waiting lists are so long. My local authority has written to people on the housing waiting list and said, "We've got to be honest with you – you're now wasting your time believing that the local authority or housing association is going to solve your housing needs." What a disgrace that a Labour Government in office for 11 years are forcing local authorities to take those steps. New clause 1 is fundamental. If the Minister sticks to his word, and listens and addresses those issues properly, new clause 1 will be essential – to him, his Government and the future of the Labour party, if it is ever to rekindle any support on housing that it might have had from the people of this country.

Let me turn to the point that the right hon. Member for North-West Hampshire (Sir George Young) correctly made about new clause 9. Not many other hon. Members have addressed this issue, but he was right: ground 8 is essentially an unfair burden. Local authorities and housing associations have no choice but to implement that, while social landlords have no choice but to take the tenant to court to get either repossession or an order put on them. That imposes another financial burden, because once the proceedings start that tenant is responsible for the costs involved in the court case and so automatically faces another bill, of £200, on top of what they have already incurred. If we are talking about fairness, clause 9, which covers ground 8, is essential if the people affected more and more by that situation are to be offered any hope.

I am delighted that so many hon. Members have spoken in support of new clause 8, which is our only chance to address once and for all the daylight robbery in the housing subsidy. The council tenants in my city are effectively mugged by the Government year by year. If the relevant provisions are not repealed, close to £100 million will have gone to the Government from our city over the 10-year period from when those provisions first started to bite to 2012. We can imagine what could have been done with that in Portsmouth. Instead, we are having to put council rents up, to help fund the subsidy rip-off that we as a city face and pay the Government. Robbing the least able people – taking away money that could not only refurbish their properties sooner, but put in place the sort of housing that we desperately need – is notoriously bad politics.

The hon. Member for Poole (Mr. Syms) was right when he talked about his borough, but the situation is the same in many other local authorities. I listened to the Secretary of State when she addressed the issue in her presentation on housing a while ago. She said, "Of course the hon. Member makes a point, but it's all going to be solved in this review," but we have no idea what the review is going to cover and have been given no indication whatever of what consultation will take place with local authorities. My local authority contacted the Government and asked questions about how the formula is worked out, but was told, "It's very complicated." We know that it is complicated – that is why we had to ask. We were at least entitled to a sensible answer from the very people who are mugging citizens in Portsmouth, year by year, to take that money.

My hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes) was right to talk about the problems of leaseholders. Again, we need to be careful, but the amendments that he has tabled address those problems. I meet many leaseholders who want the local authority to buy back their properties, because they cannot afford the surprises that they face when, for example, a new roof is put on a block in which there are only two leaseholders. They are suddenly confronted with bills not for a few hundred pounds but for £15,000 or £17,000. The local authority says to them, "You can't spread the payment over a period." People who are in their late 60s or early 70s, or who are even older, face that sort of dilemma, and may then get a court order forcing them to pay the amount. What should they do? Who do they turn to? Surely not a Labour Government. Those people are in that mess because a Labour Government, who were aware of the problem, did not put in place a regime that would allow the issues to be dealt with properly.

My hon. Friend the Member for North Southwark and Bermondsey talked about forewarning people of what is coming, and about making provision for a sinking fund, so that people can pay in advance, and

know in advance exactly what they have to pay. Why do so many leaseholders find it so difficult just to get the details of the works that are being carried out? Why is the process not explained in a way that they can readily understand?

If the Minister and the Government are really concerned about council tenants it is about time that they showed it. When we heard that there would be a return to council house building, I thought, "I'll believe it when I see it." The problem is that I do not have strong enough binoculars to see that far into the future. Many of the people whom I represent, who live in real despair of ever getting a decent place to live, look to the local authority, the housing association and the Government, not for payment of housing benefit or for dilapidated bed-and-breakfast accommodation, but for a decent answer to a fundamental question. They want somewhere decent to live. The Government have failed miserably, not just over the past 18 months but over the past 10 years. As I have said, the Tories are not blameless either.

The Minister can look over the Dispatch Box for a smile from his Conservative opponents, as if to say, "That's the Liberal Democrats; they are again trying to blame everyone except themselves," but I am a member of the local authority in Portsmouth and I accept my share of the responsibility for not having been able to deal with the housing crisis there. However, we cannot deal with the crisis because our hands are tied and our legs are shackled, and we are, in the main, dealing with someone who does not want to listen, does not want to look at the problem, and is not saying much to lead me to believe that we will get the help that we deserve.

Mr. David Drew (Stroud) (Lab/Co-op): I shall be brief because much, if not all, of what I want to say has been said. I am afraid that the Minister will find the tone of Labour Members' speeches monotonous, because many of us will rise to support Labour party policy. That policy has been reaffirmed countless times on the floor in conference, and was spoken of by my hon. Friend the Member for Great Grimsby (Mr. Mitchell). I am sorry that I was not able to hear him speak; I was with my hon. Friend the Minister for Housing, talking about community land trusts, an issue that will come up later. I know that my hon. Friend the Member for Great Grimsby will have waxed lyrical—as did my right hon. Friend the Member for Oldham, West and Royton (Mr. Meacher) and my hon. Friend the Member for Hayes and Harlington (John McDonnell)—to make it clear how strongly we Back Benchers feel about the need to resolve the issue.

Lembit Öpik: How did the hon. Gentleman feel when he heard the hon. Member for Poole (Mr. Syms)—a Conservative Member of Parliament—trying to persuade a Labour Minister to adhere to Labour party policy?

Mr. Drew: I will not go into how we feel about the Conservatives. The easy way for them to achieve what they want is to summon up the courage to support new clause 8 if it is pressed to a Division, because that is a reaffirmation of Labour party policy. It would be good to hear what the official Conservative line is on that.

I am proud of the fact that tenants in my local authority area chose, despite every inducement possible, overwhelmingly to reject the idea of selling off the council's stock. They feel that they have been punished as a result. It would be good to hear what the Minister says on that, because I gather that, through new clause 1, the Government are moving towards providing even greater assurances that any ballot will be fair. The ballot held in my local area, admittedly some years ago, was not fair; it was rigged. Local tenants chose to reject the proposal and chose to stay with local authority management of council stock. I congratulated them because I shared that approach to the issue. It is only right that we listen to such tenants.

As new clause 8 evinces only too clearly, the view ascribed to the Government is that if tenants do not vote to opt out and to go with a private finance initiative project, an arm's length management organisation, or some other form of privatisation, they will be punished in two ways. The first method by which it appears that they will be punished is through money being siphoned off. I face that issue daily, as local Liberal Democrat and Conservative councillors allege that the Government take money from authorities such as Stroud and use it to bail out other authorities. There is an easy way of dealing with that, and I am pleased to see that there are to be various pilots looking at how local authorities can relocalise their provision of local authority housing.

We are talking about local authority housing, but the great strength of it is that it has always been backed by the Government. Let us not fool ourselves; the whole history of so-called council housing has been about collectivisation and the fairness through which we provided housing for those who could not afford to buy or to find housing through other means. There was a collective underpinning to that policy.

Mr. Stewart Jackson: The hon. Gentleman has a distinguished record on discussing such issues on behalf of his constituents. Will he clarify, for the House, whether it his understanding that new clause 1 would fetter discretion in respect of stock transfers? The hon. Member for Great Grimsby (Mr. Mitchell) seemed to be saying that new clause 1 was intended to restrict stock transfers, whereas the hon. Member for Stroud (Mr. Drew) seems to be saying that we want fairness, a level playing field and transparency.

Mr. Drew: I was not here to hear what my hon. Friend the Member for Great Grimsby said, and he is not here to gesticulate at me wildly, so I will have to interpret what he said, which is always a dangerous thing to do when we are talking about my hon. Friend. We are at one in believing that there is role for local authority housing, but I have to say that if my local tenants chose, completely objectively, to find some other owner or manager of their stock, that would be a matter for them. What I object to is the fact that they are always asked to do so with their arms twisted behind their backs and their mouths taped over. They are expected to "do the honest thing"—that is, to go for something that they do not want. That is entirely unfair. The Stroud transfer process debacle was expensive—and unfair, because the tenants and I had to try to determine who the council tenants were. It was a rigged process; we had to go round to anything that

[Mr. Drew]

looked like a council house and determine whether to knock on the door and try to put the argument to them. There was no other way to do it.

Kelvin Hopkins (Luton, North) (Lab): I agree entirely with everything my hon. Friend says, but does he not accept that without the arm-twisting, no sensible council tenant would ever vote to leave local authority control?

Mr. Drew: I agree, and I have to say that I have always found there to be an element of insider trading, because changes tend to be driven from within. Perhaps that is because there is a degree of hopelessness in the local authority housing world, and there seems to be no alternative but to go along that route, but that is not the route that tenants seem to want to take. What happened in my area was a great sadness in my political life because it led to a huge destruction of trust, and that has been difficult to rebuild.

David Taylor (North-West Leicestershire) (Lab/Co-op): What does my hon. Friend think is the reason for the overt hostility to council house building? In the decade following the election of the Attlee Government 180,000 council homes were built each year, whereas in our 10 years of government we have built a total of 1,800. Would my hon. Friend care to surmise why we are being strangled in this way?

6 pm

Mr. Drew: I shall take that as a rhetorical question. I have given way so often that what was to have been a very short speech is becoming a very long one, but let me say that I entirely agree with my hon. Friend. I think it is a scar on the face of this Government that we have been so biased against local authority housing that we have failed to solve the housing problem, although there is one obvious way in which we could do so, and it has nothing to do with a monopoly.

John Hemming *rose*

Mr. Drew: This is the last time that I shall give way in what was to have been a very short speech.

John Hemming: I am grateful to the hon. Gentleman for giving way at this late stage in his speech. He mentioned the small number of affordable houses to rent, which is a key issue. An organisation in my constituency called Home-Start, which deals with families in crisis, tells me that perhaps half of them are in crisis because of bad housing. Does the hon. Gentleman agree that any attempt by the Government to save money by ensuring that people were badly housed and not funding housing properly would be a false economy, given the wider knock-on problems involving education, children's services and so forth?

Mr. Drew: I do agree. I helped to set up Home-Start, and I appreciate its value as an alternative to Sure Start in the voluntary sector. Bad housing is clearly a large part of the reason why some children are disadvantaged.

Let me end by raising a matter to which my hon. Friend the Member for Great Grimsby may have already referred. I apologise if he has, but reinforcement does no harm. My hon. Friend the Minister sent my hon. Friend the Member for Great Grimsby a letter, dated 29 February this year. One of its final paragraphs deals with funding for stock-retention authorities that have either chosen not to hold a ballot or chosen not to accede to a decision to sell council stock. It states:

"You will know that we have been very clear that there would be no additional funding for those authorities".

A degree of unfairness is involved, as funding is provided by the private sector. In the next paragraph, my hon. Friend the Minister states:

"The vast majority of retention authorities are on target to meet the Decent Homes standard by 2010."

That is absolutely true, which is why it seems unfair that we have been forced to accept the ballot route. The letter continues:

"Many of those who have homes that will not be made decent by 2010 are not 'struggling'"

that is, in need of a sell-off to meet their losses in income

"but are seeking to realise greater benefits by re-profiling their work (and meeting the target at a later date), possibly by integrating the work into wider regeneration ambitions."

I ask my hon. Friend to explain to us how that can work. Authorities like mine, in rural or semi-rural areas, will not necessarily have easy access to major regeneration schemes, but may expect their stock to reach decent homes standards by 2010. Such authorities may be at their wits' end over how to deal with their potential losses, which were initially caused by housing benefit unfairness but which, nowadays, have more to do with the siphoning off of rent income. What future do they have? They want to hear from the Government, whom they have stuck with. They have not opted for alternative solutions, and they are keen to see new build which will replenish local authority stock.

That seems to be where the Bill is taking us, but we want to hear some concrete facts from the Minister. If he tells us how what we want to happen can be made possible, we may not have to press new clause 8 to a vote, because our Government will have listened – following resolution after resolution. The new clause is linked to new clause 1, in that if it came to a ballot in the future, at least there would be a level playing field for tenants in respect of who they wanted their owners and managers to be.

Lembit Öpik: Let me begin by giving the Minister some support.

Mr. Iain Wright: Or some stick!

Lembit Öpik: No. The carrot comes before the stick.

New clause 11 stands, somewhat incongruously, at the centre of our present debate. As the Minister said earlier, and notwithstanding my complaints about the shortage of time, the Government have taken account of a number of points that were raised by Members on both sides in Committee. It is perhaps ironic that the Government new clauses and amendments in this group are, on the whole, uncontroversial and rather positive. I know that a number of housing organisations are encouraged by the fact that this Minister in particular has demonstrated a willingness to listen, which is to his credit. We are in the happy position of being able to praise him for the amendments that the Government

have tabled so far. [HON. MEMBERS: "But?"] But—the rest of the picture may not be quite so rosy for the Minister.

The need for amendments Nos. 14 and 15, tabled by me and by other Liberal Democrat Members, was brought to my attention by London Councils, an organisation of great standing that examines these matters in an objective and business-like way and seeks to add value to the Bill in that spirit. The amendments would do something very simple: they would protect both tenants and local authorities from having to pay any additional moneys after the completion of the sale of a right-to-buy property should it turn out that the valuation might not have been right at the outset.

As aficionados will know, the Bill will put in statute the ability to correct an incorrect statutory determination of value and replace it with a correct determination, as long as that is done within 42 days. On the whole, London Councils and other organisations welcome that. The problem here is that there is no restriction preventing the revaluation from taking place after the completion of a right-to-buy sale. To put it simply, an individual can buy a property and then discover that it is subject to revaluation.

As I am sure the Minister realises, that arrangement is potentially unfair, as people acting in good faith could be landed with an additional bill. I hope that, on reflection, he will either accept the amendments now or assure me that he will seek to introduce amendments containing exactly the same words—or, if he feels that it is better to save the Government's face, almost the same words—in another place. If he cannot give such an assurance, I may be inclined, in the light of what he does say, to seek separate votes on amendments Nos. 14 and 15.

That is all that I really need to say about the amendments. They are self-explanatory, and I cannot see for the life of me why they should evoke a partisan response, or anything less than agreement from the Minister that, in principle, this is a sensible suggestion. It is in the interests of the general public and individuals who are involved in right-to-buy purchases in good faith. It does not compromise any intent of the Bill, or any value or policy statement made by the Government at any time in the past.

Finally, let me deal with what are self-evidently the most controversial elements of the Bill. In a lucid and erudite speech, the hon. Member for Great Grimsby (Mr. Mitchell) laid the ground for consideration of the key subject in this part of the Bill. Explanations of new clauses 1 and 8 have already been given, and need not be repeated. However, I think it worth drawing attention to the passion with which Conservative, Liberal Democrat and Labour Members believe that these provisions are entirely consistent not just with the interests of housing policy, but with specific housing commitments made by this Labour Government during their time in office.

The hon. Member for Great Grimsby has felt so strongly about certain subjects in the past that he has renamed himself "Mr. Haddock" in order to stick up for fishing; perhaps on this occasion, he may wish to change his name to "Mr. Housing", as he seems no less passionate about this subject than he was about fishing in his earlier campaign. The rest of us fall behind him, as, once again, this issue is shown to be a cross-party concern.

My worry is that the Government, as the hon. Member for Poole (Mr. Syms) implied in his interesting contribution, are using economic drivers to push forward a dogmatic agenda that assumes that a particular outcome is so desirable that they will bribe—a word that others have used—local people and to some extent local authorities to achieve that result. Why? Why use macro-economic tools to cause micro-economic effects in local governments? In non-jargonistic terms, why are the Government so certain that driving housing out of the council sector is a good thing that they are willing financially to incentivise that policy to the point where many local authorities will shrug their shoulders and say, "What are we supposed to do?" They wonder what they can do to protect themselves when the Government are throwing hundreds of millions of pounds towards a specific policy outcome.

I encourage the Minister to respond to the hon. Member for Hayes and Harlington (John McDonnell), who rightly said that the existing circumstances in which housing stock remains under local authority control directly fulfils Labour's policy objectives. Will the Minister therefore explain to him and to the hon. Members for Stroud (Mr. Drew) and for Poole, my hon. Friend the Member for Portsmouth, South (Mr. Hancock) and myself—not to mention others who are yet to speak—what exactly it is that the Minister can see that we cannot? What is it that compels the Government to use those colossal amounts of money to enact such a ground shift in how we manage housing policy in this country?

Another worrying point, already raised by others, is the lack of investment in council house building. With the number of homeless estimated at 100,000—it could be substantially higher as there is an awful lot of hidden homelessness in this country—it is quite obvious that we have a housing crisis. Another compounding factor is that, as far as I can see, the Government's policy, which is challenged by new clauses 1 and 8, is directly responsible for sapping investment from rehabilitating existing housing for council use in order to construct new housing.

The hon. Member for Hayes and Harlington and others have pointed out that the average inflation rate for house prices is around 9 per cent., but in poorer areas, it is often a lot higher. A few years ago, house inflation in the less wealthy areas of my own constituency of Montgomeryshire—in Wales, admittedly, so it may not be directly affected by this legislation—stood at 36 per cent. It compounds the offence of poverty when councils cannot ease housing demand because they do not have sufficient resources to tackle the problem.

One of the great culprits has already been mentioned—the housing revenue subsidy system. I will not say much about that, but should my hon. Friend the Member for Chesterfield (Paul Holmes) catch your eye, Mr. Deputy Speaker, you would find that he is a true expert on the subject in a way that I am not.

Mr. Iain Wright: Hear, hear.

Lembit Öpik: The Minister violently agrees with that assessment. My hon. Friend, in common with others who have spoken, has made it quite clear that the Bill's

[Lembit Öpik]

provisions will make things even worse. It amounts to taking money away from less wealthy areas and giving it to what can easily be perceived to be more wealthy areas. Given that dynamic, it is almost incomprehensible to us or other people who believe that the Labour party is in favour of redistributing wealth to hear the Government defending something that increases the disparity. In a sense, we could say that the subsidy is redistributive: it takes money from poorer people and gives it to the more wealthy. I thus challenge the Minister, particularly after he has heard my hon. Friend the Member for Chesterfield and others, to explain why the Government have been so unwilling to right a wrong that is felt across the country. If the Minister really wants to redistribute wealth—or, to be more precise, to give funding support to the councils that he believes most need it—he should not implement a system that redistributes wealth from one set of tenants who are already badly off to another set of tenants, as that process amounts to redistributing poverty.

My hon. Friend the Member for Portsmouth, South, the hon. Member for Stroud and, indeed, the hon. Member for North-West Leicestershire (David Taylor) have reflected on why it has been so difficult to achieve a house building rate of more than 1 per cent. of the level of house building that occurred shortly after the second world war. There is a fairly simple reason for that.

6.15 pm

David Taylor: On a point of clarification, the situation is worse than that. The average number of council houses built annually for decades after the election of the Attlee Government was, as I said, 160,000. However, 1 per cent. of that—1,600—is the total number built over the last 10 years, so the real figure is one tenth of 1 per cent.

Lembit Öpik: Indeed. As the hon. Member for North-West Leicestershire—a Labour Member—points out, on the basis of the real figures, I was being 10 times too generous. I was blaming the Minister for only a tenth of the problem for which he is partly responsible, albeit not personally. Despite my concerns about Government policy, when the hon. Member for Great Grimsby suggested that the Minister was in some ways a role model for Robert Mugabe, I thought that that was pushing it a little bit too far. I cannot say, however, that I have detailed knowledge of the current council house building programme in Zimbabwe. The hon. Member for North-West Leicestershire is completely right: the true rate of house building in the past 10 years stands at 0.1 per cent. of the level achieved during a sustained period after the war.

There is a partial explanation for the difference. The Government and the people of Britain made a great sacrifice in order to improve the housing stock; I shall not go into the full historical details, but it is worth noting the interesting set of priorities that were determined after the war. Some mitigating circumstances have been evident in the past 11 years, but given that the Government promised a colossal house building programme, they need to explain how they intend to achieve that when they are putting together economic strategies that will militate against that outcome.

Paul Holmes (Chesterfield) (LD): I do not want to let the Government off the hook too easily there. There was a huge peak in building during the few years shortly after the war—necessary to tackle the bombed housing and all the rest of it—but the point stands good for 50 years. Over the 50 years since world war two, the average council house build per year was 150,000 a year as compared with the tiny number that we have seen built over last 11 years.

Lembit Öpik: My hon. Friend makes a good point. Perhaps the Minister is getting some sense of the cross-party concern on this matter. Even if he were to close his ears to hon. Members—he is not the sort of Minister to do that—he would need to remember that the Government themselves have set house building targets comparable to the sort of figures highlighted by the hon. Member for North-West Leicestershire and by my hon. Friend the Member for Chesterfield. The Minister needs to explain to all of us why he and the Government have been comfortable with a system that militates against incentivising local council house building by local authorities.

Let me conclude with some good news. There is a way out for the Minister, who is looking for solutions. I can present him with a very simple solution—to accept new clauses 1 and 8. Those new clauses are not rocket science and they do not contradict anything that the Government have said that they want to achieve. No great philosophical dilemma would be posed for new Labour by adopting those new clauses—after all, it is not clause IV, in the historical context of the word—so the Minister could make progress on a cross-party basis that sent all the right signals to local authorities. He should indicate his willingness to respond to what we are all saying: we are not saying it for any party political advantage, as it is also what local authorities of all political parties are saying to the Government in their efforts to resolve a desperate shortage of affordable housing across the land.

My hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes) has given the Minister a feast of opportunities—many new clauses and amendments to accept—to improve the situation still further. I would be satisfied if the Minister were to explain his willingness seriously to consider amendments Nos. 14 and 15, which I described before, and to accept new clauses 1 and 8, which are very robustly phrased. There is no technical reason why they could not be absorbed into the Bill. As the Minister has heard, there is a robust logic to accept them to achieve the very goals that the Government seek.

In fact, Mr. Deputy Speaker, I hope that you will allow us to press new clauses 1 and 8 to the vote if the Minister indicates an unwillingness to accept them. If he is willing to accept such provisions and promises that they will be included in the Bill at a later stage, we will accept that in good faith. However, most of all, we would like him to say that he has listened to the arguments and to show the courage that any Minister who really cares about the issue should have and say, "I will accept them". Failing that, we hope that if they are

pressed to the vote, he will encourage Labour Members to vote aye. If he does that, it is no loss for the Government; it is a victory for scrutiny and, moreover, a great credit to the Minister and the Government for showing that they care more about solving a desperate housing crisis in this country than they are concerned about having things their own way at every stage of the Bill's consideration.

Mr. Raynsford: I start by agreeing with the hon. Member for Montgomeryshire (Lembit Öpik) on his opening remarks, in which he rightly praised my hon. Friend the Minister for introducing sensible amendments in response to debates in Committee. The hon. Gentleman's recognition of the Government's willingness to listen and respond positively was welcome and in rather marked contrast to the comments of the hon. Member for North Southwark and Bermondsey (Simon Hughes), who was rather churlish in his approach to the issue. However, I disagree very profoundly with most of the other comments made by the hon. Member for Montgomeryshire and, indeed, those of most of the other contributors to the debate this afternoon. It strikes me that, when there appears to be consensus, as there appears to have been in the House today, it is often an occasion for ringing alarm bells. I want to ring a few alarm bells now.

I have to tell hon. Members that the inheritance that the Government received when they came to office in 1997 was indicative of things that were in many ways fundamentally wrong with housing policy. Not only was there the huge legacy of substandard council housing that was in urgent need of improvement—the funding for that improvement has been quite rightly a fundamental part of Government policy in recent years, and we will return to the details of that in a moment—but there was the pernicious legacy of years in which tenure had been allowed to dominate the debate and politicians had argued the merits of tenure as master rather than the interests of the public for whom tenure should be the servant. So we had debates about the merits of owner-occupation, which obsessed the Conservatives at the time, in just the same way as we have heard rather an obsession about the merits of council housing as against social housing more widely. I believe that it is fundamental that we should think of tenure not as the master but as the servant and that we should try to provide a framework where people can opt for an appropriate tenure suitable to their needs and resources at different stages in their lives, without being trapped, as too many people have been in the past, in unsatisfactory and undesirable circumstances.

The consequence of the obsession with tenure was that, for 50 years or more, we allowed all housing development in this country to be divided and polarised in a rigid and ultimately socially destructive way. We had estates that were almost exclusively owner-occupied on one side and estates that almost exclusively comprised social housing on the other, and ne'er the twain did meet. That led to all sorts of problems. A lot of the market housing provided for owner-occupation was built wholly unsustainably, with people gobbling up acres of green space, seeking detached houses in rural settings. Of course, that created the concept of concreting over the countryside, which has become a rather significant issue in the debate about how we meet housing need. A lot of the opposition to new housing is exactly the product of poor-quality, insensitive housing development, gobbling up the countryside, particularly in southern Britain, over many decades. The Government who were in power in the 1980s and early 1990s were fundamentally at fault for allowing that to proceed.

David Taylor: My right hon. Friend, whose knowledge and reputation on this subject are without parallel in the House, rightly points to the fact that tenure tended to dominate debate and that the interests of the tenant were not paramount, but is it not even worse dogma for a Government to deny the possibility of local authorities having any part to play in resolving the problems of affordable housing by undertaking the provision, management and maintenance themselves?

Mr. Raynsford: If that were the Government's policy, I would agree with my hon. Friend; but it is not their policy, and as I shall demonstrate in a moment, the right approach, which they are broadly following, is to pursue a policy that supports the provision of social housing by a variety of providers, so that there is both diversity and some competition to avoid the problems of monopoly, which became a serious problem in the 1970s, 1980s and early 1990s, when very large council housing estates were run by authorities that found them difficult to manage in many cases and that were opposed to the concept of stock diversification for ideological reasons. I do not think that that is part of the solution; I want a pragmatic approach that accepts the need for local authorities to play a positive role but not a monopoly role, and I would not want to see a return to that.

Mr. Stewart Jackson: Surely the right hon. Gentleman is being somewhat churlish about, for instance, my right hon. Friend the Member for North-West Hampshire (Sir George Young), who did a lot to push forward a plurality of providers in the period of the Conservative Government up to 1997—tenant management organisations, housing action trusts and other initiatives were developed—not just a monolithic approach to social housing.

Mr. Raynsford: If the hon. Gentleman had waited a little longer, he would have heard me say some very nice things about the right hon. Member for North-West Hampshire (Sir George Young), whose period as Housing Minister was distinguished in a number of ways, even though I am afraid it coincided with the Conservative party adopting planning policies that had the effect that I was describing: to polarise areas of owner-occupation and of social housing, and to allow unsustainable development which, frankly, gave development and housing a bad name in many parts of the country, the legacy of which we still live with today.

If we consider some of the other adverse consequences—the concentration of too many poor people in areas of exclusively social housing, where a geographical concentration of poverty and disadvantage inevitably resulted in some degree of stigma, and the extent to which the standards of energy efficiency in both public and private housing were woefully short of the standards that we now recognise are necessary—we can see pretty clearly the scale of the problem that had

[Mr. Raynsford]

to be addressed. The Government's initial approach in saying that the first priority must be to tackle the backlog of substandard council housing was correct. It would have been nice, if there had been more resources, to expand the new build programme as well, but the priority was to put an end to the scandal of millions of people living in substandard housing in which they had been neglected and left for decades because of a lack of investment.

There was some increased public investment, but the Government recognised that there would be no possibility of achieving the consequences that were set out in the decent homes programme of improving the entire social housing stock within a finite time without the injection of some additional private finance. That is where the stock transfer programme, which began when the right hon. Member for North-West Hampshire was Housing Minister, has played an important role. As I have said already, we should not approach these issues in an ideological or dogmatic way; we should consider the interests of the tenants and see what the outcome has been. If we look objectively at the evidence, we see that it is not as it has been presented to the House today, with tenants universally opposed to stock transfer. There has been a mixed view. Some tenants are opposed; others tenants have welcomed it. The evidence where stock transfer has taken place is that, in general, there have been huge improvements in the condition of the stock and high satisfaction among a large proportion of the tenants concerned. I take the view that we should listen to that, rather than to the views of people who want to put tenure ahead of the interests of the public.

Simon Hughes: Does the right hon. Gentleman accept that the picture is mixed, in that tenants in different places can have different views? In my borough and in other areas, whenever people have been asked they have been very clear that they want to be able to remain as council tenants. When the people and the parties represented on the council in question clearly express that wish, the Government should permit that and not give any financial disincentive for it to remain the position.

6.30 pm

Mr. Raynsford: I agree that the position varies from area to area, and that Government should listen to the views of tenants, but it is also right to consider the merits of diversification to avoid large, monopoly landlords, which can be problematic. In my area, the local authority in Greenwich still retains the bulk of the housing stock, but it has agreed stock transfer in a particular area, which has led to a huge improvement in property conditions and a higher level of tenant satisfaction. Such a mixed approach is admirable and sensible, and it should be part of the solution. That is why I reject the approach implicit in new clauses 1 and 8. They adopt a "back to the future" attitude of saying, "We simply want to return to a framework of council housing, and not to accept that there is a need for a pluralist world."

Lynne Jones: My right hon. Friend talks about an injection of private funding as if that is somehow cost-free. Is not the truth of the matter that such an injection of private money costs the public purse more than publicly funded capital investment? It is right that we should invest in the decent homes programme, but even that—let alone the new-build programme—has been woefully inadequate; certainly in Birmingham, thousands of homes have been demolished. So, not only have we not been building new homes, but we have been demolishing council homes, which has led us into this terrible housing and homelessness crisis.

Mr. Raynsford: I am certainly not going to defend the housing record of Birmingham city council, which is very unsatisfactory in many respects. However, my hon. Friend is wrong to suggest that the cost of bringing extra private money into the decent homes and stock improvement programmes is greater than the cost of providing public money. On the contrary, £35 billion has been raised for housing investment because housing associations are able to borrow from the private sector to supplement the public funds that are available to them. That is extra investment that has improved many homes that would not otherwise have been improved.

Also, contrary to the view that is often expressed, tenants' interests have been protected. The idea that housing associations are unaccountable and irresponsible landlords is very different from my experience. I have worked with a range of housing providers, including small and large housing associations, and most of them achieve high standards and aim to be truly responsive to the needs of their tenants and the communities they work with. I strongly advocate an approach that recognises the merits of a mixed economy with a range of providers, and a programme that allows the continued attraction of private investment to supplement public funds, so that we get a larger programme and more work done than would otherwise be achieved.

That must be applied more widely. There has been a dramatic change in new private house building development: unlike 10 years ago, house builders are now prepared to accept that new developments should be mixed developments with an element of social and affordable housing alongside market housing. That was not the case in the past. How often in the past did we hear private developers saying, "We simply want our own exclusive estates, with no social tenants"? That pernicious and wrong approach has largely been countered by the policies pursued by the current Government, and I hope that they will be maintained. The thinking in the Green Paper published in the summer, which is implicit in the policies advocated in the Bill, is encouraging mixed developments in which, side by side, there will be housing for sale, housing for rent and low-cost and intermediate options, and in which there will also be a commitment to raising energy efficiency standards and to doing so in new ways. If we pursue that, and we also accept the need to bring in an element of private finance, there will be an expanded programme, which is what we all want.

I hope that my hon. Friend the Minister will reject the blandishments of those who advocate new clauses 1 and 8, and that he will continue on the course the Government have pursued, which is the right one in the long term for this country.

Adam Price (Carmarthen, East and Dinefwr) (PC): I rise to add my voice to the polyphony of support from all parts of the House for new clauses 1 and 8—although

not a monopoly of support, as we have heard a discordant note from the right hon. Member for Greenwich and Woolwich (Mr. Raynsford). Members of four parties have, however, supported new clauses 1 and 8. I do not see in them an almost Stalinist nostalgia, which is the picture that the right hon. Gentleman painted. They are in favour of a mixed economy—of a social democratic principle, which I would have thought the right hon. Gentleman, a former Minister, would have found it in his heart to support.

It is true that mistakes have been made in relation to council housing. However, when I compare those mistakes with the achievements made through council housing in the 20th century, I still feel that it should be part of the iconography of the Labour party, alongside the NHS, because council housing did as much as the NHS in that century to improve public health. The under-investment in council housing was as nothing to the abuse and suffering that working-class people had to cope with from private landlords before the council housing movement gathered pace, initially at local level and then through the 1945 Labour Government.

The amendments attempt to maintain some space for council housing. The hon. Member for North Southwark and Bermondsey (Simon Hughes) referred to the first council house that was built. If things continue in the current way, we might see the last council house.

The picture in Wales is depressingly similar to that in England. We have partial devolution, but the model of housing finance is governed by primary legislation in Westminster and rules set by the Treasury. Although the political consensus in Wales is generally to the left of centre and is overwhelmingly in favour of retaining a strong role for council housing, more and more local authorities are being forced down the route of transferring their stock.

The hon. Member for Merthyr Tydfil and Rhymney (Mr. Havard) is present. Only last Thursday, there was a knife-edge vote in Merthyr Tydfil—the closest yet in Wales. With people voting by text message, there was still a majority of only 14 in favour of stock transfer, even though they were promised 2,000 new bathrooms, 2,500 new kitchens and so forth. Those are the kinds of inducements that are repeatedly offered to tenants, yet the votes are always close. In Conwy, there was a 51 per cent. to 49 per cent. decision, despite the same kind of financial pressure, which leads the tenants to decide there is no future in the local authority housing sector.

Mr. Dai Havard (Merthyr Tydfil and Rhymney) (Lab): As the hon. Gentleman has mentioned my constituency, may I just say that while much of the provision in the Bill does not directly apply, it sets a background against which the Welsh Assembly has to operate, both ideologically and practically, in terms of local government expenditure? I ask the Minister to recognise that if his proposals are not amended, they will put local authorities in an invidious position, and all the amendments do is ask him to take them out of that invidious position and give them the freedom to have plurality in their provision.

Adam Price: I wholeheartedly agree with the hon. Gentleman. I do not wish to embarrass him politically by saying that, although I suppose we are now in coalition in Wales. The Housing Minister in the Welsh Assembly Government is a Plaid Cymru Member, and in a few weeks' time she will have to confirm the decision made by the people in Merthyr, despite the fact that she is a strong supporter in principle of local authority housing.

Lembit Öpik: As there is a coalition in Wales between Labour and Plaid Cymru, what does the hon. Gentleman imagine the position in Wales will be when they consider the outcome of this proposed legislation? Does he think Labour Members there will be persuaded by the arguments put here to reject new clauses 1 and 8, or that they will take a divergent view based on common sense rather than dogma?

Adam Price: I do not have a crystal ball to give me greater understanding of the views in the Labour party in Wales, but the broad political consensus among its members and activists, as well as those of Plaid Cymru and the Liberal Democrats in Wales, is in favour of maintaining a key role for local authority housing. As a result of the same financial pressures that we see in England, Labour-controlled Rhondda Cynon Taf county borough council initiated a ballot that was successful in transferring its stock, and Swansea's Liberal Democrat council initiated the ballot referred to by the hon. Member for Great Grimsby (Mr. Mitchell), despite the fact that the Liberal Democrat membership is probably against it. I suspect that Plaid Cymru's Gwynedd council feels the same financial pressures. It undermines people's faith in local democracy when the majority of the political parties—the Conservatives in Wales are the exception—are against stock transfer in principle but are being corralled down such a route because the financial cards are stacked against them. The two proposals merely seek to create a level playing field in the information provided to tenants in ballots and in the system of housing finance, so that people can have a genuine choice.

I support plurality. In my area, the pattern of council housing was different, because its estates were smaller and thus did not have the attendant problems that have been mentioned. If there is a case for plurality, let us embrace plurality, but that is not the road along which we are accelerating. We are moving towards an end to an historic and important central role for local authorities, which are democratically accountable, in providing housing to their constituents.

Competition between providers is not the only way to drive up standards; I cannot ascribe to the Blairite mantra. There are other ways to drive up standards—democracy and politics. If people are unhappy at the standard of housing in their local area, they have an option where there is council housing. That option is the local elections, because people can vote in another party. What option will people have when there is an indirect and convoluted system of accountability? What right will future generations—people who are not current tenants—have to hold their local political leadership to account about what it is doing locally on housing and homelessness?

John McDonnell: There is no accountability for many of my constituents, because they are so desperate in their homelessness that they are forced into private lets—buy-to-let properties garnered by profiteering

[John McDonnell]

landlords on a Rachmanite basis to exploit the housing benefits system. When housing is in such desperately short supply, democracy, competition or co-operation do not work. This is about housing supply. The numbers that we are supplying at the moment are clearly inadequate. Tonight, we are offering one of the vehicles that could meet that housing supply need. Whether or not there is plurality of provision, we know of one area in which we can develop housing with one vehicle. It can provide an acceptable form to the people who will then eventually be housed and it has delivered for us in the past: council housing.

Adam Price: I fully agree with the hon. Gentleman. I have seen the figures for England. I do not believe that a single council house was built in Wales last year. If Plaid Cymru is successful in regaining control of the authority in Caerphilly, we will be committed to having at least some council housing built next year. It would be great to have some positive competition from the Labour party on that—perhaps we could have a bidding war on the number of council homes we will build. That is the kind of political competition from which people would benefit.

By accepting the new clauses, the Minister would signal that the regime under the new premiership is serious about its commitment to having a council house building programme that would matter and make a visible and significant impact.

Mr. Paul Truswell (Pudsey) (Lab): Is that not the crucial point? Even if we are talking about a plurality of provision, 2,500 council houses a year is a pathetically small share of that plurality.

6.45 pm

Adam Price: The hon. Gentleman is right. As the hon. Member for Great Grimsby said, the Government's study, based on the pilot for self-financing, has laid the facts bare for us. Unless a new system of finance is in place, even the Bill's new rules will not allow us to transform the parlous lack of investment in the council housing sector that we have seen for so many years. The Minister and a new Prime Minister have the opportunity to put right the mistakes made by a previous Administration and a previous incumbent.

David Taylor: The hon. Gentleman was talking about accountability. Is not a pitiable deception often peddled during the run-up to coerced stock transfer ballots? It is said that there will be accountability from or to the new housing associations, which are typically comprised of the great and the good, some nominated local authority members and some nominated tenants, but in practice people are hobbled, silenced and constrained by what they can say in public because of the fear of ejection from the housing association for bringing it into disrepute. That is the sort of accountability that people are promoting.

Adam Price: I agree with the hon. Gentleman. Clearly there are means of deepening tenant participation in all different models of tenure, but there is a model of accountability that people readily understand—the ballot box and local elections—and we should retain it.

We are entering into a different phase in more general terms. After the Northern Rock fiasco, the ideological position that public sector equals bad and private sector equals good is completely tarnished. We are also entering into a new financial era. People in the United States of America are talking about 10 days that have changed capitalism, because the private sector is no longer awash with the kind of money to which the right hon. Member for Greenwich and Woolwich referred. There was a demand for bonds and asset-backed securities, and that is one of the reasons why stock transfer and the kind of financial instruments that it could create were attractive to investors at one point. We are now in an entirely different era—the credit crunch—and we should not put our faith in the private sector when the money in it is drying up. We must examine other models that have served us well in the past. When facing such a housing crisis in this country we would be unwise not to grasp this political opportunity, given that there is such a consensus in this Chamber on the fact that council housing needs to be a far larger part of the solution than it has been for the past 10 or 15 years.

Paul Holmes: The fact that I wish to address my comments to new clauses 1 and 8 will come as no surprise, given that almost everyone who has spoken has done the same. Those new clauses have dominated the debate. This group contains more than 21 new clauses and amendments, and those two alone have taken up well over 90 per cent. of the discussion. That shows just how strongly people feel about this matter.

The right hon. Member for Greenwich and Woolwich (Mr. Raynsford) discussed dogma about tenure and whether people should be buying houses or living in council houses, saying that that was not the key issue. One of the key issues is that the 11 years of dogma from this Government, saying that council housing is bad and that it must be forced into privatisation or stock transfer, has caused huge harm. I shall return to that in a moment.

New clause 8 concentrates on effectively establishing the fourth option—or a level playing field for councils alongside housing associations—and has two parts to it. The first is about equal access to resources to maintain existing housing stock. The second is about equal access to funding and borrowing and being allowed to build new houses. Like new clause 1, new clause 8 stands in the name of the hon. Member for Great Grimsby (Mr. Mitchell), who does an excellent job as chair of the all-party group on council housing. The second name listed is mine, as I am vice-chair of that group. Given the excellent speeches that we heard from the hon. Members for Poole (Mr. Syms) and for Carmarthen, East and Dinefwr (Adam Price), I look forward to having two new vice-chairs for the group so that we can turn it into a fully fledged all-party group.

I have no doubt that at the end of the debate we will hear from the Minister that all these issues are being considered and are under review. There is a review of the housing subsidy system, to which I shall return shortly. We have heard that from Ministers and the Government before. Members of the Labour party have heard it at conference. They heard it in the run-up to the 2005 election. They heard it last summer, in the run-up to the general election that never was. They heard promises that the Government were looking at

the problem and would sort it out, and that they would allow councils to have a level playing field and to build. As many hon. Members have pointed out, that is nonsense, and that has been the case for the past 11 years. The dogmatic thrust of Government policy is to bring an end to council housing. Those council tenants who vote against Government policy—that is, more than half the social housing tenants in the country—are penalised and punished.

It is no good the Minister saying that he is looking into the matter, that there is a review and that the Government will come up with some answers next year, the year after that or maybe the year after that. We have heard it all before and it has not happened. The crisis is now. We all know what is happening in the private housing sector: repossessions are soaring and have almost reached the levels they were in 1990 during the last big negative equity crisis. People who bought in the sub-prime market or who are on three-year fixed interest mortgages and will come off them on to a much higher interest rate will begin to hit problems. The crisis will be much worse than the one in 1990 to 1992. After that crisis, the Conservative Government altered the regulations so that the benefit system no longer paid the interest on a mortgage for the first six months of unemployment. More people will be pushed straight into repossession, homelessness and seeking help from councils.

Councils will not be able to provide that help because of the lack of council house building over the past 11 years. For the 50 years following world war two, the average number of council houses built was 150,000 a year, as we have heard. Last year, fewer than 300 were built, the lowest number since before world war one. Councils are not in a position to meet the high demand, which will grow over the next year or two because of the problems that are hitting the private housing market.

As we have heard, waiting lists have soared over the past 11 years. Homelessness is up from 40,000 to 80,000. Waiting lists for council housing are up from 1 million to 1.6 million. In Sheffield and Chesterfield, waiting lists have trebled since this Government came to office. When the all-party group held its second evidence session a couple of weeks ago, a Labour councillor from Bolsover told us that someone who applies for council housing in Bolsover has to wait an average of 10 years before they can get any sort of quality accommodation. The old lady rattling about in a family house, whose husband is dead and whose children have grown up and left home—that is the normal pattern that I see in my surgery most Friday afternoons—cannot cope with the house, the stairs or the garden and wants to move out to a bungalow, but no bungalows are available because councils are not allowed to build any more. They cannot provide that replacement accommodation.

Every Friday at my surgeries I see young families who live in poor private accommodation and are being exploited, who are sleeping on relatives' sofas or who live in upstairs flats that are council property. They say that they have one or two children and ask when they can move into a house with a garden. The answer in Bolsover would be that they have to wait 10 years. The situation is much the same in Sheffield, Chesterfield and hundreds of other local authorities.

The crisis is here now. It is bad, but it will get much worse as we encounter further problems with the private housing market. In 1990, councils still had some capability to respond to such situations, but now they will not be able to respond to the growing problem. That is why the Government must do something today. They should accept the new clauses, rather than tell us that the subject is under review and make promises for the future. We have heard that for 11 years but nothing ever happens.

The housing associations, to which the right hon. Member for Greenwich and Woolwich referred in such glowing terms, have not filled the bill. They were supposed to be the alternative and to meet the shortfall in what councils provided before. Over the past 11 years, housing associations have built 22,000 social housing units a year. The Government's reports have said that at least 46,000 are needed a year simply to allow the situation to stand still. That would not improve the 1.6 million waiting lists, but would simply keep up with right-to-buy losses, for example. The housing associations, which were supposed to be the great answer to all our problems, have managed to provide a pathetic 22,000 social houses a year, which does not even keep up with the right-to-buy losses.

Kelvin Hopkins: I agree with hon. Gentleman. Does he accept that many housing associations now amalgamate into larger groups and no longer have a local, specialist focus? At least one big housing association has a chairman who aspires to be quoted on the stock exchange. He wants the association to be a property company and a big private landlord.

Paul Holmes: I thank the hon. Gentleman for that point, which was next in my scribbled notes. In the shotgun wedding ballots about which we have already heard, which are the subject of new clause 1, people are told that their friendly local housing association will come in and provide many wonderful innovations—many of which do not happen—and that the housing association is small, local and friendly. What happens? That process is followed by constant amalgamation. We can see from the experience of the past 11 years that those housing associations are not in the business of building houses or providing a friendly local service. It is one constant story of amalgamation.

The business plan of housing associations—I will be corrected if I am wrong—seems to be based on constant merger and on taking over council housing stock and smaller housing associations. Two or three housing associations operate in my constituency, and their head offices are in cities that are miles away. They have little local offices, that are open a couple of afternoons a week, if we are lucky. If I contact them, as an MP, or a councillor contacts them, we get answerphones or end up ringing through to Rotherham, Bradford, Leeds and all sorts of places. They could be on the other side of the moon as far as the tenants of Chesterfield are concerned.

When those properties belonged to the council, all people had to do was walk for 10 minutes or take a bus for a few minutes into the town centre. They could then bang on the door and go to see the council housing department. They could also vote the council out, as we were reminded earlier. That enabled those tenants to get some sort of response.

[Paul Holmes]

A large chunk of this Bill – the clauses that we might not get on to because of the time constraints – sets up the housing regulator, Oftenant. Most people agree with that because, contrary to what the right hon. Member for Greenwich and Woolwich said, housing associations have a poor record of relating to their tenants and being accountable. Housing associations have not delivered the alternative in the wonderful mixed market that we have heard so much about. They have almost completely failed to fill the gap.

New clause 8 asks for a level playing field. All we want is the same treatment as housing associations have. If the 10,000 council tenants in Chesterfield were to switch to a housing association, that association would immediately get to keep all the rents. If they vote to stay with the council in Chesterfield – tenants in Camden did that four times last year – the council loses millions of pounds in rent: £3 million last year, £4 million this year, and £5 million next year. The sum is going up constantly by inflation plus, but the plus goes straight to the Government and not into housing in Chesterfield.

Tenants who are with the council rather than the housing association have no access to the social housing grant. They cannot borrow money. The Minister is very pleased about that. In the letter to the hon. Member for Great Grimsby, which has already been referred to and which was dated 29 February, the Minister makes a big point on the first page:

"A public body borrowing from a bank is still taking on new public borrowing."

The Government do not want public bodies borrowing. No one has explained that theory of economics to me, whether it concerns hospital wards, new schools or housing. Why do council tenants have to pay higher rents so that people can borrow money in the private sector to build a house? Why is that good, whereas if the council borrows the money more cheaply as a large public institution, that is bad? I do not understand the logic.

We are asking for a level playing field. The fourth option, which is a short-term provision, does not give councils special privileges. It merely stops discrimination against nearly 2.5 million council tenants who have voted no, sometimes three or four times, and want to stay with the council. If the Government are in favour of mixed tenure, diversity and democracy, surely they want to offer a level playing field rather than condemning 2.5 million council tenants in Conservative areas such as Poole, in Plaid Cymru areas, in Labour areas and in Liberal Democrat areas – in areas across the country and the political spectrum – to a constant spiral of decline. The only answer that the Government ever come back with is that there will have to be another ballot, and another £500,000 blown on a failed ballot intended to force people to opt for a transfer. That is simply not acceptable.

7 pm

The hon. Member for Great Grimsby went into some of the details of new clause 1, so I shall not repeat them. It is essentially about tenants' ballots, and the fact that they should be fair, open and democratic. One question asked from the Conservative Front Bench was whether, if we support the new clause, it means that we are aiming to prevent stock transfer. It means that only if having a fair, open, democratic free ballot stops stock transfer.

The right hon. Member for Greenwich and Woolwich said that a couple of million tenants have voted for stock transfer, but in most cases that was only because they had a shotgun to their head. They had no choice, because they were being told, "You either transfer or your houses fall apart around your ears, and you will not get any new ones built. If you transfer, it will be the land of milk and honey." The ballots that took place were often rigged, as I shall explain in a moment.

Mr. Hancock: During my hon. Friend's comments, the former Housing Minister, the right hon. Member for Greenwich and Woolwich (Mr. Raynsford), was shaking his head in disbelief, as though he did not believe my hon. Friend when he said that tenants have been forced into voting for stock transfer by the options put before them. I assure him that for us in Portsmouth, the options were very much as my hon. Friend described. I am delighted to say that the tenants did not fall for it, and I would be delighted if my hon. Friend allowed the right hon. Member for Greenwich and Woolwich to intervene on him to say where tenants have embraced transfer wholeheartedly, because they have been so disappointed.

Paul Holmes: I would be delighted to do so. Of course, it is hard to prove in some ways, because if tenants have voted to transfer, how can we prove why they did so? In one case, the district auditor examining such a ballot said:

"I find the publicity material in question was unbalanced, one sided and misleading. I find as a fact that the publicity material constituted persuasion and was issued for the improper purpose of persuading the recipient to a particular viewpoint."

In another case, a judge came to much the same conclusions about how misleading and unfair was the result of the public money spent by the council on the ballot. He said that although it contradicted what the Department said should be good practice, there was not actually any law to make councils follow good practice, so they could continue to carry out one-sided shotgun ballots.

New clause 1 is intended simply to establish a fair, open, democratic ballot in which people who oppose transfer get an equal say. We should have no more one-sided ballots and no more lack of money to support tenants against councils and housing associations that spend £500,000 or £1 million, using DVDs, videos, roadshows, sandwiches and all the rest, trying to persuade people how wonderful it would be to switch. There should be some equality. Public money should not be spent in such a one-sided way, as the district auditor and the judge to whom I referred agreed.

We have heard about snap ballots suddenly being brought forward to pre-empt planned publicity by people who were going to campaign against an opt-out. We do not have ballots on arm's length management organisations, and why not? Because once there is an ALMO, there is no going back to direct management and direct council responsibility. We have heard about tenants being barred from meetings at

which the only people allowed to speak were those in favour of opt-outs. Tenants' posters campaigning against opt-out, for example in blocks of flats, have been ripped down by council employees, while posters in favour of opt-out have been left up on the same notice board. There is a huge catalogue of such things. If we end all that, will it prevent stock transfer? If free democracy, fair play and free speech prevent stock transfer, that is the democratic decision of the tenants, and we should respect it.

As I said on Second Reading and in other debates, I am not wedded to the idea that everything must be provided by councils. If people want to buy their house, I have no objection so long as the money goes to providing replacements, which it has not over the past 20 years. That has caused a large part of the problem that we now face. If tenants vote to change their landlord, I have no objection. I have the sneaking feeling that, as Members have said, at least if people vote to switch from one political party to another as their landlord, they can vote to switch back later. That is called democracy. Once they are with a registered social landlord such as a housing association, it is a one-way route. The only way to go from there is into bigger and more remote housing associations, through amalgamations and mergers. That is not democracy.

Lembit Öpik: Does my hon. Friend therefore agree that it was ironic that the right hon. Member for Greenwich and Woolwich (Mr. Raynsford) promoted the Government's legislative direction as improving competition? In fact, it will remove the democratic competition that my hon. Friend has just described. We will end up with a monopoly unless we accept new clauses 1 and 8. The only way we can maintain competition is by providing the opportunity for democratic contests, to ensure that the best interests of the voters, who also happen to be the tenants, are at the heart of the matter.

Paul Holmes: Absolutely. We keep being told that we should empower people to take control of their own lives, yet we are telling half the social housing tenants in this country, "You have to take a decision about one of the central things in your life – the house you live in – and if you vote the wrong way, we're going to punish you, penalise you, take your money away, stop your houses being repaired, punish the council that does it" and so forth.

If we believe in democracy, we must accept new clause 1, and vote for it if we must have a vote. It is about having a fair, level playing field and open and honest ballots, rather than the rigged disgrace that we have now.

Mr. Hancock: My hon. Friend is being extremely generous in giving way. Has he ever seen the Government's indication of what they consider best practice should be, and is it clearly identified? If local authorities have failed to deliver best practice, why have the Government allowed sham ballots to persist and take effect? I am sure my hon. Friend will accept, as I do, that the Government find it difficult to explain the housing subsidy rip-off, but they should at least be able to explain what they consider best practice in ballots.

Paul Holmes: In fact, the Government have quite a clear view on that. The Department's own guidance, which was considered in a court case only last year, states that material produced by an authority in a transfer ballot

"should state both the possible benefits",

which it does to a great extent, but that it should also state, which it never does, the

"disadvantages of the options as determined by the investment appraisal... The informal material should never be written in such a way that tenants feel the authority is actively promoting a yes vote by presenting only the pro-transfer arguments."

In fact, as many people have already attested, and as court cases and district auditors have attested, that is simply ignored, and there is no legal requirement to follow the Government's advice.

I cannot explain why the Government allow that travesty to continue and insist on ignoring the 2.5 million council tenants who have voted, sometimes repeatedly, wasting £500,000 every time an authority is forced to have yet another ballot on a transfer that will be rejected. Why do the Government keep rejecting what those 2.5 million council tenants have voted for, by saying that they will penalise them? Why do a Labour Government, of all people, keep rejecting and ignoring what their own conference has voted for year after year?

If we believe in democracy, we must accept new clause 1. If we really want to tackle homelessness and improve the housing conditions of people who tend to be the poorest in society, we must accept new clause 8.

Mr. Stewart Jackson: It is a pleasure to follow the hon. Member for Chesterfield (Paul Holmes), who makes his predecessor in the House sound like a raving right-winger. He truly represents the North Korean wing of the Liberal Democrats.

Paul Holmes: Will the hon. Gentleman explain exactly which part of my comments he found distasteful or extreme? Was it the bits about democracy, about recognising council tenants' wishes or about providing a fair financial field? Which was it?

Mr. Jackson: I would not want to give the House the impression that I found anything distasteful or extreme. I just felt that the hon. Gentleman's views were slightly one-sided. Perhaps the Minister will want to comment on that.

It is worth repeating the situation in which we find ourselves with respect to the amendments that have been tabled, which Members, including the hon. Member for North Southwark and Bermondsey (Simon Hughes), have mentioned. It is not satisfactory that 137 amendments have been tabled since the Bill came out of the Public Bill Committee, and that 379 amendments have been tabled in all. One could make the case that the Government have shown arrogant disdain for the House in how the Bill has proceeded. Not just Her Majesty's loyal Opposition but all Members have the responsibility and duty to scrutinise legislation properly. However, we have not been given that opportunity on this occasion.

Memories of my days on the housing committee of the London borough of Ealing came flooding back to me during the debate. I have not had much to do with housing since then and I was not able to speak on Second Reading and was not called to serve on the

[Mr. Stewart Jackson]

Public Bill Committee, so I am not qualified to say whether the Minister is a good bloke, as he was described. The hon. Gentleman has a winning way and an engaging smile. I shall not go further than that, but all those things stand in comparison with his right hon. Friend the Minister for Housing.

The debate is only part of our wider examination of the Bill so I do not want to take too much time. I shall focus on the kernel of the debate—new clauses 1, 8 and 9. My right hon. Friend the Member for North-West Hampshire (Sir George Young) presented new clause 9 in a typically intelligent and erudite way, with all his great experience in the housing field. I challenge the Minister to be mindful of the consensus in the House about the provisions in new clause 9 on repossession in respect of rent arrears. The new clause has gained support on both sides of the House so it is incumbent on the Minister to make a strong case as to why it should not be included when the Bill goes to the other place, especially given the support from the right hon. Member for Greenwich and Woolwich (Mr. Raynsford) and the hon. Member for Luton, South (Margaret Moran). As a general principle, the poorest members of society, who happen to live in social housing, should not be discriminated against because of the inefficiency of local authorities in paying housing benefit, so I hope that the Minister will look on the new clause sympathetically. I pay tribute to my right hon. Friend the Member for North-West Hampshire for his work on the Committee, and to my hon. Friends the Members for North-East Bedfordshire (Alistair Burt) and for Poole (Mr. Syms).

I was looking at the website of the hon. Member for Great Grimsby (Mr. Mitchell) and I listened carefully to his comments.

Mr. Austin Mitchell: Always an educational exercise.

Mr. Jackson: Indeed. What is not to like about the hon. Gentleman when he responds to the latest big policy initiative from his right hon. Friend the Minister for Housing in the following way? He said that her arguments

"would have been better left unsaid rather than being dredged up from the graveyard of dead ideas in the basement of the Department for Communities and Local Government."

Alistair Burt (North-East Bedfordshire) (Con): And that was mild.

Mr. Jackson: I think we have already established that unity is not necessarily in evidence among members of the people's party, particularly in respect of the right hon. Member for Greenwich and Woolwich. His was a lonely voice as he ploughed the Blairite furrow.

The Opposition are minded to support new clause 1, because we feel that a strong case has been made, for which I shall give some historical context. My party has been responsible for progressive social housing policies over the past 100 years. As Members know, in the 1950s the Macmillan Government delivered record amounts of house building. I can understand why the hon. Member for Great Grimsby is upset and somewhat disillusioned with his Government when we look at the figures—the killer facts. House building starts fell between 2006 and 2007. I have a lot of respect for the hon. Member for Portsmouth, South (Mr. Hancock). As a Portsmouth city councillor of long standing and an erstwhile Hampshire county councillor he knows his onions, but I have to tell him that the average social housing build was 47,000 a year under the Conservatives and only 17,300 under the unlamented former Member for Sedgefield.

Mr. Truswell: It is no use the hon. Gentleman quoting statistics. Labour Members, like most Members of the House, know that by 1997 the Tory Government had well and truly turned off the tap for council house new build. You had cut investment in housing by a half or two thirds in real terms, and the straw that broke the camel's back was the fact that you forced local authorities to spend 75 per cent. of capital receipts from house sales on reducing debt rather than reinvestment in council houses. Is that not the sort of record—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Just for the record I did not do any of those things.

Mr. Truswell: I apologise, Mr. Deputy Speaker.

7.15 pm

Mr. Jackson: I do not doubt your universal powers, Mr. Deputy Speaker, but I probably agree with you on that point.

I was just getting into my stride on the historical perspective. The reason the housing revenue account had to be reviewed during the period of Conservative government was gross misuse of capital financing by irresponsible Labour councils. They all but bankrupted a large number of local authorities in London and outside. That is why the housing revenue account had to be looked at, although I realise it must be painful—

Margaret Moran (Luton, South) (Lab) *rose*—

Mr. Jackson: I shall make some progress and give way to the hon. Lady shortly, even though she has only just joined us for a cameo role and has not been in the Chamber throughout the proceedings. I shall make a little more progress with my historical tour de force if the House will permit me.

As the hon. Member for Hayes and Harlington (John McDonnell) said, 85,000 people are in temporary accommodation. I think he was cribbing from the speech my hon. Friend the Member for Welwyn Hatfield (Grant Shapps) made on Second Reading, because my hon. Friend made the same point and in fact collated the data on children in homeless households, among other things. In 2006, there were 526,000 overcrowded households and 667,000 empty properties in England alone. That is the historical perspective. I respect the sincerity of Labour Members and the fact that they care about the issues, so although it should come as no surprise to them that their Government have delivered that situation after 11 years in power I can understand their sense of resentment.

Margaret Moran: While the hon. Gentleman is still on the historical facts it would be interesting to know which local authorities he was describing as bankrupt. Many authorities, including mine when I was leader of

Lewisham council, were developing homes despite the strictures against them by the Tory Government. Does he believe that a £19 billion backlog in housing repairs and a doubling of homelessness under his Government is a proud record? In the dying days of the Tory Administration his Government removed the homelessness safety net—introduced after "Cathy Come Home"—for the most vulnerable people? Is he proud of that?

Mr. Jackson: I am proud that with the right to buy we gave ordinary working people a stake in their future. We gave them capital and the capacity to move up and improve their lives and those of their families and the rest of the community. We do not need lectures from the Labour party, which took the attitude, "This is your council house. This is what you've been given and if we fancy repairing it or repainting the front door we'll do it when we get round to it." That totalitarian, Stalinist, top-down approach existed throughout the 1960s and 1970s and, incidentally, kept us in power for 18 years, because the Labour party was so backward-looking.

Alistair Burt: May I make a bid to help matters along? Does my hon. Friend agree that no matter what the history may be there is an outbreak of genuine angst and concern on the Labour Benches about housing after 11 years of Labour government? Opposition Members are trying to put that right through the new clauses they propose. The history does not matter; what matters is today and the fact that the problems Labour Members are raising are not being addressed by their Government. My hon. Friend is speaking accurately to that.

Mr. Jackson: I thank my hon. Friend.

We are prepared to support new clause 1, as we accept that there is consensus across the House. In developing a historical perspective on housing, I am merely making that case. Conservatives built council houses; Conservatives believe in council houses. Some of the most forward-looking Conservative authorities continue to support social housing. We take a practical and pragmatic view of social housing. We accept that dogmatism does not have a place in housing provision. People are intelligent, and they know what sort of houses they want to live in, and what sort of estates they want to live on, so there is no point in our being dogmatic. It is worth repeating the success of right to buy.

We believe, too, in local autonomy, the empowerment of tenants and transparency, which is why we are minded to support new clause 1. We want a level playing field, and we want tenants to have all the necessary information. Hon. Members can make the point anecdotally, as the hon. Members for Chesterfield (Paul Holmes) and for Portsmouth, South and others have done, that in some local authorities there has not been a level playing field and the jury has been nobbled. In all honesty, before my local authority—Peterborough city council—undertook a large-scale voluntary transfer, it won an 87 per cent. yes vote, and it was scrupulously fair before the ballot. My predecessor, who was a Labour Member, supported the ballot, and hon. Members will know that she was not always keen on supporting the Government, and certainly not during her second term in the House. However, she saw what was good for her constituents—the tenants—and the transfer was made from Peterborough city council to Cross Keys Homes.

We support such proposals, but we are concerned about the intimation from the hon. Member for Great Grimsby, who told us about the ballot in Great Grimsby, that the new clause was a means of blocking further stock transfers, rather than a commitment to a more—*[Interruption.]* If he wishes to intervene on me, I am more than happy to be corrected.

Mr. Austin Mitchell: That is absolutely untrue. I gave no such intimation, and I had no such thought. It is a gross misinterpretation of what I said.

Mr. Jackson: I am happy fully to support new clause 1, given the hon. Gentleman's clarification. I pay tribute to his colourful and witty tour de force. I hope that there is not a causal link between the fact that his picture was on the literature in favour of the ballot and the fact that he subsequently lost the ballot. I am sure that that is not the case.

Over the years, the hon. Gentleman has made a big contribution to housing policy, and not just on his blog. Equality, fairness and transparency are important and, on the face of it, new clause 1 is about giving all the information pertinent to a ballot to all the people involved, including the tenants whose lives will be affected by any decision. I do not think that anyone in the House would necessarily disagree with that, and the Minister will find it difficult to support the arguments made by the right hon. Member for Greenwich and Woolwich.

My hon. Friend the Member for Poole spoke eloquently about the issue raised by new clause 8, as he did in Committee. He spoke from a local constituency viewpoint, and said that 20 per cent. of tenants in Poole unitary authority had to subsidise housing elsewhere, irrespective of demography, their relative poverty and so on. He made a well-balanced speech, as he did not make a knee-jerk attack on the housing revenue account subsidy system. Instead, he said that the general principle should be that national taxation should fund housing, and not the transfer of funds across the country without anyone apparently knowing on what basis the decision is made. In that case, a decision was made by many people. Having said that, the Opposition are not disposed to support new clause 8, which deals with a separate issue from new clause 1.

Paul Holmes: If new clause 1 was accepted and we had an open, honest, democratic ballot, it would still say, "You can vote to stay with the council, but your house will fall down, you will be denied money, and your rents will be robbed by the Government." What is the point?

Mr. Jackson: Chesterfield is obviously hit by a plague of locusts on a regular basis, because the hon. Gentleman takes an apocalyptic view of the situation. One thing does not necessarily follow the other.

I do not agree with the hon. Gentleman, because it is incumbent on the official Opposition at least to give the Government a chance to make their case by virtue of the review. The House will know that the right hon. Member for Pontefract and Castleford (Yvette

[Mr. Stewart Jackson]

Cooper), the previous Minister for Housing, promised a review of all council housing subsidies at the end of last year. On that basis, it would be wrong to support the provision before we have more information about the success and efficacy of the pilot scheme and the review of the HRA subsidy. I accept what hon. Members have said about the delay and the time that it has taken to establish a review, but one is now under way, so it would be precipitate of us to go ahead and join some Labour Members in the Lobby in support of new clause 8, notwithstanding the eloquent comments of my hon. Friend the Member for Poole, and the speeches of the right hon. Member for Oldham, West and Royton (Mr. Meacher) and the hon. Members for North Southwark and Bermondsey, and for Hayes and Harlington, all of whom made strong, persuasive points. At this stage, it is sensible, rational and responsible to wait for the outcome of the review before making a decision. We should not make a knee-jerk or precipitate response on the housing revenue account.

Lembit Öpik: The hon. Gentleman may have forgotten that, two weeks ago—this was mentioned in the debate—the pilot indicated that the fund was underfunded by 43 per cent. He is waiting for information that has already been published so, in the light of that fact, he can agree with new clause 8.

Mr. Jackson: It is appropriate to stick to our position. We are prepared to give the Government the benefit of the doubt. There was an element of consensus, both in Committee and today, but unless the hon. Gentleman can answer every single question that will arise from the review, we will reserve judgment. We do not think it appropriate at present to support new clause 8. We do not wish to fetter our discretion in future, and we may well take a different position when we know the results of that review.

Lembit Öpik: I do not want to enter into a dialogue, but I cannot let the Opposition off the hook. [HON. MEMBERS: "Go on."] Oh no, I will not.

Simon Hughes: They are not the Opposition—they are just the Tories.

Lembit Öpik: I am sorry, I should have said that I will not let the Conservative party off the hook.

The hon. Member for Peterborough (Mr. Jackson) has set out the condition that would have to be fulfilled if the Conservatives were to support new clause 8—namely the evidence that the provision was not working very well. We have just pointed out that the evidence has been published, and he is now making a different argument. He does not have the luxury of waiting, as we are making the decision for the country today. To reserve judgment is to agree with the Government and it will be too late for him to say afterwards that he was going to change his mind. I therefore encourage him to support new clause 8, because in 15 minutes' time, it will be too late.

Mr. Jackson: That is a bit rich, coming from a party which, like the governing party, promised a referendum on the European Union treaty.

We on the Conservative Benches are prepared to take new clause 1 at face value. We will support it, if it is pressed to a Division. We do not consider at this stage that we can support new clause 8. In so doing, we take nothing away from the sincerity and decency of the views expressed by hon. Members, but we do not consider it appropriate at this time to go forward with that.

Finally, on other new clauses and amendments, the Government should think about whether the Liberal Democrats amendments to which the hon. Member for Montgomeryshire spoke are acceptable. On new clause 9, I make a final plea. There is a strong belief that this is a sensible and measured approach, articulated by my right hon. Friend the Member for North-West Hampshire. I hope the Minister will give it the time and attention that it obviously deserves.

7.30 pm

Mr. Iain Wright: This is the first time that I have sparred over the Dispatch Box with the hon. Member for Peterborough (Mr. Jackson). I welcome him to the Front Bench and wish him well in his new role.

There has been a huge debate on the first group of amendments. Let me start at the beginning, which seems a long time ago, with new clause 9, tabled by the right hon. Member for North-West Hampshire (Sir George Young). He will recall that we had an interesting debate on a similar topic in Committee in January. I am pleased that it has been raised again, so that I have the opportunity to update the House on our progress since then and my plans for moving matters forward.

In responding to the amendments and the other points that have been raised, I am conscious of the need to address incredibly important points in other parts of the Bill, so I will seek to achieve a balance between responding to the comments of hon. Members and making progress with the Bill.

New clause 9 does two things. First, it prevents registered social landlords from ever—I stress the word ever—using ground 8 in possession proceedings. Secondly, it provides that a court should not grant possession to any landlord under ground 8 if any of the arrears arose as a result of delays or failures in housing benefit payments, unless it considers that it is reasonable to do so.

The Government have already made it clear that for registered social landlords eviction should be used only as a last resort in rent arrears cases, particularly—I stressed this in Committee—where the arrears have occurred as a result of delays in housing benefit payments. Good practice guidance published in June 2005 on improving the effectiveness of rent arrears management included advice and best practice on early intervention policies and proactive approaches. The Housing Corporation also issued housing management guidance in early 2007 which stated:

> "Possession proceedings for rent arrears should not be started against a tenant that can demonstrate they have a reasonable expectation of eligibility for housing benefit; provided the local authority with all the evidence required to process a housing benefit claim; and paid required personal contributions towards the charge."

A pre-action protocol for rent arrears has also been established as part of the civil procedures rules, with

the aim of ensuring that eviction is the last resort for all landlords in rent arrears cases. The protocol sets out various measures that social landlords must take before starting possession proceedings on the basis of rent arrears. However, both in Committee and on the Floor of the House today, the right hon. Gentleman made a strong case, and I recognise that there remain concerns about the actions of a small minority of RSLs and other private sector landlords. I am keen to ensure that those are resolved.

I have therefore asked my officials to convene a working group meeting with the key stakeholders, including Shelter, Citizens Advice, the National Housing Federation, the Council of Mortgage Lenders and the Housing Corporation to examine those concerns and report back to me by the summer, recommending options for a way forward. In light of the regulatory framework that we are putting in place, I am particularly interested in the role that Oftenant could play in addressing the problem for the registered social landlord sector. The reformed system of regulation, which will give a stronger voice to tenants to bring issues of concern to the regulator and a more targeted system of regulatory action, seems a good approach to dealing with the matter.

In addition, as I stated in Committee, the private rented sector review being led by Julie Rugg of the university of York will look at the issue in relation to the private sector. The review is due to be published in October this year. Given my commitment, I hope that the right hon. Gentleman will withdraw the motion.

I turn to the central element of today's debate—new clause 8, to which my hon. Friend the Member for Great Grimsby (Mr. Mitchell) spoke so excellently. I shall deal with the narrow point, then go on to the wider point, the financing of council housing, which is the subject of the debate. With the greatest respect to my hon. Friend and to my right hon. Friend the Member for Oldham, West and Royton (Mr. Meacher) and my hon. Friend the Member for Hayes and Harlington (John McDonnell), who reiterated many of the points that they made on Second Reading, new clause 8 would have no impact on the way that the Secretary of State carries out her existing statutory duties. In that respect it is unnecessary.

New clause 8 would require the Secretary of State to take certain matters into account when determining what subsidy to give to local authorities to support their housing revenue accounts. In particular, it would require her to consider the resources needed to meet the decent homes standard and the need for affordable housing. But the Secretary of State is already required by public law to act reasonably in making the annual subsidy determination and to take into account all relevant considerations. Those considerations would include both housing needs and the resources available.

Paul Holmes: Will the Minister therefore explain why your own study—the Department's own study published two weeks ago, with six pilot councils drawn from cities and rural areas, a good cross-section, shows that you are underfunding those six authorities by 40 per cent.? How can the Government be taking those considerations into account?

Mr. Deputy Speaker: Order. Not me again. The hon. Gentleman should get his nomenclature right.

Mr. Wright: It sounds as though you have been very busy, Mr. Deputy Speaker.

I want to dispel the myth that the Government have starved council housing of funds. In the decade since we came to power, there has been a 30 per cent. increase in real terms in council house spending, from about £800 a home to about £1,100 a home. There is more money available to councils to improve and maintain their stock. I reiterate that we have not been starving councils and local authorities of funding for housing.

Grant Shapps: Does the Minister share my dismay that the Government have built less council housing every year in their 11 years than we did in any year under Margaret Thatcher or John Major?

Mr. Wright: My right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford) made the excellent point that there was about a £20 billion backlog and appalling standards. People were living in slums in local authority sectors. We have provided sustained investment in social housing, combined with private funding, to provide about 500,000 new kitchens, 500,000 new windows so that people are able to save on fuel bills and achieve greater energy efficiency, and 918,000 new central heating systems. One million children—the equivalent of a city the size of Birmingham—have been lifted out of inadequate social housing. That is a record that we should be proud of, and the hon. Gentleman should appreciate the size of the backlog that we have had to address over the past 10 years.

Mr. Graham Stuart (Beverley and Holderness) (Con): I am grateful to the Minister for giving way, and I hear his points about investment in the housing stock. However, does he not agree with us about the performance on delivering new housing during nearly 11 years of Labour Governments? There have been fewer houses every single year. That is not a proud record, and not one that many of his colleagues behind him would have expected after 11 years of Labour Governments.

Mr. Wright: I expected better of the hon. Gentleman, whom I respect a lot. People in social housing had to contend with inadequate, almost slum housing under his party's Government. We have a record to be proud of. Circumstances change, and over the period of a decade, the emphasis should be about improving supply. I utterly agree with that, and that is what this Bill—particularly its creation of the Homes and Communities Agency and self-financing in respect of local authorities—will be able to achieve. I hope that the hon. Gentleman will support us on that.

Mr. Austin Mitchell: We need to shift the argument back to the Minister's point that the Government were not underfunding. They are underfunding. In 2003, the Department then responsible, the Office of the Deputy Prime Minister, commissioned the Building Research Establishment to look at the allowances for management, maintenance and major repairs. That research, commissioned by the Government, showed that the Government were underfunding the allowances to local authorities by a third. In other words, the allowances

[Mr. Austin Mitchell]

should have been £5.5 billion, but they were £3 billion. The gap has widened since; on my calculation, there should be £6.6 billion today, but there is only £3.4 billion. The Government are underfunding in that crucial respect.

Mr. Wright: Let me address that point, which relates to the central point of the debate, about what system we should use to finance council housing. Let me put the debate in the context of the Bill. Clause 297 will enable us to exclude specified properties within a council from the housing revenue account subsidy system. We intend to use that power to allow councils to apply to exclude new homes that they build from being added to the housing revenue account. That will create an incentive among councils to build new homes by giving them more income from such properties. That issue seems to have cross-party consensus.

As a former borough councillor, who was proud to serve on my local authority, I think that councils have a range of roles with regard to housing. One is key: place shaping. Councils know what is needed in their areas and provide strategic housing assessments to determine the type of houses required and where they should be. They also have a direct delivery role. I am excited that the Bill, in conjunction with other things such as the housing revenue account review that, as Minister for Housing, my right hon. Friend the Member for Pontefract and Castleford (Yvette Cooper) announced in December, will move us into an exciting new era, in which we look fundamentally at how we finance council housing and, crucially, make sure that councils have that direct delivery role. I am proud to stand at this Dispatch Box and say that this is the return of the council house. I hope that the hon. Member for Chesterfield (Paul Holmes) will agree.

Paul Holmes: I only wish I could. However, I do not believe that what the Minister has described will happen: it has not in the past 11 years. How can councils start to build houses and keep all the rent when 75 per cent. of the right-to-buy money goes to the Government, whereas a housing association would keep it all, and when millions of pounds in rent—£4 million this year in Chesterfield—goes to the Government, whereas a housing association would keep it all?

Right to buy takes away from councils that guaranteed revenue flow from rents, whereas housing associations are not subject to the right to buy in respect of most of their stock, apart from that subject to immediate transfer. Councils have no security and income in that respect and cannot apply for social housing grant. Why can the Minister not accept new clause 8 and put housing associations and councils on a level financial playing field?

Mr. Wright: I have just explained the initiatives that we are putting in place. We cannot implement or change something as complex as the housing revenue account subsidy system without undertaking a review and thinking through the consequences. If the hon. Gentleman seriously believes in ill thought through, knee-jerk legislation, I will leave him to it.

There is a serious point about the principles of financing council housing. How is it locally accountable? How do we take into account the redistribution element? How do we ensure a direct correlation between rents paid and services provided? Given the complexities of the system and the redistributive element, we need to address those questions. That is precisely what the housing revenue account review, introduced by my right hon. Friend the Member for Pontefract and Castleford, addressed.

Paul Holmes *rose—*

Mr. Wright: Before I give way, let me quote from my right hon. Friend's written ministerial statement. These are the principles on which we need to undertake a review on council house financing:

> "This system should be fair to both tenants and taxpayers. It should be transparent, giving a clear and accurate picture of the balance of support from local and central Government. It should enable delivery of agreed standards of service and accommodation. It should recognise that social rents should help tenants gain and retain work, whilst acknowledging the need for landlords to improve the quality and efficiency of services. And it should be affordable and not expose Government to unacceptable fiscal risks." [*Official Report*, 12 December 2007; Vol. 469, c. 34W.]

Those are the principles on which we need to move forward; they are based on the good work of the Audit Commission in its 2005 report on financing council housing.

7.45 pm

Paul Holmes: I thank the Minister for giving way; he is being very generous. My point is simply that councils should be treated as housing associations are. If the 10,000 council houses in Chesterfield were transferred to a housing association, they would be treated utterly different. Let the council be treated the same as the housing association. Is the Bill a revolution in council housing? The impact statement for the Bill says that 2,500 houses are involved—that is, an average of five per constituency. That is not a revolution in council housing.

Mr. Wright: I should also like to dispel the myth that registered social landlords are evil incarnate; I do not think that they are. I am keen to see more bang for the public buck. If housing associations can provide extra resources and extra homes and improved services, with the ability to gear up private financing, that should not be dismissed.

When we took evidence during the Public Bill Committee sittings in December, Alan Walter of Defend Council Housing said in response to a direct question from me that he did not think that private borrowing was bad and that it should be encouraged as much as possible. That was entirely right. Before I go on to the important point about levelling the playing field, I give way to my hon. Friend the Member for Hayes and Harlington.

John McDonnell: A number of the issues that the Minister has just raised are straw men to be knocked down; no one has raised those sorts of arguments. Will the Minister give us a time scale by which the review will be completed, the recommendation will be brought

to the House and legislation will be prepared? Do we now have a commitment that the legislation will happen in this Session?

Mr. Wright: The review will be completed by spring 2009; I anticipate that recommendations arising from it will go out to consultation and that any legislation would take place after that.

John McDonnell *rose*

Mr. Wright: I am keen to move on. I give notice that this is the last time I will give way on this point.

John McDonnell: Perhaps the Minister needs to take this message back elsewhere. What he has said means that our constituents have a two-year wait before the product of those deliberations and new legislation. One would expect an impact schedule after that of another year to two years. That means that homelessness will grow, that overcrowding will continue and that the 700 children now in bed and breakfasts will certainly multiply twofold. Does the Minister not see that the House is trying to relay a sense of urgency to him on this matter? The new clause reflects that sense of urgency.

Mr. Wright: I also share that sense of urgency; that is why I am keen to see the Homes and Communities Agency on the statute book as quickly as possible. It will be charged with helping to create the 3 million homes that we so sorely need by 2020. It will have about £8.5 billion of public money to achieve that ambition.

As I mentioned in Committee, Sir Bob Kerslake, who will be the agency's chief executive, mentioned in a letter that, in respect of the transitionary team arrangements, he sees local authorities as the agency's best delivery partner. I am paraphrasing, but I am not being too inaccurate. With housing at the top of the political agenda and unprecedented sums of public money, I see the Homes and Communities Agency able to step up to the plate and make sure that the country has the homes that it needs in the next few years. I hope that the whole House will be encouraged by that.

Mr. Austin Mitchell *rose*

Mr. Wright: Given my hon. Friend's importance with regard to the new clause, I will certainly give way.

Mr. Mitchell: I am most grateful to my hon. Friend. Another view is that 2.8 million people in council housing are being left to fester, without repairs and maintenance being done properly or on a sufficient scale because of the inadequacy of the management, maintenance and major repairs allowances, and that that will go on until after an election, which will almost certainly be in 2010. The amendment does not ask him to recast the whole business of the housing revenue accounts—that is for the review, which will deal with questions of historical debt and redistribution between authorities—but merely asks him to provide proper resources to manage, maintain and repair according to research into those areas, such as by building research organisations, and to provide a development allowance.

Mr. Wright: I understand what my hon. Friend is saying and respect his views. I would point out to him that in terms of management and maintenance allowances, there were above-inflation increases in 2004-05, 2005-06 and, I think, in 2006-07 of about 6 per cent., 6 per cent. and 4 per cent. respectively. The fundamental point is that the Bill helps to remove, as much as possible, the disincentives for councils to go ahead and build. I think that councils with good performances, in conjunction with other partners will step up to the plate and ensure that we really are building new council houses. There is nothing wrong with that. This country sorely needs it, and I fully welcome it.

However, we must also consider that in the wider context of the difficulties and complexities about how on earth we finance council housing. The housing revenue account is deeply unsatisfying for all concerned. It is so confusing that even my right hon. Friend the Member for Pontefract and Castleford does not understand it, which takes some doing. She has said on the Floor of the House that every time she had to deal with it she had to have a wet towel round her head. That is not good in terms of openness and transparency. We must ensure that it is fit for purpose in the modern age—that there is a direct correlation between rents, services provided and moving on with new builds and improving quality. I would suggest that we are moving towards the level playing field that my hon. Friend the Member for Great Grimsby and other hon. Friends have mentioned, but we need to think about it in the wider context and get rid of some of the complexities that the housing revenue account subsidy system perpetuates.

Ms Katy Clark (North Ayrshire and Arran) (Lab): Does my hon. Friend appreciate that the amendments are in line with Labour party policy as passed at all the recent national Labour party conferences, and does he not therefore think that it is only appropriate to support them?

Mr. Wright: I hope that I am making it clear to my hon. Friend that I am not saying that councils do not have a role. As I said, it is important that they have a strategic role in assessing the housing needs in their area and coming to a view in what particular types of housing are required, whether it is housing for older people or accommodation for young families. That is the sort of thing that we need to be doing through the planning system. However, I genuinely believe that there is also a role for councils to have a direct delivery route. I hope that she will be encouraged by what we are doing in the Bill to move forward further and faster. The review of the housing revenue account subsidy system will make recommendations on how we can fund that. The key point is how we increase transparency and fund this to ensure that everybody gets a fair deal. That is not as easy as has been suggested in the House today.

Lynne Jones: Given my hon. Friend's assurances, would he care to hazard a guess about how many additional council homes we will be building at the time of the next election?

Mr. Wright: That is a difficult one to answer, but I will be open and up front with the House. In the regulatory impact assessment, we say that some 2,500 new council houses will be built on the back of the provisions in the Bill—on an annual basis, I hasten to add. That contrasts with the 250 to 300 houses per annum that we are building at the moment. I think that we are moving on this and that there is not much difference on it between Members in all parts of the House. Councils do play a role, but I suggest, with the greatest respect to the House, that housing associations and other providers also have a key role in helping to lever in private borrowing.

Lembit Öpik *rise*

Mr. Wright: I will give way for one last time, and then I want to move on to new clause 1.

Lembit Öpik: The Minister is right to spend time on this, because it is one of the key elements in the Bill. Can he confirm that he believes—he must, I suppose—that if new clauses 1 and 8 are not passed, we will build more houses than we would if they were passed? I remind him that he has not yet addressed amendments Nos. 14 and 15; if he does not do that, I will ask for a separate vote.

Mr. Wright: The hon. Gentleman will therefore forgive me for moving on quickly. I would say that there are two separate issues, because the two new clauses are similar but talk about different things.

On new clause 1, I thank my hon. Friend the Member for Great Grimsby, who has acted as a true champion of ensuring that tenants get good and adequate information. I am very interested in the points that he has raised and I have been listening intently. He mentioned two key points with regard to the introduction of a code of practice, the first of which concerns the objectivity of the information that is provided to tenants. Before I expand on that, I must put it on record that he makes some very good points. I know that from personal and direct experience, because in a former life I was an auditor—I apologise to the House for that—and one of the things that we considered and undertook reviews on was the quality of information provided during large-scale voluntary transfers. At times, the information provided has been slightly one-sided; although in general, it is a good procedure, and most local authorities provide a fair, open, transparent and balanced view of the stock transfer options. However, I accept the point excellently made by my hon. Friend that there is a need for more objectivity, so with his permission I would like to take this issue away and look at it again. I would like Oftenant to have a role in this. I would also like the Homes and Communities Agency to play a role in relation to the information provided and perhaps in having some impact on the funding of such information. I want to look at this closely, and with my hon. Friend's co-operation and assistance, I hope to do so with a view perhaps to tabling amendments in another place or when the Bill returns here. He has a fair point, and I hope that he accepts that I am very keen to help him.

Mr. Austin Mitchell: I am most grateful to my hon. Friend; it is good to find that he is listening. He did a good job of defending the indefensible on finance for council housing. However, there are certain points that I would like to reiterate. Now that I have the serried ranks of the Conservative party, the Liberal party and my hon. Friends, including my hon. Friend the Member for Hayes and Harlington (John McDonnell), behind my amendment, I would like to make it clear what we are asking for: a definite date for the ballot so that there is no jiggery-pokery in changing it all around; a fair and balanced debate; extension of the 28 days allowed in the Bill for tenants to raise concerns and ballots for ALMOs as well for large-scale voluntary transfers.

Mr. Wright: Certainly on my hon. Friend's first two points, I am keen to work with him and think that he has a fair argument. It is right, for example, that tenants should be given sufficient notice of the time when the ballot will be held in order to allow their proposals to be subject to the full consultation that they deserve. I think that I have dealt adequately with the objectivity exercise with regard to information. In terms of requiring the local authority to give adequate notice, again, I am keen to work with him, and others, to deal with that.

The third point is slightly more complex. On tenant ballots, the issue is a change of tenure as opposed to a change in management. Good practice always indicates that tenants should be fully engaged with regard to the change of management. The system works well in the main, but I pledge to my hon. Friend and others that when we look at the renewal of guidance, we might need to look at the issue again. I do not want to impose unnecessary restrictions and burdens on local authorities and others in order to move things forward, but I would like to meet my hon. Friend so that we can find that way forward. I hope that I have given him my clear pledge on the matter, and reassured him so that he can end the unholy alliance he is leading with Her Majesty's Loyal Opposition.

8 pm

Frank Dobson (Holborn and St. Pancras) (Lab): I am sure that everyone welcomes the idea of free and fair elections—not just in Zimbabwe, but in the ballots we are talking about. I welcome what my hon. Friend the Minister has suggested, but if at the end of the process tenants vote to stay with the council, we are saying, "So what? You won't get any money to do up your housing." That has been the problem all along. In Camden, the council did its level best to get tenants to vote for the ALMO, but 77 per cent. of tenants and 77 per cent. of the leaseholders voted against. People are left in a position where a Labour Government are refusing to find any money to do up housing. The council is now selling the most attractive individual houses on the streets to raise money in order to do up a small part of the rest of the estate.

Mr. Wright: I disagree slightly with my right hon. Friend about that because all local authorities now have a clear road map on achieving decent home standards, regardless of management or ownership of the property. I know that Camden is a special case and

that my right hon. Friend has worked hard in that instance, but the roles are clear. I reiterate this point: far from being starved of funds, there has been a 30 per cent. increase in the amount of council funding from central Government. Private borrowing can be levered in so that more can be done more quickly. I was on a local authority when we had a large-scale voluntary transfer, and in many respects the problems of housing demand were exacerbated, because my registered social landlord, Housing Hartlepool, has been so successful that people who did not deal with it previously now want to move into a social landlord property. The problem of demand has been exacerbated, and we need to address it by building more homes. I want to reiterate my central message, and the central point of the Bill, which is that we need more homes of all different types.

I shall move on to the other points made in the debate, particularly those made by the hon. Gentleman for – is it North Bermondsey and Southwark?

Simon Hughes: North Southwark and Bermondsey.

Mr. Wright: Never mind.

On new clause 29, I agree with the hon. Gentleman that sinking funds are a sensible idea to help leaseholders spread contributions over the longer term and to help to avoid high, one-off costs for capital works. I have worked with my hon. Friends the Member for Regent's Park and Kensington, North (Ms Buck) and the Member for Islington, South and Finsbury (Emily Thornberry) on this matter, and I am keen to make sure that we can help as much as possible.

I suggest to the hon. Gentleman, however, that the provision is unnecessary because councils already have the ability in question, where leases allow. We are aware of the practical obstacles that prevent that process from happening in practice, and it is currently difficult for a local authority to contribute to the sinking fund the precise amount that would represent the sums payable by non-leaseholders – the so-called tenant's proportion. The local authority's contribution on behalf of the tenants would be needed to ensure that the fund was adequately resourced to meet the full cost of any such works and to provide the necessary clarity and transparency with regard to its real value. Earlier sinking funds lapsed largely because leaseholders were reluctant to make contributions when works were not carried out – often because of a lack of resources. It has also been difficult to set contributions that balanced the need for affordability and the need to be realistic in meeting the costs of works.

Jeremy Corbyn (Islington, North) (Lab): I thank the Minister for giving way, and for the meeting that he held with a number of colleagues concerning this matter. Does the legislation, which he supports, allow local authorities to conduct a case-by-case analysis of the needs of leaseholders when major works are done? Like every other Member of this House, I have many poor constituents, who bought their properties under right to buy in the 1980s and simply cannot afford the requirements for the capital costs of new roofs and so on. We need a degree of flexibility when dealing with this matter.

Mr. Wright: My hon. Friend makes an important point and during my time in the Department I have tried to deal with the need for local authorities to be flexible. That is provided for in the Bill, and it went through Committee relatively successfully. Authorities should provide things such as equity loans and equity shares in order to have flexibility with regard to circumstances on the ground and should consider how best to address the concerns that my hon. Friend raises. In the meeting I had with him, he eloquently talked about the concerns of the more vulnerable people in his constituency and others. How do we deal with that issue? I do not want to suggest that the housing revenue account subsidy review will solve all of the world's problems, but in the wider context, it will consider how we balance affordability and realism in order to ensure that we have sinking funds and that the capital costs of service charges are dealt with.

Simon Hughes: I am grateful for the Minister's considered response, but the problem is that some leases do not allow for sinking funds. We need legislation to change to allow them for every lease, even if, originally, the terms of such leases did not allow for such a fund. Before the Bill is looked at in detail at the other end of the building, I hope that I can persuade the Minister that we might find a common formula that would allow every lease to have a sinking fund, which could be used by the local authority and the leaseholder.

Mr. Wright: I would certainly be happy to look at the matter on that basis because I am keen to ensure that we do something about it. I am concerned that in the constituencies of my hon. Friends the Member for Islington, North (Jeremy Corbyn) and the Member for Regent's Park and Kensington, North, people are suffering – often the most vulnerable in society, for whom we need to do more – because of that problem. The provisions in the Bill help with that process as much as possible, and they help local authorities to provide flexible consideration on the ground, dictated by local circumstances. I take the point about existing leases, and I would be happy to meet the hon. Member for North Southwark and Bermondsey (Simon Hughes) to discuss it.

On the hon. Gentleman's new clause 31, we all agree that leaseholders should have a fair deal when it comes to service charges, but we want to ensure that they contribute their fair share to those charges. That is why we have put in a place a system of safeguards and measures that make people aware of what they are taking on when they buy a leasehold property and that involve them in decisions about works to their property. Provisions in the Landlord and Tenant Act 1985, which were amended by the Commonhold and Leasehold Reform Act 2002, already cover much of what is proposed by the hon. Member for North Southwark and Bermondsey. As the House will be aware, there are statutory requirements for all landlords, including those in the local authority and the social sector, to consult their leaseholders before carrying out works in their buildings and estates. Those requirements cover much of what is proposed in the new clause, including the requirement for landlords to give reasons for works, to provide details of works to leaseholders, to have regard to tenants' observations, and to obtain nominations for potential contractors. On that basis, I suggest that the new clause is not necessary.

[Mr. Iain Wright]

Amendment No. 145, which would amend section 105 of the Housing Act 1985, would introduce a duty for local authorities to seek the views of secure tenants when the Secretary of State was conducting a public consultation on housing management where a response was made by the authority. The amendment would require landlords to consult tenants on all national Government consultations that affect them when the landlord intends to respond. From the face of the hon. Member for North Southwark and Bermondsey, he appears to agree with me that that is unnecessary and an unmanageable burden, without any real benefits to tenants, especially given that we already have excellent and effective consultation procedures nationally. I therefore hope that the hon. Gentleman will not press that amendment.

Let me deal with amendments Nos. 14 and 15, which the hon. Member for Montgomeryshire (Lembit Öpik) tabled. I want to consider Government amendments Nos. 40 to 43 at the same time because I believe that our amendments, especially amendments Nos. 40 and 42, would achieve the same thing. Government amendments Nos. 40 to 43 are designed to do three things. First, they would ensure that, when a landlord or tenant makes a request to the district valuer for a review of his valuation of a property for right-to-buy purposes, the request and the reason supporting it should be in writing.

Secondly, the amendments would clarify that the determination of value can be reviewed only if the sale has not been completed. I suggest that that is almost exactly the same as amendments Nos. 14 and 15, which reflect a suggestion, as the hon. Gentleman eloquently pointed out, that London Councils made. I am glad that we can all agree on that sensible suggestion.

Thirdly, our amendments are designed to ensure that, in the review process, which clause 290 introduces, the district valuer knows the date from which specified time limits are calculated. Clause 290 will allow district valuers to withdraw determinations of value and make new ones if they decide that their original valuation was factually flawed, acting either on their initiative or in response to a request from the landlord or the tenant. The aim is to make the right-to-buy valuation procedure more responsive to particular circumstances. At present, wrong valuations based on errors of fact cannot be corrected without court action. On that basis, I hope that the hon. Gentleman will

Lembit Öpik: To finish the sentence, "not press the amendments." I would love to comply, but I want clarification of some practical matters. The Under-Secretary says that Government amendments Nos. 40 and 42 would achieve the same outcome as amendments Nos. 14 and 15. That means that he believes explicitly that it would not be possible to reopen the question of the valuation from the point of completing a right-to-buy purchase. First, is he saying that that is the case? Secondly, exactly which part of the amendments makes that case?

Mr. Wright: The hon. Gentleman makes a good point. I agree that it would be undesirable if a landlord or tenant challenged the agreed price of the property after completion or if a district valuer could decide on his own initiative to review the valuation after completion. Once a property has been sold, that should be that.

I hope that the hon. Gentleman agrees that flawed valuations are unfair. If they are too high, the tenant needs an unnecessarily high mortgage—we have been discussing credit crunch and restrictions on mortgages this afternoon—or may be unable to afford to buy. Valuations that are too low mean that the landlord and the taxpayer receive a lower receipt than is justified.

In response to the hon. Gentleman, I suggest that clause 290 aims to ensure that such issues can be resolved flexibly. The Government amendments are designed to ensure that the district valuer has the necessary information to enable that to happen as expeditiously as possible. I therefore hope that hon. Members will accept Government amendments Nos. 40 to 43 and that the hon. Gentleman will not press amendments Nos. 14 and 15, on the basis that our amendments achieve what he wants.

Lembit Öpik: I offer the Under-Secretary a deal. I am not playing games with him. I do not believe that the Government amendments do what he set out. If, on the basis of impartial legal advice after the debate, the amendments do not achieve what he says, will he commit to introducing a statutory instrument to achieve what amendments Nos. 14 and 15 propose? If he is willing to do that, and, acting in good faith on the basis of legal advice, which we do not have the time or resources to seek now, to try to achieve something that we both agree should happen—I am not persuaded that the Government amendments achieve it—I will not press the amendments to a vote.

Mr. Wright: I am keen to reassure the hon. Gentleman. I reserve the right to consider the matter as flexibly as possible, but he has suggested a sensible approach which I am keen to go away and examine. On that basis, I hope that he will not press his amendments.

Lembit Öpik: I understand that the Under-Secretary is saying that we will have a statutory instrument Committee, if, on the basis of an impartial conversation with lawyers and probably London Councils, we decide that the Government amendments do not achieve what he said. I am grateful for that assurance—the Under-Secretary has taken a mature approach. On that basis, I will not press the amendments to a Division.

Mr. Wright: I am grateful for that. The approach reflects the way in which the hon. Gentleman worked in Committee. He was sensible and reasonable and I pay tribute to him for that.

I have made the Government's position clear on the important group of amendments that we are considering. On the key central elements of the amendments, I hope that I have reiterated my view and the Government's policy that council housing, especially new build, is essential to help address genuine housing needs.

Alistair Burt: Will the Under-Secretary give way?

Mr. Wright: I will, but let me say how disappointed I am to see the hon. Gentleman on the Back Benches rather than being excellent on the Front Bench, as he was in Committee.

8.15 pm

Alistair Burt: I am grateful to the Under-Secretary for that kind remark. It is now quarter past eight and we have been discussing the first group of amendments for about four hours. There has been no time wasting. With five more substantial groups of amendments to cover, not enough time has been allocated. Before he sits down, will he tell the House that he will not press the matter to a conclusion with the end of Report and Third Reading but sort out more time with the usual channels? Does he appreciate how welcome that would be to the House? He must be as worried as anyone about the fact that we cannot deal with a substantial range of amendments in the way I know he would wish.

Mr. Wright: The hon. Gentleman makes an important point. I hope he acknowledges that I have been keen throughout our deliberations for hon. Members to have the opportunity to raise appropriately all points and concerns. On his specific point about the usual channels, with the greatest respect, that is above my pay grade. I am keen to ensure that the Bill receives the proper scrutiny that it deserves. However, Her Majesty's loyal Opposition cannot have it all ways. On Europe—

Mr. Deputy Speaker (Sir Michael Lord): Order. I have been fairly tolerant for a little while. Perhaps the Under-Secretary should now return to the new clause.

Mr. Wright: Thank you for your guidance, Mr. Deputy Speaker.

I hope that I have made the Government's position clear and that we have responded to concerns. I hope that my hon. Friend the Member for Great Grimsby, who tabled amendment No. 5 and new clause 1, is reassured that I am keen to address his concerns.

On that basis, I hope that hon. Members will accept the Government amendments and not press their own.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 12

SHARED OWNERSHIP LEASES: PROTECTION FOR CERTAIN LEASES

'(1) After paragraph 3 of Schedule 4A to the Leasehold Reform Act 1967 (c. 88) (exclusion from enfranchisement for certain shared ownership leases granted by housing associations) insert—

"3A (1) A lease which does not fall within paragraph 3 is excluded from the operation of this Part of this Act if the lease—

(a) meets the conditions mentioned in sub-paragraph (2);

(b) meets any other prescribed conditions; and

(c) does not fall within any prescribed exemptions.

(2) The conditions referred to in sub-paragraph (1)(a) are that the lease—

(a) was granted for a term of 99 years or more and is not (and cannot become) terminable except in pursuance of a provision for re-entry or forfeiture;

(b) was granted at a premium, calculated by reference to the value of the house or the cost of providing it, of not less than 25 per cent. or such other percentage as may be prescribed, of the figure by reference to which it was calculated;

(c) provides for the tenant to acquire additional shares in the house on terms specified in the lease and complying with such requirements as may be prescribed;

(d) does not restrict the tenant's powers to mortgage or charge his interest in the house;

(e) if it enables the landlord to require payment for outstanding shares in the house, does so only in such circumstances as may be prescribed;

(f) provides for the tenant to acquire the landlord's interest on terms specified in the lease and complying with such requirements as may be prescribed; and

(g) states the landlord's opinion that by virtue of this paragraph the lease is excluded from the operation of this Part of this Act.

(3) In any proceedings the court may, if it considers that it is just and equitable to do so, treat a lease as meeting the conditions mentioned in sub-paragraph (2) despite the fact that the condition specified in paragraph (g) of that sub-paragraph is not met.

Certain leases for the elderly".

(2) For the italic heading before paragraph 3 of that Schedule to that Act substitute—

"*Certain housing association and other leases*".' —*[Alison Seabeck.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 13

SERVICE CHARGES: PROVISION OF INFORMATION AND DESIGNATED ACCOUNTS

'Schedule (Service charges: provision of information and designated accounts) (which relates to the provision of information about service charges and to service charge funds) has effect.' *[Alison Seabeck.]*

Brought up, read the First and Second time, and added to the Bill.

Simon Hughes: On a point of order, Mr. Deputy Speaker. Am I right that, if we want to press new clause 1 or new clause 8 to a Division, it happens later, but that you will facilitate a vote before the end of Report at nine o'clock?

Mr. Deputy Speaker: The hon. Gentleman is correct. When we get to nine o'clock, the Chair will have to decide exactly what Questions to put, and will seek to look to hon. Members who want to press or withdraw amendments at that time.

New Clause 14

DUTY TO GIVE FINANCIAL ASSISTANCE IN RESPECT OF CERTAIN DISPOSALS

'(1) The HCA must exercise its powers under section 22 to give financial assistance by way of grant to a relevant provider of social housing in respect of any discount given by the provider—

(a) to a person exercising the right to acquire conferred by section (Right to acquire), or

(b) on a disposal of a dwelling in England by the provider to a qualifying tenant otherwise than in pursuance of the right conferred by that section.

(2) In subsection (1)(b) "qualifying tenant" means a tenant who was entitled to exercise the right to acquire conferred by section (Right to acquire) or by section 16 of the Housing Act 1996 (c. 52) in relation to a dwelling of the relevant provider of social housing other than the dwelling being disposed of by the provider.

(3) The amount of the grant given by virtue of subsection (1)(a) to a relevant provider of social housing for any year is to be the aggregate value of the discounts given by that provider in that year.

(4) The amount of the grant given by virtue of subsection (1)(b) to a relevant provider of social housing must not exceed the amount of the discount to which the tenant would have been entitled in respect of the other dwelling.

(5) The HCA must specify—

(a) the procedure to be followed in relation to applications for a grant by virtue of this section,

(b) in the case of a grant by virtue of subsection (1)(b), the method for calculating, and any other limitations on, the amount of the grant,

(c) the manner in which, and time or times at which, a grant by virtue of this section is to be paid,

(d) any other terms or conditions on which such a grant is given.

(6) In this section—

"dwelling" has the same meaning as in Part 2,

"registered provider of social housing" includes a person falling within section (Right to acquire)(3),

"registered social landlord" has the same meaning as in Part 1 of the Housing Act 1996 (c. 52),

"relevant provider of social housing" means—

(a) a registered provider of social housing, or

(b) a registered social landlord,

"tenant" has the same meaning as in Part 2.'.

[Mr. Iain Wright.]

Brought up, and read the First time.

Mr. Iain Wright: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to discuss the following:

New clause 32—*Definition of 'community land trust'*—

'"Community land trust" means a non-profit organisation which is an industrial and provident society, a company limited by guarantee or other incorporated body whose governing instrument contains provisions to the following effect—

(a) the primary purpose of the organisation is to hold land and other assets in order to promote the social, economic and environmental sustainability of a specified local geographic community by providing or facilitating the provision of affordable or other sub-market housing or other community-based facilities and services,

(b) the organisation will not dispose of its land and other assets save in the furtherance of its objectives as set out in paragraph (a),

(c) the membership of the organisation is open to organisations which are located in or persons whose principal place of residence, work or business is located in the specified community the organisation is established to serve (although the organisation may have different classes of membership),

(d) over 50 per cent. of the governing body is elected by the members of the organisation,

(e) the organisation is accountable to the local community through annual reporting or otherwise, and is responsive to the local community's needs and to representations made on its behalf, and

(f) it is an organisation established to help enable the community and those who live or work there to benefit from the land or other assets it holds.'.

New clause 33—*Duty to monitor and promote re-use of brownfield land*—

'(1) The HCA must identify, collate and publish up-to-date information on the availability, including type and location, of brownfield land in England at district, regional and national level.

(2) The HCA must keep this data under review and publish its findings annually.

(3) The HCA must promote the re-use and reclamation of brownfield land by acting as the Government's statutory adviser on brownfield land, by providing advice and grants and by commissioning, undertaking or supporting research and other projects to further best practice.

(4) In this section "brownfield land" means land which has previously been developed.'.

Government amendments Nos. 16 and 17.

Amendment No. 151, page 2, line 4, in clause 2, at end insert—

'(d) to facilitate the provision and supply of home ownership including, in particular, low cost home ownership through community land trusts.'

Government amendments Nos. 18 to 24.

Amendment No. 1, page 11, line 38, in clause 22, at end insert—

'(1A) Local authorities shall be eligible for financial assistance under subsection (1).'.

Government amendment No. 60.

Government amendment No. 25.

Amendment No. 229, page 15, line 17, in clause 34, leave out from 'HCA' to end of line 18 and insert

'must exercise its functions with the objective of contributing to sustainable development.

(3) The Secretary of State may issue guidance to the HCA for the purposes of this section and the HCA must have regard to any guidance so issued.'.

Amendment No. 207, line 22, in clause 35, leave out 'low cost rental accommodation' and insert 'social housing'.

Amendment No. 208, line 23, leave out 'low cost rental accommodation' and insert 'social housing'.

Amendment No. 209, line 27, leave out 'low cost rental accommodation' and insert 'social housing'.

Amendment No. 210, line 29, leave out 'low cost rental accommodation' and insert 'social housing'.

Amendment No. 211, line 33, leave out 'low cost rental accommodation' and insert 'social housing'.

Amendment No. 212, line 35, leave out 'low cost rental accommodation' and insert 'social housing'.

No. 213, page 15, leave out 'low cost rental accommodation' and insert 'social housing'.

Amendment No. 214, line 40, leave out 'low cost rental accommodation' and insert 'social housing'.

Amendment No. 215, page 16, line 1, leave out 'low cost rental accommodation' and insert 'social housing'.

Amendment No. 216, line 3, leave out 'low cost rental accommodation' and insert 'social housing'.

Amendment No. 217, page 16, leave out line 9 and insert

'social housing has the meaning given by section 69.'.

Government amendments Nos. 135 and 136.

Amendment No. 137, page 21, line 11, in clause 48, at end insert—

'(1A) The Secretary of State may give guidance to the HCA to ensure that, in exercising its powers, the HCA does not expose any person to any risk to their health arising from exposure to electric and magnetic fields with a frequency of between 30 and 300 Hertz.'.

Amendment No. 138, line 28, in clause 49, at end insert—

'(1A) The Secretary of State may give a direction to the HCA to ensure that, in exercising its powers, the HCA does not expose any person to any risk to their health arising from exposure to electric and magnetic fields with a frequency of between 30 and 300 Hertz.'.

Government amendment No. 26.

Amendment No. 139, page 39, line 6, in clause 88, at end insert—

'(3A) Pursuit of Objective 2 includes, but is not limited to, protection from the risks to health arising from exposure to electric and magnetic fields with a frequency of between 30 and 300 Hertz.'.

Amendment No. 140, line 29, at end insert—

'(15) The Secretary of State may add to or amend the regulator's fundamental objectives as the Secretary of State thinks appropriate.'.

Amendment No. 141, page 40, line 32, at end insert '; and

(c) specify the proportion of housing built within 60 metres, measured in any direction, of an overhead transmission line.'.

Amendment No. 142, page 72, line 41, in clause 180, leave out ', and'.

Amendment No. 143, line 42, at end insert ';

'(m) the distance of housing from any overhead transmission line; and

(n) the levels of electric and magnetic fields with a frequency of between 30 and 300 Hertz permitted in housing.'.

Amendment No. 144, page 101, line 15, in clause 261, at end insert—

'"overhead transmission line" means any electric line above ground which carries or is capable of carrying electricity at or more than 275 kiloVolts.'.

Amendment No. 233, page 138, line 13, in schedule 1, after 'year', insert

', including how it has contributed to the achievement of sustainable development,'.

Government amendments Nos. 27 and 28.

Martin Horwood (Cheltenham) (LD): I should like to speak in support of new clauses 32 and 33, amendments Nos. 175, 229 and 233 and any other measures to increase the value of democracy and sustainability in the Bill.

The Minister appeared to argue in Committee against limits on the powers of the Homes and Communities Agency, which seems to have extremely sweeping powers. Clause 3 is an extraordinary clause and defines the "Principal powers" of the HCA as the power to do

"anything it considers appropriate for the purposes of its objects or for purposes incidental to those purposes."

That must be the most broadly drawn principal power ever seen in the House. The HCA also has powers to facilitate the development of land, to "acquire land compulsorily" and to

"dispose of land held by it in any way it considers appropriate."

Those are major powers.

However, the Minister said in Committee that restrictions were unnecessary, because

"Any development would have to be in accordance with the development plan." *[Official Report, Housing and Regeneration Public Bill Committee*, 15 January 2008; c. 269.]

He said just now that local councils should still have a major role in place shaping, yet I fear that in having a national agency with such powers, as opposed to a local development agency, we may see local authorities' place-shaping and other powers being degraded. The question is: what kind of development plan will have to be conformed with? The Minister might be talking about the new local development frameworks, but I would not fancy putting one of those in the ring against the Homes and Communities Agency. He might also be talking about regional spatial strategies, which are now coming forward with a great deal of detail in local planning from unelected regional assemblies.

In the south-west, we are in the latest stage of an almost endless consultation, with the examination in public panel report, which has blithely dismissed some strongly held local views and is an example of how unelected quangos and Government-appointed inspectors can run away with their own sense of self-importance at the expense of local people's views. The examination in public panel report for the south-west describes land at

"the foot of Leckhampton Hill,"

next to my constituency,

"which marks part of the western extent of the Cotswolds and is a local beauty spot of some historical interest. There are panoramic views both to and from the hill which include views across part of the Leckhampton/Shurdington land and of Cheltenham itself. A large number of draft RSS representations relate to this land and the Panel is left in no doubt that the Hill and the views from it are an amenity much appreciated by local people."

Yet four paragraphs later all those concerns and all that respect for the local area are blithely dismissed. The panel simply says:

"We are also content, from our own inspection of the area, that there is scope for sustainable development here without harm to the AONB, the outlook from Leckhampton Hill or to the local environment. Regional Flood Risk appraisal has cleared the way for any flooding issue to be addressed through later strategic flood risk appraisal."

Presumably the panel did not see the area when it was all under water last July.

Strongly held local views are being dismissed by such quangos after years of earlier consultation in which local elected and community representatives were more or less of one mind—strongly in favour of more social housing, more urban regeneration and more appropriate small developments around villages, whose shops, post offices and schools are dying through a lack of people, and in general opposed to urban extensions around already affluent towns such as Cheltenham. What do we get in draft after draft of the regional spatial strategy? We get urban extensions around already affluent towns,

[Martin Horwood]

where, historically, large quantities of land have already been released over decades, with no discernable impact on relative house prices.

Mr. Iain Wright: I apologise for taking up the hon. Gentleman's time. I am listening to his arguments closely and I am sure that you would rule him out of order if he strayed too much into a Second Reading-type speech, Mr. Deputy Speaker, but is he opposed to the creation of the Homes and Communities Agency?

Martin Horwood: My principal concern is about powers that are exactly analogous to those held by other quangos—powers to consult but never to change the decisions being consulted on. For instance, 8,100 houses in Cheltenham have been accepted by everybody locally for development in the urban area, but that has been pushed up to 13,800 houses, which will therefore overflow into urban sprawl, over miles and miles of green land and green-belt areas. Inevitably, we now have a growing cross-party campaign called "Save the Countryside". When we have bodies that trust the people, new housing will be accepted. That is the gist of many of the amendments that we discussed earlier.

Lembit Öpik: To respond to what the Minister said, I see that my hon. Friend has assiduously read the reports of the Public Bill Committee. He is citing the exact point that I made, which is that the HCA has incredible powers—indeed, almost unfettered powers. He is expressing concern that the HCA has such a wide remit that it can walk into just about any other quango's activities without having to check with anybody else. I agree about that concern, and I said so in Committee.

Martin Horwood: I am grateful to my hon. Friend for his support; that is exactly the point that I am making. If we fail to trust the people and empower such organisations simply to walk into other areas and bully and threaten people, the barriers will go up and people's nimby instincts will come out. Voices ignored so far in local areas mean that local people will become determined to shout louder.

The numbers that the HCA and others will be involved in handing down from the Department are not locally determined and are based on models about which many questions that were asked two years ago by the then Select Committee on the Office of the Deputy Prime Minister, of which I was a member, need to be answered. The truth is that some of those models might all be for nothing—that is, we need only change a few parameters in them and they might not even deliver the affordability at the macro level that they are designed to support. Indeed, one parameter has spectacularly changed, namely the growth assumptions behind such large numbers of new houses.

The growth assumptions behind the numbers in the south-west are based on an annual economic growth rate of between 2.8 and 3.2 per cent. sustained consistently over 20 years. However, those are the kind of growth rates that the Chancellor can now only dream of, so I would be interested to hear the Minister's response on that. According to the Treasury's own projections, those numbers are now simply wrong. However, as a result of new growth point status initiatives, to which I hope Cheltenham's Conservative administration will not sign up—although the signs are not good—greenfield sites may well be developed first and not last, because the growth points focus on greenfield development. I hope that the Minister can spare the time to respond to that point. If we are not careful, when the economic crisis bites, greenfield sites may well end up being the only land that is developed. That is why the amendments that refer to sustainability and the prioritisation of greenfield sites over brownfield sites are so important.

The measures have implications for quality of life and for the environment, in terms of climate change and flooding. The Foresight report from a few years ago identified urbanisation as a key factor in the increased likelihood of flooding—a factor high up the priority list for many of my constituents, as 600 properties in Cheltenham flooded last year. The South West of England Development Agency responded in its regional spatial strategy by increasing the number of houses in the Cheltenham and Tewkesbury area by 3,700, and now yet another unaccountable, unelected quango is being created under the Bill. There is nothing in the Bill that persuades me that the Homes and Communities Agency would ever side with local people who have local knowledge, or with local elected representatives.

8.30 pm

Mr. Iain Wright: I am not entirely certain whether the hon. Gentleman was in the House when I mentioned the issue in debate on the first group of amendments, but Sir Bob Kerslake, the chief executive designate of the Homes and Communities Agency, recently said in a letter, with regard to the transitional arrangements, that he sees the agency as the best local delivery partner for local authorities. The measures will only improve housing supply and regenerate infrastructure and communities if there is a close link between the agency and local authorities. Does the hon. Gentleman not agree?

Martin Horwood: The Minister has put his finger on one of the key problems with the Bill. In trying to reassure the House that the Bill provides enough safeguards, democratic measures and provision's on the sustainability of the new agency, he refers us to a letter from its designated chair and not to any provision in the Bill. If we are simply to rely on the good will of an appointed official, that is not good enough.

As I say, I do not have any confidence that the Homes and Communities Agency will ever side with local people who have local knowledge, or with local elected representatives, against the faceless bureaucrats and Government inspectors who are simply doing the Government's bidding and ignoring important democratic and environmental factors. Amendments Nos. 175, 229 and 233 and new clauses 32 and 33 would go some small way towards addressing that imbalance and I strongly support them.

Grant Shapps: I should like to sing the praises of new clause 32, which I think will have some backing in all parts of the House. It is all about community land trusts. The Minister will remember that in Committee

we had a bit of discussion about CLTs and whether they could prosper if they were legally defined as an entity. As he knows, the purpose of CLTs is to ensure that affordable and other sub-market housing is available to people at below market rents or costs—something of which I think he would approve. That would make a great deal of sense in an environment where we are trying to do everything possible to provide low-value and affordable housing. In some areas of the country, local people are effectively priced out of the housing market because house prices are not at the national average, which is eight or 10 times salary, but are 20 times the local average salary. Community land trusts can do a great deal to assist in that regard, and new clause 32 seeks legally to define the CLTs once again.

The Minister told us in Committee that it was not necessary to define CLTs, as that would not be of any great advantage to them; he said that legislation already provides for them and that they are already being created, and that that proved that the Bill did not need to address the issue of definition in any greater detail. However, I have since discovered that he is wrong. I recently visited a good CLT in Cornwall, where a group of residents have got together and have managed to purchase some land. It is called a self-built community land trust. I commend it to him; it is in the village of Rock. The Minister will be interested to hear that when I say self-built, that is what I mean. At 5.30 pm when the residents have finished work, and at the weekend, they go and build the community themselves, literally.

The residents spent a full year trying to get funding for that very sound project. There was no real reason why they should not get funding; it was nothing to do with the more recent credit crunch. The reason they could not get the funding was that no commercial organisation understood what a CLT was, despite the fact that the residents had the backing of their local housing association, which was trying to explain the situation. When lending societies looked at the plan they could not get their heads around it, because community land trusts are not defined anywhere in law. Along with amendment No. 151, new clause 32 would solve that problem.

Mr. Drew: The hon. Gentleman is right about the Labour support for community land trusts. As someone who has worked with one for five years, I could wax lyrical about them.

I approve of the intention of the new clause, and hope that the Government are listening carefully. What worries me, however, is what worried me in Committee. I am not sure that the wording is as inclusive as it needs to be. The implication is that the new clause is about low-cost home ownership rather than what I want to see, which is a mixture of ownership and renting. Will the hon. Gentleman specify exactly what he thinks the new clause will do?

Grant Shapps: The hon. Gentleman has made an excellent point. It should be possible for community land trusts to cover both low-cost renting and home ownership. I am very willing to work on the wording of the definition, and if the Minister will join me in doing so I shall be very pleased. However, although he has shown good will over other parts of the Bill, it seems to me that, for no good reason, he is sticking to the view that CLTs should not be included in it. I have given him on-the-ground evidence about a CLT that went through the trauma of trying to obtain funds when the only obstacle was the absence of a legal definition.

Margaret Moran: I am a little confused. Could the hon. Gentleman be a little more explicit about the obstacle in that case? When I was chair of housing in Lewisham, we sponsored some of the first self-build projects in the country. They were based on the co-op model and experienced no difficulty in securing funds, through commercial sponsors, through the Housing Corporation or, indeed, through our own local authority.

May I also echo the point made by my hon. Friend the Member for Stroud (Mr. Drew)? For many of us, community land trusts—which were created by the Co-operative Development Society, to which all praise is due—were very much about affordable rented housing rather than home ownership.

Grant Shapps: I accept that entirely. They also enable people to shape their communities as they wish. The CLT that I mentioned wanted to ensure that local people could be housed locally. It was able to define tenants or buyers on the basis of their local roots, which I think makes a great deal of sense.

As for the obstacle in that case, the members of the CLT spent a considerable amount of time approaching a large number of lending institutions. They were asked to explain exactly what a community land trust was. When they had explained, in plain English, they were asked "Can you tell us where, in law, we can find out about this mechanism?" As we all know, it is not defined anywhere in law, and as a result—and I am not making this up—the CLT was unable to obtain funding. I am pleased to hear that elsewhere in the country and in earlier times, perhaps under a slightly different guise—the hon. Lady mentioned co-operatives—others have been funded, but CLTs are very much at the beginning of their journey. We know that the Minister has arranged trials to establish how they could be made to work elsewhere.

If the commitment is there and both sides of the House agree, it is reasonable to try to proceed slightly more quickly. If we can learn from practical experience of the problems experienced by those on the ground, there is every reason to include this provision in the Bill. I cannot think of any way in which it would damage the Government's other objectives.

Simon Hughes: The hon. Gentleman will know that, along with friends, I have supported his proposal. We are keen for there to be a definition, but it is important for us to get it right. It seems to me that a new clause and an amendment that would widen the aims of the Homes and Communities Agency, whatever its deficits, are worth considering. They should include both ownership and renting, and perhaps shared ownership as well. I think that we should allow the proposal to be taken away after the debate, but should ensure that there is consensus before it reaches the House of Lords.

Grant Shapps: I am interested to hear the hon. Gentleman's comments. I have to let the Minister know that I am keen to strip this out and divide on new clause 32, although I will listen with great interest to find out whether he believes that, in the interest of

[Grant Shapps]

trying to provide affordable housing to local communities in an all-round beneficial way, the provisions could form part of the Bill.

Jeremy Corbyn: A number of interventions have drawn attention to the very good principle behind housing co-operatives, co-operative ownership, co-operative development and management of co-operatives. I have many such organisations in my constituency and they work extremely well. What would be the effect of the new clause on the development of housing co-ops?

Grant Shapps: There would be no direct impact one way or the other, but I pay tribute to the work of co-operatives in creating affordable housing. There are one or two in my patch and I see many others around the country. I believe they contribute greatly to a form of housing that is both decent and affordable.

Let me repeat that if the Minister reflects at greater length on the new clause and perhaps undertakes to introduce a similar provision in the other place, I would be happy not to press it to the vote, but as things stand, I am afraid that I would want it pressed to a Division.

Mr. Iain Wright: I had not intended to speak to this group of amendments, as I wanted right hon. and hon. Members to be able to contribute to the debate. If I may, however, I would like to make a few points. I am genuinely excited by this part of the Bill and I really believe that the Homes and Communities Agency will be the vehicle to help us to build 3 million homes by 2020, playing a key role in the regeneration of our infrastructure and our communities. Indeed, the agency's ability to hit—or should that be "break"?—the ground and deliver is absolutely key to our housing policy. I stress, however, that it is not just about improving the supply and quality of housing in England, as clause 2 reinforces the importance of the regeneration or development of land, infrastructure and communities, which was touched on by the hon. Member for Cheltenham (Martin Horwood).

I pay particular tribute to my hon. Friend the Member for City of Durham (Dr. Blackman-Woods), who argued in Committee that we needed to go further in respect of the agency's responsibilities for sustainable development. I undertook to consider the matter in more detail, including whether it would be appropriate to include sustainable development in the objects of the HCA, and I have now concluded that it would. Amendments Nos. 16 and 17 are designed to add to the agency's objects the need

"to contribute to the achievement of sustainable development",

thus placing sustainability at the heart of what the agency does, and demonstrating and reinforcing the importance of sustainability not just to the agency, but to the Government.

Amendment No. 25 would delete clause 34, but I think it is no longer necessary. On that basis, I hope that the hon. Members for Montgomeryshire (Lembit Öpik) and for St. Ives (Andrew George) will not press their amendment No. 229, which is also unnecessary. May I say that through sheer tenacity and expertise in and command of the argument, my hon. Friend the Member for City of Durham has moved Government policy on these matters quite considerably? She has placed sustainable development right at the heart of the agency's objects. I pay sincere tribute to her and am happy to give way to her.

Dr. Roberta Blackman-Woods (City of Durham) (Lab): I thank the Minister for accepting my amendment in Committee. It is indeed important to align housing policy with planning policy, particularly in respect of planning policy statements 1 and 3. It is also essential that the new agency looks at the infrastructure, so that the necessary schools, health centres, roads and so forth are in place to support these new communities.

Mr. Wright: My hon. Friend makes an important point. Although the rhetoric has been about 3 million new homes, I have said time and again that this is not just about more homes, important though that is to address the housing needs of this country; it is about better homes and greener homes. That is what the Bill will do for design, with the Academy for Sustainable Communities being placed in the agency and with the requirements in the code for sustainable homes. It is vital that homes, if they are to be truly sustainable, are not just plonked in a field; we need the related infrastructure, such as health facilities and schools. I hope that the HCA will build on the work done by English Partnerships in creating 11 new schools to provide the confidence to the market to ensure that development takes place. This is not just about more homes, important though they are; it is about better designed, greener homes in an appropriate setting, with excellent community infrastructure.

8.45 pm

Martin Horwood: I certainly agree that homes should not be just plonked in fields, but I warn the Minister that that is exactly what the implications of his policy are in my constituency. He keeps on mentioning the figure of 3 million. Will he answer my specific point about the economic growth assumptions behind the model that produced that number now being inappropriate in the light of the Government's own growth forecasts?

Mr. Wright: I am happy to be ruled out of order—that sounds like a speech on Second Reading—but we have not been building the homes that we require in this country for a generation. Since the 1970s—for 35 years—housing supply, as opposed to housing demand, has been woefully inadequate. We need to do something about that. We need to take into account the rising aspirations of the people of this country and the social changes. We are all living longer and need appropriate homes. More of us live on our own, perhaps as a result of marital breakdown. We need to do something about that. We need the homes that this country wants and deserves. To do that, under the evidence-based policy that we have put in place, we need to build 240,000 homes a year, and I hope that the whole House will provide consensus on that.

Lembit Öpik: That would mean an increase of 239,840 a year on what is being built at the moment. Hon. Members should not worry; we have not got the

time to have that argument at the moment. The Minister mentioned amendment No. 229. Under normal circumstances, I would have pressed it to a vote because, as he knows, I feel strongly that even though the Government talk strongly about the environment, the amendment would have given the HCA a formal responsibility to respond to the insightful position of the Royal Society for the Protection of Birds about enshrining the HCA's environmental responsibilities. Is he willing to discuss how we might ensure that the spirit of that amendment is included in the Bill, even if we do not press it to a vote?

Mr. Wright: Placing sustainable development at the heart of what the agency does by including that in its objects under clause 2 gives a clear signal about how important we think that is.

Mr. Nick Hurd (Ruislip-Northwood) (Con) *rose*

Mr. Wright: Before I give way to the hon. Gentleman, I shall rise to the bait: the hon. Member for Montgomeryshire suggests that we are not building enough homes. Last year, 199,000 homes were built in this country. That is more than have been built for quite some considerable time. I admit that, in the economic climate we face at the moment, the challenge is that we must literally build on that, and I am keen to work on that. My right hon. Friend the Minister for Housing, who is sitting on the Front Bench tonight, is absolutely assiduous in ensuring that we provide lender confidence to help to do that. We need to build on the increase in what we are doing to address the housing needs of this country.

Mr. Hurd: The Minister has been passionate about the sustainability requirements on the HCA. May I press him to clarify what requirements the Government are prepared to place on the HCA and the regulator in relation to the protection of public health? He will know that, in the back of my mind, I am thinking about the association—I put it no stronger than that—between the increased risk of leukaemia in children and the location of dwellings near high-voltage power lines. We discussed that thoroughly in Committee, when I tabled some amendments. What is the Government's attitude towards placing requirements on the HCA in that context?

Mr. Wright: I pay tribute to the hon. Gentleman for the sensitive manner in which he advanced his case in Committee. I pledged that I would meet him and stakeholders regularly to discuss the points he raised, because I am very concerned about them not only as a Minister but as a father. I told him that, before the Easter recess, I would be provided with advice on how best to move forward, and that is in the pipeline. I pledge to ensure that he is made fully aware of the matter throughout, and that we will work together constructively to make sure that any concern he has is addressed.

Jeremy Corbyn: On the sustainability of sites, which the Minister has referred to a number of times, I am concerned about the rigid obsession with greenfield versus brownfield sites. Quite often, brownfield sites obviously present an opportunity in some inner urban areas not only for housing but for improving living conditions and everyone's quality of life by creating a new open space in an area that does not have any. Will the agency be flexible enough to recognise the possibility of improving people's lives in densely built-up urban areas by not necessarily developing every last inch of a brownfield site?

Mr. Wright: That is an important point. The presumption is always to have brownfield development, and we have been very successful in that regard over the past 10 years: some 75 per cent. of development is now brownfield. However, my hon. Friend makes the point that we must not accept the myth that brownfield is essentially factories and that greenfield is the rolling, beautiful hills of the English countryside. That is not the case, and the agency needs to have the flexibility to be able to allow an area that is designated as greenfield to be classed as just "shrubbery" if it can be built on without any loss to the bio-environment. With regard to planning and sustainability, we could in many respects go further and faster to make sure we attract better biodiversity. I therefore agree with my hon. Friend on this matter.

The Government have tabled amendments Nos. 18, 27 and 28 to take account of the importance of London in the national housing market, and its particular governance arrangements. The amendments place the agency under a duty to have regard to the Mayor's recommendations contained in the London housing strategy. They will enable the Mayor to recommend to the Secretary of State how much money should be allocated to the HCA in respect of housing in Greater London. They will also enable the Mayor to recommend to the agency how it should exercise its functions of giving housing financial assistance in Greater London, including such matters as the amounts that should be given for different purposes and the number, type, tenure and location of houses that should be provided through housing financial assistance. We are providing the Mayor with more scope to shape the nature of housing and regeneration in London—that will be a key priority for Ken Livingstone as he secures a third term as Mayor in the next few weeks. All this is also consistent with our recent announcement of the proposal that the agency is to establish a London sub-committee to be chaired by the Mayor, with the chief executive of the agency, Sir Bob Kerslake, as its vice-chair.

On that basis, London's interests are appropriately served, which is why I cannot accept the Liberal Democrat amendment No. 230, proposing a seat on the national HCA board for a representative from London local authorities. I am keen to avoid narrow sectional interests at board level. An approach such as that which the amendment proposes would prevent full representation from other interest groups; all might be perfectly reasonable and have a perfectly valid case, but be impossible to accommodate. Such a move would make the board unwieldy and hinder its ability to deliver the necessary improvements in housing supply and quality, and in regeneration, investment and infrastructure. On that basis, I hope the amendment will be withdrawn.

I was interested in a point made by the hon. Member for Welwyn Hatfield (Grant Shapps), who does not appear to be listening at present. Community land

[Mr. Iain Wright]

trusts are very important. I have a vested interest, as I have one in my constituency. I pay tribute to my hon. Friend the Member for Stroud (Mr. Drew) for the assiduous work he has been doing to ensure that CLTs are an essential part of the housing offer for the 21st century. However, nothing that was said on this matter changed the opinion I formed in Committee, which is that we do not want to prescribe too overtly with regard to the various mechanisms by which the agency might help to deliver housing. CLTs are an important part of the new environment. There are real benefits in retaining land in order to ensure that we have affordable housing and renting in perpetuity, but we must be aware of the future-proofing issue.

Mr. Drew: I thank my hon. Friend for his comments, and I would ask him to bear something in mind if it is possible to get an agreed legal definition. I am interested in leasehold enfranchisement, because we must ensure that we have a range of different forms of ownership. Will he at least keep an open-mind, as there is a need for some recognition in statute of this now very important potential form of home provision?

Mr. Wright: I reiterate what I said about my respect for my hon. Friend on this matter. I am keen to see CLTs work incredibly well in the next few months and years. I have one in my constituency, and it is important.

A concern that I had in Committee and when I met CLT representatives in February was the need to avoid future-proofing in terms of the agency. I stand by my statement in Committee that I am a big fan of local housing companies, whereby local authorities provide the land and private developers provide the construction skills in a joint venture, but I would not want to include that provision in the Bill either. I am interested in the experiences that the hon. Member for Welwyn Hatfield has had with regard to Cornwall, and I am keen to invite him to a meeting to discuss those.

One of the key things that we must do relates to a slightly wider and perhaps more fundamental point. Given the economic difficulties across the Atlantic and the relatively risk-averse nature of financial institutions, how can we still inspire confidence in the financial markets in order to help to build the housing that we need? My right hon. Friend the Minister for Housing will play a key role in inspiring lender confidence through the meetings that she has. We need to address that risk-averse nature; it is important that we do that. I am keen to work with all those available to help that to happen. I am keen to discuss a way forward on the particular circumstances mentioned by the hon. Member for Welwyn Hatfield, and I hope he would agree with me on that basis. If he wishes to intervene, I would be happy to give way, but I now want to bring my hon. Friend the Member for Luton, South (Margaret Moran) into the discussion.

Margaret Moran: My hon. Friend's passion for and commitment to community land trusts is in no doubt. Will he undertake to report back to us on the pilot, which has had difficulties—Cooperative Development Services has been involved in that—so that we can all learn from that experience? Will he re-examine the issue of value for community rather than pure value for money when the disposal of public sector land is being considered? We debated that issue at length in Committee.

Mr. Wright: I am happy to give that pledge, because I am passionate about ensuring that CLTs work. I do not think that this is about just one option; a range of options, such as joint ventures and local housing companies, could be involved. I do not think that we should be prescribing. Let me return to a theme of the Committee—the list principle. I am looking at the right hon. Member for North-West Hampshire (Sir George Young) when I say that. I am keen to avoid being too prescriptive and including that list in the Bill.

Dan Rogerson (North Cornwall) (LD): I was hoping to make a speech, but it seems that time is against us this evening. The situation in my constituency has been mentioned. I have met Cornwall Rural Housing Association to examine this issue. It has attempted to make progress on other schemes, but the Housing Corporation has given it the message that it would like to be able to give the CRHA money but does not think it is able to do so because it is not sure how community land trusts work and how it can make that approach happen. I would be interested to hear the Minister's response on this. I hope that he will meet me and other hon. Members to ensure that we can take this forward.

Mr. Wright: I am keen to meet the hon. Gentleman to talk about that, because I want these things to work. My concern is not that what is in the Bill is bothering lenders, but rather that after all that has happened across the Atlantic, where financial institutions have had their fingers burned over the past few months, institutions are becoming more risk-averse. This House must stop downplaying the fundamental health of the British economy—we should not talk ourselves into a recession, especially when the fundamentals are sound. Also, we must work with lenders to ensure that they have confidence, but we do not necessarily need to prescribe this in the Bill.

Grant Shapps: I appreciate the Minister's consensual approach to the Bill—we had the same approach in Committee—but I am not convinced by his argument. He is arguing that there is a great deal of uncertainty in the market, but he is failing to do the one thing in the Bill that would create certainty. He is failing to include in it a provision about what a community land trust is. We describe all sorts of things in law, and many things are described in this Bill. He has no problems tabling 147 amendments to the Bill today. The one new clause that I am discussing could do a great deal of good for CLTs, and I would have thought that he welcomed it. I am not convinced that I should seek to withdraw it.

Mr. Wright: I reiterate the need to future-proof the Bill to ensure that innovative products that will be introduced in the next few years are available without being prescribed. I am happy to work with hon. Members from all parties to ensure that we can make community land trusts and other vehicles, such as local housing companies, work, and work incredibly well.

There is a wider point about financial institutions and their attitude to risk, but I am keen to ensure that we make those bodies work.

I want to suggest, particularly as regards this group of amendments and part 1 of the Bill, that the Homes and Communities Agency will have a key role and the financial muscle to provide good investment in infrastructure—

It being Nine o'clock, MR. DEPUTY SPEAKER, *pursuant to Order [27 November], proceeded to put forthwith the Question already proposed from the Chair.*

Question put and agreed to.

Clause read a Second time, and added to the Bill.

MR. DEPUTY SPEAKER *then proceeded to put forthwith the Questions necessary for the disposal of the business to be concluded at that hour.*

New Clause 15

COMPANIES EXEMPT FROM AUDIT

'(1) This section applies in relation to a registered provider which—

(a) is a registered company other than a charity, and

(b) is exempt from the audit requirements of the Companies Act 2006 by virtue of section 477 of that Act (small companies' exemption).

(2) The directors of the company shall cause a report to be prepared in accordance with section [exempt companies: accountant's report] and made to the company's members in respect of the company's individual accounts for any year in which the company takes advantage of its exemption from audit.

(3) "Individual accounts" has the same meaning as in section 396 of the Companies Act 2006.'.

New Clause 16

EXEMPT COMPANIES: ACCOUNTANT'S REPORT

'(1) The report required by section [companies exempt from audit] must be prepared by a person ("the reporting accountant") who is eligible under section [exempt companies: reporting accountant].

(2) The report must state whether the individual accounts are in accordance with the company's accounting records kept under section 386 of the Companies Act 2006.

(3) On the basis of the information contained in the accounting records the report must also state whether—

(a) the accounts comply with Part 15 of the Companies Act 2006;

(b) the company is entitled to exemption from audit under section 477 of that Act (small companies' exemption) for the year in question.

(4) The report must give the name of the reporting accountant and be signed and dated.

(5) The report must be signed—

(a) where the reporting accountant is an individual, by that individual, and

(b) where the reporting accountant is a firm, for and on behalf of the firm by an individual authorised to do so.

(6) In this section and sections [exempt companies: reporting accountant] and [application of Companies Act] "firm" has the meaning given by section 1173(1) of the Companies Act 2006.'.

New Clause 17

EXEMPT COMPANIES: REPORTING ACCOUNTANT

'(1) A person is eligible for appointment by a company as a reporting accountant under section [exempt companies: accountant's report] if—

(a) either of the following conditions is satisfied, and

(b) the person would not be prohibited from acting as auditor of the company by virtue of section 1214 of the Companies Act 2006.

(2) Condition 1 is satisfied if the person is a member of a body listed in subsection (4) and under its rules—

(a) the person is entitled to engage in public practice, and

(b) is not ineligible for appointment as a reporting accountant.

(3) Condition 2 is satisfied if the person—

(a) is subject to the rules of a body listed in subsection (4) in seeking appointment or acting as a statutory auditor under Part 42 of the Companies Act 2006, and

(b) under those rules, is eligible for appointment as a statutory auditor under that Part.

(4) The bodies mentioned in subsections (2) and (3) are—

(a) the Institute of Chartered Accountants in England and Wales,

(b) the Institute of Chartered Accountants of Scotland,

(c) the Institute of Chartered Accountants in Ireland,

(d) the Association of Chartered Certified Accountants,

(e) the Association of Authorised Public Accountants,

(f) the Association of Accounting Technicians,

(g) the Association of International Accountants,

(h) the Chartered Institute of Management Accountants, and

(i) the Institute of Chartered Secretaries and Administrators.

(5) The Secretary of State may by order amend the list of bodies in subsection (4).

(6) References in this section to the rules of a body are to rules (whether or not laid down by the body itself) which the body has power to enforce and which are relevant for the purposes of Part 42 of the Companies Act 2006 (statutory auditors) or this section; and this includes rules relating to the admission and expulsion of members of the body so far as relevant for the purposes of that Part or this section.

(7) An individual or a firm may be appointed as a reporting accountant; and section 1216 of the Companies Act 2006 applies to the appointment of a partnership constituted under the law of—

(a) England and Wales,

(b) Northern Ireland, or

(c) any other country or territory in which a partnership is not a legal person.'.

New Clause 18

APPLICATION OF COMPANIES ACT

'(1) The provisions of the Companies Act 2006 listed in subsection (2) apply to the reporting accountant and a reporting accountant's report as they apply to an auditor of the company and an auditor's report on the company's accounts (with any necessary modifications).

(2) The provisions are—

(a) sections 423 to 425 (duty to circulate copies of annual accounts),

(b) sections 431 and 432 (right of member or debenture holder to demand copies of accounts),

(c) sections 434 to 436 (requirements in connection with publication of accounts),

(d) sections 441 to 444A (duty to file accounts with registrar of companies),

(e) section 454(4)(b) and regulations made under that provision (functions of auditor in relation to revised accounts),

(f) sections 499 to 502 (auditor's right to information), and

(g) sections 505 and 506 (name of auditor to be stated in published copies of report).

(3) In sections 505 and 506 as they apply by virtue of this section in a case where the reporting accountant is a firm, any reference to the senior statutory auditor shall be read as a reference to the person who signed the report on behalf of the firm."

New Clause 19

EXEMPT COMPANIES: EXTRAORDINARY AUDIT

"(1) This section applies where, in accordance with section [companies exempt from audit] a company appoints a reporting accountant to prepare a report in respect of its accounts for any year.

(2) The regulator may require the company to

(a) cause a qualified auditor to audit its accounts and balance sheet for that year, and

(b) send a copy of the report to the regulator by a specified date.

(3) A requirement may not be imposed before the end of the financial year to which it relates.

(4) "Qualified auditor", in relation to a company, means a person who

(a) is eligible for appointment as a statutory auditor of the company under Part 42 of the Companies Act 2006 (statutory auditors), and

(b) is not prohibited from acting as statutory auditor of the company by virtue of section 1214 of that Act (independence requirement)."

New Clause 20

INTERIM MANAGER

"(1) During a moratorium the regulator may appoint an interim manager of the registered provider.

(2) An appointment may relate to the registered provider's affairs generally or to affairs specified in the appointment.

(3) Appointment shall be on terms and conditions (including as to remuneration) specified in, or determined in accordance with, the appointment.

(4) An appointment under this section shall come to an end with the earliest of the following

(a) the end of the moratorium,

(b) the agreement of proposals under section 146, or

(c) a date specified in the appointment.

(5) An interim manager shall have

(a) any power specified in the appointment, and

(b) any other power in relation to the registered provider's affairs required by the manager for the purposes specified in the appointment (including the power to enter into agreements and take other action on behalf of the registered provider).

(6) But an interim manager may not

(a) dispose of land, or

(b) grant security over land."

New Clause 21

RIGHT TO ACQUIRE

"(1) The tenant of a dwelling in England has a right to acquire the dwelling if

(a) the landlord is a registered provider or a registered social landlord,

(b) the tenancy is within subsection (2),

(c) the provision of the dwelling was publicly funded,

(d) the dwelling has remained in the social rented sector ever since that provision, and

(e) the tenant satisfies any qualifying conditions applicable under Part V of the Housing Act 1985 (c. 68) (as it applies by virtue of section [right to acquire: supplemental]).

(2) A tenancy is within this subsection if it is

(a) an assured tenancy, other than an assured shorthold tenancy or a long tenancy, or

(b) a secure tenancy.

(3) The reference in subsection (1)(a) to a registered provider includes

(a) a person who provided the dwelling in fulfilment of a condition imposed by the HCA when giving assistance to the person,

(b) a person who provided the dwelling wholly or partly by means of a grant under section 27A of the Housing Act 1996 (c. 52)."

New Clause 22

INTERPRETATION: "PUBLICLY FUNDED"

"(1) The provision of a dwelling was publicly funded if any of the following conditions is satisfied.

(2) Condition 1 is that

(a) the dwelling was provided by a person in fulfilment of a condition imposed by the HCA when giving assistance to the person, and

(b) before giving the assistance the HCA notified the person that if it did so the provision of the dwelling would be regarded as publicly funded.

(3) Condition 2 is that the dwelling was provided wholly or partly by using sums in the disposal proceeds fund of

(a) a registered provider, or

(b) a registered social landlord.

(4) Condition 3 is that

(a) the dwelling was acquired by a registered provider, or a registered social landlord, on a disposal by a public sector landlord,

(b) the disposal was made on or after 1st April 1997, and

(c) at the time of the disposal the dwelling was capable of being let as a separate dwelling.

(5) Condition 3 is not satisfied if the dwelling was acquired in pursuance of a contract made, or option created, before 1st April 1997.

(6) Condition 4 is that

(a) the dwelling was provided wholly or partly by means of a grant under section 18 or 27A of the Housing Act 1996 (c. 52), and

(b) when the grant was made the recipient was notified under section 16(4) of that Act that the dwelling was to be regarded as funded by means of such a grant."

New Clause 23

INTERPRETATION: "REMAINED IN THE SOCIAL RENTED SECTOR"

"(1) This section applies for the purposes of determining whether a dwelling has remained in the social rented sector.

(2) A dwelling shall be treated as having remained in the social rented sector for any period during which—

(a) the freeholder was a person within subsection (3), and

(b) each leaseholder was either a person within that subsection or an individual holding otherwise than under a long tenancy.

(3) A person is within this subsection if the person is—

(a) a registered provider,

(b) a registered social landlord, or

(c) a public sector landlord.

(4) A dwelling provided wholly or partly by means of a grant under section 27A of the Housing Act 1996 (c. 52) shall also be treated as having remained in the social rented sector for any period during which it was used exclusively for permitted purposes by—

(a) the recipient of the grant, or

(b) any person treated as the recipient by virtue of section 27B of that Act.

(5) "Permitted purposes" are purposes for which the grant was made and any other purposes agreed by the Housing Corporation or the HCA.

(6) Where a lease of a dwelling has been granted to a former freeholder in pursuance of paragraph 3 of Schedule 9 to the Leasehold Reform, Housing and Urban Development Act 1993 (c. 28) (mandatory leaseback to former freeholder on collective enfranchisement) the reference in subsection (1)(a) above to the freeholder shall be construed as a reference to the leaseholder under that lease."

New Clause 24

INTERPRETATION: OTHER EXPRESSIONS

"(1) The definitions in this section apply to sections [right to acquire] to [interpretation: "remained in the social rented sector"].

(2) The HCA gives "assistance" to a person if it—

(a) transfers housing or other land to the person,

(b) provides infrastructure to the person, or

(c) gives financial assistance to the person.

(3) References to a "registered social landlord" are to a body which, at the time to which the reference relates, was a registered social landlord within the meaning of Part I of the Housing Act 1996 (c. 52) as it then had effect.

(4) "Leaseholder" does not include a mortgagee.

(5) "Long tenancy" has the same meaning as in Part V of the Housing Act 1985 (c. 68).

(6) A person provides a dwelling if the person—

(a) acquires, constructs, converts, improves or repairs housing or other land for use as a dwelling, or

(b) ensures such acquisition, construction, conversion, improvement or repair by another.

(7) "Public sector landlord" means anyone falling within section 80(1) of the Housing Act 1985 (c. 68)."

New Clause 25

RIGHT TO ACQUIRE: SUPPLEMENTAL

"(1) Section 17 of the Housing Act 1996 (c. 52) (right to acquire: supplemental) applies in relation to the right to acquire under section [right to acquire] of this Act with the modifications set out below.

(2) The modifications are as follows.

(a) references to the right to acquire under section 16 of the 1996 Act shall be treated as references to the right to acquire under section [right to acquire] of this Act,

(b) references to the Welsh Ministers shall be treated as references to the Secretary of State,

(c) the reference to registered social landlords shall be treated as a reference to registered providers, and

(d) the reference to a resolution of the National Assembly for Wales shall be treated as a reference to a resolution of either House of Parliament."

New Clause 26

RIGHT TO ACQUIRE: CONSEQUENTIAL AMENDMENTS

"(1) In section 16 of the Housing Act 1996 (c. 52) (right to acquire)—

(a) for subsection (1) substitute—

"(1) The tenant of a dwelling in Wales has a right to acquire the dwelling if—

(a) the landlord is a registered social landlord or a registered provider of social housing,

(b) the tenancy is—

(i) an assured tenancy, other than an assured shorthold tenancy or a long tenancy, or

(ii) a secure tenancy,

(c) the dwelling was provided with public money and has remained in the social rented sector, and

(d) the tenant satisfies any further qualifying conditions applicable under Part V of the Housing Act 1985 (the right to buy) as it applies in relation to the right conferred by this section.",

(b) in subsection (2)(c) after "registered social landlord" insert "or a registered provider of social housing", and

(c) in subsection (3)(a) and (b)(ii) after "registered social landlord" insert ", a registered provider of social housing".

(2) In section 16A(1) (extension of section 16 to dwellings funded by grants under section 27A) after the first "dwelling" insert "in Wales".

(3) In section 20 (purchase grant where right to acquire exercised)—

(a) in subsection (1) after "landlords" insert "and registered providers of social housing", and

(b) in subsection (4) after "landlord" insert "or registered provider of social housing".

(4) In section 21 (purchase grant in respect of other disposals)—

(a) in subsection (1)—

(i) after "landlords" insert "and registered providers of social housing", and

(ii) after "dwellings" insert "in Wales",

(b) in subsection (2)—

(i) after "section 16" insert "or by section [Right to acquire] of the Housing and Regeneration Act 2008", and

(ii) for "landlord's" substitute "landlord or provider (as the case may be)", and

(c) in subsection (4) after "landlord" insert "or registered provider of social housing".

New Clause 27

EXERCISE OF ENFORCEMENT POWERS

"(1) This section applies where the regulator is deciding—

(a) whether to exercise a power under this Chapter,

(b) which power under this Chapter to exercise, or

(c) how to exercise a power under this Chapter.

(2) The regulator shall consider

(a) the desirability of registered providers being free to choose how to provide services and conduct business,

(b) whether the failure or other problem concerned is serious or trivial,

(c) whether the failure or other problem is a recurrent or isolated incident,

(d) the speed with which the failure or other problem needs to be addressed.'

New Clause 28

AMALGAMATION

'(1) This section applies if as a result of an inquiry under section 192 or an audit under section 196 the regulator is satisfied that

(a) a non-profit registered provider which is an industrial and provident society has failed to meet a standard under section 180 or 181,

(b) the affairs of a non-profit registered provider which is an industrial and provident society have been mismanaged in relation to social housing, or

(c) the management of social housing owned by a non-profit registered provider which is an industrial and provident society would be improved if the provider were amalgamated with another industrial and provident society.

(2) The regulator may make and execute on behalf of the society an instrument providing for the amalgamation of the society with another industrial and provident society.

(3) An instrument providing for the amalgamation of a society ("S1") with another has the same effect as a resolution by S1 under section 50 of the Industrial and Provident Societies Act 1965 (c. 12) (amalgamation of societies by special resolution).

(4) A copy of an instrument shall be sent to and registered by the Financial Services Authority.

(5) An instrument does not take effect until the copy is registered.

(6) The copy must be sent for registration during the period of 14 days beginning with the date of execution, but a copy registered after that period is valid.

(7) Any body created by virtue of an amalgamation

(a) must be registered by the regulator and designated as a non-profit organisation, and

(b) pending registration shall be treated as registered and designated as a non-profit organisation.' *[Mr. Iain Wright.]*

Brought up, read the First time, and added to the Bill.

New Clause 1

CONSULTATION PRINCIPLES

'(1) The Secretary of State shall, by regulations made by statutory instrument, set out a code of practice to govern local authority consultations with tenants concerning

(a) a change of landlord, or

(b) a major change in the management of their homes.

(2) Regulations made under subsection (1) shall require the local authority to

(a) place in the public domain all relevant information as is necessary for them to influence or control the management of their accommodation and environment including the resources available to the authority to spend on its stock, stock conditions surveys, the business plan of the proposed landlord, the transfer valuation, details of any land and property to be disposed of, and any other information on which the Offer Document and transfer proposal is based,

(b) ensure at the start of the consultation that all tenants are aware of their rights to access information as set out under paragraph (a),

(c) ensure that material it produces is objective, balanced, informative and accurate,

(d) provide the same level of resources for any tenant group who serves written notice on the authority opposing a proposal as that given to any tenant group making such a proposal so that they can put an alternative view to tenants,

(e) not deny any reasonable request from any group under paragraph (d) for lists of addresses and access to notice boards, meeting facilities and other relevant resources to enable all parties to communicate with those entitled to vote,

(f) give two months notice of

(i) the start and end date of the ballot, and

(ii) how those eligible will be able to vote, and

(g) ensure that information regarding who has voted at any point in time is treated in confidence,

(h) not exceed spending limits for these consultations as may be determined by the Secretary of State and certified as proper by the District Auditor.' *[Simon Hughes.]*

Brought up, and read the First time.

Question put, That the clause be read a Second time.

The House divided: Ayes 210, Noes 263.

Division No. 136] **[9.1 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Barker, Gregory
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bottomley, Peter
Brady, Mr. Graham
Breed, Mr. Colin
Brokenshire, James
Browne, Mr. Jeremy
Browning, Angela
Burgon, Colin
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Caton, Mr. Martin
Clapham, Mr. Michael
Clappison, Mr. James
Clark, Greg
Clark, Ms Katy
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cook, Frank
Corbyn, Jeremy
Cormack, Sir Patrick
Cousins, Jim
Cryer, Mrs. Ann
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dobson, rh Frank
Dorries, Mrs. Nadine
Drew, Mr. David
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Featherstone, Lynne
Field, rh Mr. Frank
Field, Mr. Mark
Fox, Dr. Liam
Fraser, Christopher
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gibson, Dr. Ian
Gidley, Sandra
Goldsworthy, Julia
Goodman, Mr. Paul

Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Grogan, Mr. John
Hague, rh Mr. William
Hamilton, Mr. David
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Havard, Mr. Dai
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Herbert, Nick
Hoban, Mr. Mark
Hoey, Kate
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Hopkins, Kelvin
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Hughes, Simon
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Lynne
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Marshall-Andrews, Mr. Robert
May, rh Mrs. Theresa
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Meacher, rh Mr. Michael
Mercer, Patrick
Milton, Anne
Mitchell, Mr. Austin
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Opik, Lembit
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, Hugh
Robertson, Mr. Laurence
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, David
Taylor, Mr. Ian
Taylor, Matthew
Teather, Sarah
Thurso, John
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walley, Joan
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Dan Rogerson and Richard Younger-Ross

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Chapman, Ben
Chaytor, Mr. David
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
George, rh Mr. Bruce
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David

Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Lucas, Ian
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oiner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Sneigrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vis, Dr. Rudi
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mr. Bob Blizzard and Tony Cunningham

Question accordingly negatived.

New Clause 8

SUBSIDY ARRANGEMENTS: FORMULA AND EXCLUSIONS

"(1) In section 80 of the Local Government and Housing Act 1989 (c. 42) (calculation of Housing Revenue Account subsidy) after subsection (3) insert—

"(3A) In determining a formula for the purposes of this section for any year, the Secretary of State shall take into account—

(a) the resources required properly to manage, maintain and repair houses and other properties within their respective Housing Revenue Accounts,

(b) research into these matters, and

(c) the resources required to enable respective authorities to acquire, rehabilitate and build new housing to be held within their Housing Revenue Accounts that contributes to meeting the need for affordable housing within their respective areas." *[Mr. Austin Mitchell.]*

Brought up, and read the First time.

Question put, That the clause be read a Second time.

The House divided: Ayes 74, Noes 259.

Division No. 137] **[9.16 pm**

AYES

Baker, Norman
Barrett, John
Beith, rh Mr. Alan
Breed, Mr. Colin
Browne, Mr. Jeremy
Burgon, Colin
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Clapham, Mr. Michael
Clark, Ms Katy
Cook, Frank
Corbyn, Jeremy
Cousins, Jim
Cryer, Mrs. Ann
Davies, Mr. Dai
Dobson, rh Frank
Drew, Mr. David
Evans, Mr. Nigel
Featherstone, Lynne
Field, rh Mr. Frank
Gibson, Dr. Ian
Gidley, Sandra
Goldsworthy, Julia
Grogan, Mr. John
Hamilton, Mr. David
Hancock, Mr. Mike
Harvey, Nick
Havard, Mr. Dai
Heath, Mr. David
Hemming, John
Hoey, Kate
Holmes, Paul
Holwood, Martin
Howarth, David
Hughes, Simon
Hunter, Mark
Jones, Lynne
Kilfoyle, Mr. Peter
Lamb, Norman
Llwyd, Mr. Elfyn
Marshall-Andrews, Mr. Robert
McDonnell, John
Meacher, rh Mr. Michael
Mitchell, Mr. Austin
Moore, Mr. Michael
Mulholland, Greg
Opik, Lembit
Price, Adam
Pugh, Dr. John
Rennie, Willie
Riordan, Mrs. Linda
Rogerson, Dan
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Skinner, Mr. Dennis
Smith, Sir Robert
Stunell, Andrew
Syms, Mr. Robert
Taylor, Matthew
Teather, Sarah
Thurso, John
Trickett, Jon
Truswell, Mr. Paul
Walley, Joan
Webb, Steve
Williams, Hywel
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Younger-Ross, Richard

Tellers for the Ayes:
David Taylor and Kelvin Hopkins

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas

Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Cawsey, Mr. Ian
Chapman, Ben
Chaytor, Mr. David
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
George, rh Mr. Bruce
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Ilsley, Mr. Eric
Irranca-Davies, Huw
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kidney, Mr. David
Knight, Jim
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Lucas, Ian
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Mann, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vis, Dr. Rudi
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mr. Bob Blizzard and Tony Cunningham

Question accordingly negatived.

New Clause 32

DEFINITION OF 'COMMUNITY LAND TRUST'

"'Community land trust" means a non-profit organisation which is an industrial and provident society, a company limited by guarantee or other incorporated body whose governing instrument contains provisions to the following effect –

(a) the primary purpose of the organisation is to hold land and other assets in order to promote the social, economic and environmental sustainability of a specified local geographic community by providing or facilitating the provision of affordable or other sub-market housing or other community-based facilities and services,

(b) the organisation will not dispose of its land and other assets save in the furtherance of its objectives as set out in paragraph (a),

(c) the membership of the organisation is open to organisations which are located in or persons whose principal place of residence, work or business is located in the specified community the organisation is established to serve (although the organisation may have different classes of membership),

(d) over 50 per cent. of the governing body is elected by the members of the organisation,

(e) the organisation is accountable to the local community through annual reporting or otherwise, and is responsive to the local community's needs and to representations made on its behalf, and

(f) it is an organisation established to help enable the community and those who live or work there to benefit from the land or other assets it holds.' *[Grant Shapps]*

Brought up, and read the First time.

Question put, That the clause be read a Second time:

The House divided: Ayes 186, Noes 278.

Division No. 138] **[9.29 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Barker, Gregory
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bottomley, Peter
Brady, Mr. Graham
Breed, Mr. Colin
Brokenshire, James
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cook, Frank
Corbyn, Jeremy
Cormack, Sir Patrick
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dorries, Mrs. Nadine
Drew, Mr. David
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Featherstone, Lynne
Field, Mr. Mark
Fox, Dr. Liam
Fraser, Christopher
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hague, rh Mr. William
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Hughes, Simon
Hunt, Mr. Jeremy
Hunter, Mark
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Lynne
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
May, rh Mrs. Theresa
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Milton, Anne
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Öpik, Lembit
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Mr. Ian
Taylor, Matthew
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Webb, Steve
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Angela Watkinson and Mr. Nick Hurd

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret

Begg, Miss Anne
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
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Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Lucas, Ian
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mr. Bob Blizzard and Tony Cunningham

Question accordingly negatived.

Clause 2

OBJECTS

Amendments made: No. 16, in page 2, line 2 leave out 'and'.

No. 17, line 4, at end insert 'and

(d) to contribute to the achievement of sustainable development in England.'. *[Liz Blackman.]*

Clause 4

POWERS: GENERAL

Amendment made: No. 18, in page 2, line 39, after 'HCA', insert

'(whether contained in this Part or elsewhere)'. *[Liz Blackman]*

Clause 19

POWER TO ENTER AND SURVEY LAND

Amendments made: No. 19, in page 9, line 31, after 'time', insert 'and subject as follows'.

No. 20, line 39, leave out 'any occupied' and insert 'the'.

No. 21, line 40, leave out 'the occupier' and insert 'every owner or occupier of the land'.

No. 22, in page 9, line 41, at end insert

'(2A) A notice under subsection (2)(b) must—

(a) state the purpose for which entry is required, and

(b) inform the person to whom it is given of the person's rights under this section and, if applicable, section 20.'

No. 23, in page 10, line 9, at end insert

'(6A) In subsection (2)(b) "owner" has the same meaning as in the Acquisition of Land Act 1981 (c. 67).'. *[Liz Blackman]*

Clause 20

SECTION 19: SUPPLEMENTARY

Amendment made: No. 24, in page 10, line 19, leave out 'any' and insert 'the'. *[Liz Blackman]*

Clause 22

FINANCIAL ASSISTANCE

Amendment made: No. 60, in page 12, line 7, leave out '38' and insert

'(Duty to give financial assistance in respect of certain disposals)'. *[Liz Blackman]*

Clause 34

SUSTAINABLE DEVELOPMENT

Amendment made: No. 25, in page 15, line 15, leave out Clause 34. *[Liz Blackman]*

Clause 36

RECOVERY ETC. OF SOCIAL HOUSING ASSISTANCE

Amendments made: No. 135, in page 16, line 25, leave out 'the social housing assistance' and insert

'any social housing assistance given by way of grant'.

No. 136, line 28, at end insert

'(4A) The HCA may not specify an amount which exceeds the recoverable amount.

(4B) The recoverable amount is—

(a) the total amount of grant received by the person to whom the direction is given, less

(b) the total of any amounts applied, appropriated or paid in accordance with any previous directions given to the person under subsection (4),

and for the purposes of paragraph (b) any interest provided for by virtue of section 37(1) is to be ignored.

(4C) Subsection (4A) is without prejudice to the power of the HCA under section 37(1).'. *[Liz Blackman]*

Clause 53

PROPERTY ETC. TRANSFERS TO THE HCA AND THE WELSH MINISTERS

Amendment made: No. 29, in page 23, line 7, at end insert

'(5) Schedule [Transfer schemes: tax] makes provision about the tax implications of schemes under this section (and schemes under section 67).'. *[Liz Blackman]*

Clause 55

INTERIM ARRANGEMENTS

Amendment made: No. 26, in page 23, line 43, leave out 'and other facilities' and insert ', facilities or other assistance'. *[Liz Blackman]*

Clause 66

DISSOLUTION OF HOUSING CORPORATION

Amendment made: No. 6, in page 32, line 2, at end insert

'(3) Omit section 33A of the Housing Associations Act 1985 (c. 69) (provision of services between the Corporations).'. *[Liz Blackman]*

Clause 67

TRANSFER SCHEMES

Amendment made: No. 30, in page 32, line 16, at end insert

'(5) Schedule [Transfer schemes: tax] makes provision about the tax implications of schemes under this section (and schemes under section 53).'. *[Liz Blackman]*

Clause 71

LOW COST HOME OWNERSHIP

Amendment made: No. 61, in page 33, line 12, leave out 'for rental'. *[Liz Blackman]*

Clause 73

REGULATIONS

Amendments made: No. 62, in page 33, line 43, leave out first 'accommodation' and insert 'property'.

No. 63, line 43, leave out second 'accommodation' and insert 'property'.

No. 64, in page 34, line 1, leave out 'accommodation' and insert 'property'.

No. 65, line 3, leave out 'accommodation' and insert 'property'. *[Liz Blackman]*

Clause 88

FUNDAMENTAL OBJECTIVES

Amendment made: No. 66, in page 39, line 16, at end insert

'(including by promoting the availability of financial services to registered providers of social housing)'. *[Liz Blackman]*

Clause 117

FEES

Amendment made: No. 67, in page 48, line 14, after 'principles', insert—

'(a) shall provide for section 97(3) to be disregarded for the purpose of subsection (5)(a), and

(b) '. *[Liz Blackman]*

Clause 127

DIRECTIONS

Amendments made: No. 68, in page 51, line 29, leave out 'non-profit'.

No. 69, line 30, at end insert—

'(1A) A direction may be given to a profit-making registered provider only in so far as its accounts relate to social housing activities.' *[Liz Blackman]*

Clause 128

SUBMISSIONS TO REGULATOR

Amendment made: No. 70, in page 52, line 14, leave out 'non-profit'. *[Liz Blackman]*

Clause 129

NON-AUDITED INDUSTRIAL AND PROVIDENT SOCIETY

Amendment made: No. 71, in page 52, line 25, leave out 'non-profit'. *[Liz Blackman]*

Clause 136

OFFENCES

Amendments made: No. 72, in page 55, line 25, at end insert—

'(d) section [companies exempt from audit],'.

No. 73, line 28, at end insert—

'(e) section [exempt companies: extraordinary audit].' *[Liz Blackman]*

Clause 138

DISCLOSURE

Amendments made: No. 74, in page 56, line 9, leave out 'non-profit'.

No. 75, line 10, leave out 'non-profit'. *[Liz Blackman]*

Clause 139

NON-PROFIT PROVIDERS ONLY

Amendment made: No. 76, in page 56, line 20, leave out Clause 139. *[Liz Blackman]*

Clause 141

MORATORIUM

Amendments made: No. 77, in page 57, line 27, leave out 'making of an order' and insert 'presenting of a petition'

No. 78, line 30, at end insert—

'But not the presenting of a petition by the directors or other governing body of the registered provider'.

No. 79, line 34, at end insert—

'A decision by the directors or other governing body of a registered provider to present a petition for winding up where the registered provider is (a) a registered company, or (b) an industrial and provident society. *[Liz Blackman]*	The directors or governing body'.

Clause 142

DURATION OF MORATORIUM

Amendments made: No. 80, in page 58, line 1, after '28', insert 'working'.

No. 81, line 6, after 'provider', insert

'whom the regulator is able to locate after making reasonable enquiries'.

No. 82, line 19, leave out paragraph (b) and insert

'(b) such of its secured creditors as the regulator is able to locate after making reasonable enquiries.' *[Liz Blackman]*

Clause 143

FURTHER MORATORIUM

Amendment made: No. 83, in page 58, line 32, after 'provider', insert

'whom the regulator is able to locate after making reasonable enquiries'. *[Liz Blackman]*

Clause 144

EFFECT OF MORATORIUM

Amendment made: No. 84, in page 59, line 1, at end insert

'(A1) During a moratorium the HCA

(a) may not give the registered provider a direction under section 36(4), and

(b) may not take steps to enforce such a direction against the registered provider.' *[Liz Blackman]*

Clause 145

EXEMPTED DISPOSALS

Amendments made: No. 85, in page 59, line 30, after 'by', insert '

(a) section [right to acquire], or

(b) '.

No. 86, line 31, after 'housing', insert 'in Wales'. *[Liz Blackman]*

Clause 147

PROPOSALS PROCEDURE

Amendments made: No. 87, in page 60, line 23, leave out 'its secured creditors' and insert

'such of its secured creditors as the regulator is able to locate after making reasonable enquiries'.

No. 88, line 31, leave out 'of a registered provider agrees to' and insert

'to whom proposals were sent agrees to the'.

No. 89, line 34, after 'creditor', insert 'to whom the proposals were sent'.

No. 90, line 38, after 'creditors', insert

'to whom the original proposals were sent'.

No. 91, in page 61, line 6, after 'creditors', insert

'to whom the original proposals were sent'. — *[Liz Blackman]*

Clause 151

MANAGER OF INDUSTRIAL AND PROVIDENT SOCIETY: EXTRA POWERS

Amendments made: No. 92, in page 62, line 33, after 'society', insert

'(a) an instrument providing for the amalgamation of the society with another industrial and provident society, or

(b)'.

No. 93, line 33, at end insert

'(2A) An instrument providing for the amalgamation of a society ("S1") with another has the same effect as a resolution by S1 under section 50 of the Industrial and Provident Societies Act 1965 (c. 12) (amalgamation of societies by special resolution).'.

No. 94, line 38, leave out from 'Authority' to end of line 39 and insert

'(4A) An instrument does not take effect until the copy is registered.'. — *[Liz Blackman]*

Clause 167

EXCEPTIONS

Amendments made: No. 95, in page 68, line 2, after 'under', insert

'(a) section [right to acquire], or

(b)'.

No. 96, line 2, leave out '(as applied by section 172)' and insert

'(tenant's right to acquire social housing in Wales)'. — *[Liz Blackman]*

Clause 170

SEPARATE ACCOUNTING

Amendment made: No. 97, in page 68, line 37, at end insert

'(za) net proceeds of sale to a tenant in pursuance of the right to acquire conferred by section [right to acquire],'. — *[Liz Blackman]*

Clause 172

APPLICATION OF HOUSING ACT 1996

Amendments made: No. 98, in page 69, line 35, leave out 'shall continue to have effect in relation to social housing in England' and insert

'apply in relation to disposals of social housing by registered providers'.

No. 99, line 36, leave out 'in subsection (3)' and insert 'below'.

No. 100, line 41, at end insert 'and'.

No. 101, line 42, leave out from '(supplemental)' to end of line 43.

No. 102, in page 70, line 1, leave out subsection (3) and insert

'(3) In those provisions—

(a) references to a registered social landlord shall be treated as references to a registered provider,

(b) references to consent given by the Welsh Ministers under section 9 of the 1996 Act shall be treated as references to consent given by the regulator under section 166 of this Act,

(c) references to the Welsh Ministers in connection with a power to make orders or regulations shall be treated as references to the Secretary of State,

(d) in section 12(5)(b) of the 1996 Act the reference to the Welsh Ministers shall be treated as a reference to the HCA, and

(e) references to a resolution of the National Assembly for Wales shall be treated as references to a resolution of either House of Parliament.

(4) This section does not affect the continued application of the provisions listed in subsection (2) in relation to disposals made before this section comes into force'. — *[Liz Blackman]*

Clause 177

CONSENT TO DISPOSALS UNDER OTHER LEGISLATION

Amendments made: No. 103, in page 70, line 30, leave out 'and'.

No. 104, line 33, at end insert ', and

(c) section 173 of the Local Government and Housing Act 1989 (c. 42) (consent to certain disposals of housing obtained from new town corporations)'. — *[Liz Blackman]*

Clause 178

SECTION 177: CONSEQUENTIAL AMENDMENTS

Amendment made: No. 105, in page 72, line 4, at end insert

'(4) In section 173 of the Local Government and Housing Act 1989 (c. 42) (consent to certain disposals of housing obtained from new town corporations)

(a) in subsection (1)(a) (consent) for "Secretary of State" substitute "appropriate authority",

(b) after subsection (1) insert

"(1A) In this section "the appropriate authority" means

(a) in relation to a disposal of land in England by a registered provider of social housing, the Regulator of Social Housing,

(b) in relation to any other disposal of land in England, the Secretary of State, and

(c) in relation to a disposal of land in Wales, the Welsh Ministers.",

(c) in subsection (5) (consultation of tenants) for "Secretary of State" substitute "appropriate authority",

(d) in subsection (5)(a) for "himself" substitute "itself", and

(e) omit subsection (6) (consultation of Housing Corporation)." *[Liz Blackman]*

Clause 180

PROVISION OF SOCIAL HOUSING

Amendments made: No. 106, in page 72, leave out line 21.

No. 107, line 26, leave out paragraphs (a) and (b).

No. 108, line 42, at end insert—

"(3) In setting standards the regulator shall have regard to the desirability of registered providers being free to choose how to provide services and conduct business." *[Liz Blackman]*

Clause 181

MANAGEMENT

Amendment made: No. 109, in page 73, line 6, at end insert—

"(3) In setting standards the regulator shall have regard to the desirability of registered providers being free to choose how to provide services and conduct business." *[Liz Blackman]*

Clause 183

CONSULTATION

Amendment made: No. 110, in page 73, line 27, at end insert—

"(2) Before setting a standard which would apply to charities, or issuing, revising or withdrawing a code of practice which applies or would apply to charities, the regulator must consult the Charity Commission." *[Liz Blackman]*

Clause 184

DIRECTION BY THE SECRETARY OF STATE

Amendments made: No. 111, in page 73, line 30, leave out "or".

No. 112, line 31, at end insert ", or

(c) to have regard to specified objectives when setting standards under section 180 or 181".

No. 113, line 31, at end insert—

"(1A) The Secretary of State may give a direction under subsection (1)(a) or (b) only if it relates, in the Secretary of State's opinion, to

(a) quality of accommodation,

(b) rent, or

(c) involvement by tenants in the management by registered providers of accommodation."

No. 114, line 40, at end insert—

"(3A) Before giving a direction about a standard which would apply to charities the Secretary of State must consult the Charity Commission.". *[Liz Blackman]*

Clause 198

INDUSTRIAL AND PROVIDENT SOCIETY: CHANGE OF RULES

Amendments made: No. 115, in page 78, line 23, leave out subsections (2) and (3) and insert—

"(2) An amendment of the society's rules requires consent if it

(a) alters the society's objects,

(b) makes provision about the distribution of assets to members, or

(c) enables the society to become, or cease to be, a subsidiary or associate of another body.

(3) An amendment of the rules which requires consent is effective only if the regulator has first consented.

(3A) The regulator may not consent to an amendment which it thinks would turn the society into a profit-making organisation.

(3B) The society must notify the regulator of an amendment of the rules which does not require consent."

No. 116, line 28, at beginning insert "In relation to an amendment which requires consent".

No. 117, line 31, at beginning insert "The preceding provisions of".

No. 118, line 31, leave out "it" and insert "they".

No. 119, line 31, at end insert—

"(6) The Secretary of State may by order amend the list in subsection (2)." *[Liz Blackman]*

Clause 200

COMPANIES: CHANGE OF ARTICLES

Amendments made: No. 120, in page 79, line 3, leave out subsections (2) and (3) and insert—

"(2) An amendment of the company's articles of association requires consent if it

(a) alters the company's objects,

(b) makes provision about the distribution of assets to members, or

(c) enables the company to become, or cease to be, a subsidiary or associate of another body.

(3) An amendment of the articles of association which requires consent is effective only if the regulator has first consented.

(3A) The company must notify the regulator of an amendment of the articles of association which does not require consent."

No. 121, line 9, at end insert—

"(4A) The company must notify the regulator

(a) of an amendment of the articles of association which does not require consent, or

(b) of a change to its name or registered office."

No. 122, line 10, at beginning insert "In relation to an amendment which requires consent".

No. 123, line 12, at end insert—

"(6) The Secretary of State may by order amend the list in subsection (2)." *[Liz Blackman]*

Clause 205

GROUNDS FOR GIVING NOTICE

Amendment made: No. 124, in page 80, line 31, at end insert—

"(10A) Case 10 is where the registered provider has failed to

comply with an order made by an ombudsman appointed by virtue of section 124.". *[Liz Blackman]*

Clause 240

TRANSFER OF LAND

Amendment made: No. 125, in page 92, line 40, after 'specified', insert 'non-profit'. *[Liz Blackman]*

Clause 255

APPOINTMENT OF NEW OFFICERS

Amendment made: No. 126, in page 98, line 8, at end insert

"(2A) The regulator may appoint more than a minority of the officers of a registered provider only if

(a) the provider has fewer officers than required by its constitution, or

(b) its constitution does not specify a minimum number of officers." *[Liz Blackman]*

Clause 261

GENERAL

Amendment made: No. 127, in page 101, line 32, at end insert

"'working day' means a day other than

(g) a Saturday or Sunday,

(h) Christmas Day or Good Friday, or

(i) a day which is a bank holiday in England and Wales under the Banking and Financial Dealings Act 1971 (c. 80)." *[Liz Blackman]*

Clause 262

INDEX OF DEFINED TERMS

Amendment made: No. 128, in page 103, line 14, at end insert

"Working day	Section 261"

[Liz Blackman]

Clause 282

REQUIREMENTS TO CO-OPERATE IN RELATION TO CERTAIN DISPOSALS OF LAND

Amendment made: No. 31, in page 115, line 9, at end insert

"(5A) Any regulations which provide for the appropriate person to approve a proposal for a local housing authority to dispose of land must ensure that the authority has the opportunity to make representations to the appropriate person before the appropriate person decides whether or not to approve the proposal." *[Liz Blackman]*

Clause 286

SHARED OWNERSHIP LEASES: PROTECTION FOR CERTAIN LIMITED EQUITY LEASES

Amendment made: No. 32, in page 120, line 36, leave out Clause 286. *[Liz Blackman]*

Clause 287

SHARED OWNERSHIP LEASES: PROTECTION FOR HARD TO REPLACE HOUSES

Amendments made: No. 33, in page 121, line 6, after '3', insert 'or 3A'.

No. 34, in page 121, line 8, leave out 'sub-paragraph (2) of that paragraph' and insert 'sub-paragraph (1A),

(aa) any provision in the lease for the tenant to acquire the landlord's interest provides for the tenant to acquire the interest on terms specified in the lease and complying with such requirements as may be prescribed,

(ab) the lease meets any other prescribed conditions,

(ac) the lease does not fall within any prescribed exemptions'.

No. 35, line 10, at end insert

"(1A) The conditions referred to in sub-paragraph (1)(a) are that the lease

(a) was granted for a term of 99 years or more and is not (and cannot become) terminable except in pursuance of a provision for re-entry or forfeiture,

(b) was granted at a premium, calculated by reference to the value of the house or the cost of providing it, of not less than 25 per cent. or such other percentage as may be prescribed, of the figure by reference to which it was calculated,

(c) provides for the tenant to acquire additional shares in the house on terms specified in the lease and complying with such requirements as may be prescribed,

(d) does not restrict the tenant's powers to mortgage or charge his interest in the house,

(e) if it enables the landlord to require payment for outstanding shares in the house, does so only in such circumstances as may be prescribed, and

(f) states the landlord's opinion that by virtue of this paragraph the lease is excluded from the operation of this Part of this Act".

No. 36, line 24, leave out 'paragraph 3(2)' and insert 'sub-paragraph (1A)'.

No. 37, line 25, leave out 'paragraph 3(2)(g)' and insert 'paragraph (f) of that sub-paragraph'.

No. 38, leave out lines 30 to 32.

No. 39, line 41, at end insert

"(2) In paragraph 5 of that Schedule to that Act (power to prescribe matters by regulations)

(a) in sub-paragraph (1) for "Secretary of State" substitute "appropriate national authority", and

(b) in sub-paragraph (2)

(i) in paragraph (b) for "Secretary of State" substitute "appropriate national authority",

(ii) after "which" insert ", in the case of regulations made by the Secretary of State,", and

(iii) after "Parliament" insert "and, in the case of regulations made by the Welsh Ministers, shall be subject to annulment in pursuance of a resolution of the National Assembly for Wales".

(3) After paragraph 6 of that Schedule to that Act (interpretation) insert

"7 In this Schedule "appropriate national authority" means

(a) in relation to England, the Secretary of State, and

(b) in relation to Wales, the Welsh Ministers"." *[Liz Blackman]*

Clause 290

REVIEW OF DETERMINTION OF VALUE

Amendments made: No. 40, in page 122, line 25, at end insert—

'(2A) A request under subsection (2)(b) must—

(a) be in writing,

(b) state the reason it is being made, and

(c) confirm that the landlord has not made to the tenant a grant of the kind mentioned in section 138(1) in respect of the claim by the tenant to exercise the right to buy in respect of the dwelling-house.'

No. 41, line 26, leave out 'such a request' and insert 'a request under subsection (2)(b)'.

No. 42, line 38, at end insert—

'(5A) A review notice may not be served if the landlord has made a grant of the kind mentioned in subsection (2A)(c).

(5B) A person who makes a request under subsection (2)(b) must inform the district valuer if a grant of the kind mentioned in subsection (2A)(c) is made during the period of 14 days mentioned in subsection (4).

(5C) Subsection (5D) applies if the district valuer is considering whether to serve a review notice on the valuer's own initiative.

(5D) The landlord or the tenant must, if requested by the district valuer, inform the valuer whether a grant of the kind mentioned in subsection (2A)(c) has been made.'

No. 43, in page 124, line 14, at end insert—

'(3A) After section 128(5) (notice of determination or redetermination) insert—

"(5A) The landlord shall, as soon as practicable, serve a copy of the notice on the district valuer if—

(a) the district valuer requests it, or

(b) the landlord requests a review of the determination or redetermination under section 128A(2)(b).

(5B) The tenant shall, as soon as practicable, serve a copy of the notice on the district valuer if the tenant requests a review of the determination or redetermination under section 128A(2)(b).

(5C) For the purposes of subsections (5A) and (5B) it does not matter whether the request in question was made before, on or after the service of the notice in accordance with subsection (5).' *[Liz Blackman]*

Clause 303

ORDERS AND REGULATIONS

Amendments made: No. 44, in page 131, line 37, at end insert—

'( ) an order of the Secretary of State under paragraph 19(4) or 21(2) or (4) of Schedule (Possession orders relating to certain tenancies),'

No. 45, in page 132, line 5, at end insert—

'( ) an order of the Secretary of State under paragraph 16(7), 18(4), 22(2) or 23(2) of Schedule (Possession orders relating to certain tenancies),'

No. 46, line 13, leave out from 'containing' to 'may' in line 14 and insert '—

( ) an order of the Welsh Ministers under section 304,

( ) an order of the Welsh Ministers under paragraph 19(4) or 21(2) or (4) of Schedule (Possession orders relating to certain tenancies), or

( ) regulations of the Welsh Ministers under section 266(3) or 277,'

No. 47, in page 132, line 17, leave out from 'containing' to 'is' in line 19 and insert '—

(a) an order of the Welsh Ministers under paragraph 16(7), 18(4), 22(2) or 23(2) of Schedule (Possession orders relating to certain tenancies),

(b) regulations of the Welsh Ministers under Chapter 1 of Part 3 (including Schedule 8 but excluding section 266(3) or 277), or

(c) regulations of the Welsh Ministers under section 284.' *[Liz Blackman]*

Clause 308

COMMENCEMENT

Amendments made: No. 48, in page 133, line 31, leave out '287' and insert

'(Service charges: provision of information and designated accounts)'

No. 49, line 31, after '301', insert

'and Schedule (Service charges: provision of information and designated accounts)'

No. 50, in page 134, line 5, after 'Schedule 5', insert

'or section (Possession orders relating to certain tenancies) and Schedule (Possession orders relating to certain tenancies)' *[Liz Blackman]*

New Schedule 1

TRANSFER SCHEMES: TAX

Overview

1 This Schedule makes provision about the fiscal effect of transfers under schemes made under sections 53 and 67.

Key concepts

2 (1) In this Schedule—

(a) "transfer scheme" means a scheme under section 53 or 67, and

(b) "transfer" means a transfer under a transfer scheme.

(2) In this Schedule "transfer between bodies" means a transfer—

(a) from the Urban Regeneration Agency, the Commission for the New Towns or the Housing Corporation, and

(b) to the HCA or the Regulator of Social Housing.

(3) In this Schedule "transfer to government" means a transfer to—

(a) a Minister of the Crown, or

(b) the Welsh Ministers.

Other definitions

3 (1) In this Schedule—

(a) ICTA means the Income and Corporation Taxes Act 1988 (c. 1),

(b) TCGA means the Taxation of Chargeable Gains Act 1992 (c. 12),

(c) FA 1996 means the Finance Act 1996 (c. 8),

(d) FA 2002 means the Finance Act 2002 (c. 23), and

(e) HMRC means the Commissioners for Her Majesty's Revenue and Customs.

(2) In this Schedule a reference to a trade includes a reference to part of a trade.

Corporation tax: continuity of trade

4 (1) This paragraph applies if as the result of a transfer scheme—

(a) a transferor ceases a trade, and

(b) a transferee commences it.

(2) In connection with the computation of profits and losses for the purpose of corporation tax in respect of periods wholly

or partly after the commencement of the transfer scheme

(a) the transferee shall be treated as having always carried on the trade, and

(b) the trade shall be considered separately from any other trade of the transferee (with any necessary apportionment being made).

Corporation tax: capital allowances

5 (1) This paragraph applies in respect of property transferred under a transfer scheme from

(a) the Urban Regeneration Agency, or

(b) the Commission for the New Towns.

(2) Where the property was used by the transferor, and is to be used by the transferee, in connection with a trade, section 343(2) ICTA (company reconstructions: capital allowances) shall apply.

6 The following transfers shall be treated as giving rise to neither allowance nor charge for the purposes of capital allowances in respect of a trade (and allowances shall be calculated as if the transferee had always carried on the trade)—

(a) a transfer from the Housing Corporation, and

(b) a transfer to government.

Corporation tax: capital gains

7 (1) This paragraph applies in respect of property transferred under a transfer scheme from

(a) the Urban Regeneration Agency,

(b) the Commission for the New Towns, or

(c) the Housing Corporation.

(2) Section 17 of TCGA (disposals and acquisitions treated as at market value) shall not apply.

(3) For the purposes of TCGA the transfer (in relation to the transferor and the transferee) is to be taken as being a disposal for a consideration such that neither gain nor loss accrues.

(4) A transfer shall be disregarded for the purposes of section 30 of TCGA (value shifting: tax-free benefits).

8 At the end of section 55(5)(d) of TCGA (re-basing to 1982) add—

"(xviii) Schedule [Transfer schemes: tax] to the Housing and Regeneration Act 2008."

Corporation tax: intangible assets

9 (1) This paragraph applies for the purposes of Schedule 29 to FA 2002 (intangible assets).

(2) Expressions used in this paragraph have the same meaning as in that Schedule.

(3) A transfer between bodies of a chargeable intangible asset is a tax-neutral transfer.

(4) An intangible fixed asset which is an existing asset of the transferor at the time of a transfer between bodies is to be treated, on and after the transfer, as an existing asset of the transferee.

(5) A transfer to government of a chargeable intangible asset is to be treated as not involving a realisation of the asset by the transferor.

Corporation tax: loan relationships

10 (1) If as a result of a transfer the transferee replaces the transferor as a party to a loan relationship, paragraph 82(2) of Schedule 9 to FA 1996 (transfer within group: continuity of treatment) shall apply (whether or not the transferor and transferee are bodies corporate).

(2) Expressions used in this paragraph have the same meaning as in that Schedule.

Stamp duty

12 (1) Stamp duty shall not be chargeable on a transfer scheme.

(2) Stamp duty shall not be chargeable on a document certified by HMRC as connected with a transfer scheme.

(3) A document which is not chargeable by virtue of this paragraph must be stamped in accordance with section 12 of the Stamp Act 1891 (c. 39) with a stamp denoting that it is not chargeable.—*[Liz Blackman.]*

Brought up, read the First time, and added to the Bill.

New Schedule 2

POSSESSION ORDERS RELATING TO CERTAIN TENANCIES

PART 1

AMENDMENTS TO THE HOUSING ACTS OF 1985, 1988 AND 1996

Housing Act 1985 (c. 68)

1 The Housing Act 1985 is amended as follows.

2 (1) Section 82 (security of tenure: date on which secure tenancy comes to an end as a result of a possession order etc.) is amended as follows.

(2) In subsection (1) for "by obtaining an order" substitute "as".

(3) For subsections (1A) and (2) substitute—

"(1A) The tenancy may be brought to an end by the landlord—

(a) obtaining—

(i) an order of the court for the possession of the dwelling-house, and

(ii) the execution of the order,

(b) obtaining an order under subsection (3), or

(c) obtaining a demotion order under section 82A.

(2) In the case mentioned in subsection (1A)(a), the tenancy ends when the order is executed."

3 (1) Section 85 (extended discretion of court in certain proceedings for possession) is amended as follows.

(2) In subsection (3A)(a) omit the words from "or payments" to "profits)".

(3) For subsection (4) substitute—

"(4) The court may discharge or rescind the order for possession if it thinks it appropriate to do so having had regard to—

(a) any conditions imposed under subsection (3), and

(b) the conduct of the tenant in connection with those conditions."

4 In Schedule 3 (grounds for withholding consent to assignment by way of exchange) for Ground 1 substitute—

"Ground 1

The tenant or the proposed assignee is subject to an order of the court for the possession of the dwelling-house of which he is the secure tenant."

Housing Act 1988 (c. 50)

5 The Housing Act 1988 is amended as follows.

6 (1) Section 5 (security of tenure) is amended as follows.

(2) For subsection (1) substitute—

"(1) An assured tenancy cannot be brought to an end by the landlord except by—

(a) obtaining—

(i) an order of the court for possession of the dwelling-house under section 7 or 21, and

(ii) the execution of the order,

(b) obtaining an order of the court under section 6A (demotion order), or

(c) in the case of a fixed term tenancy which contains power for the landlord to determine the tenancy in certain circumstances, by the exercise of that power,

and, accordingly, the service by the landlord of a notice to quit is of no effect in relation to a periodic assured tenancy.

(1A) Where an order of the court for possession of the dwelling-house is obtained, the tenancy ends when the order is executed."

(3) In subsection (2)(a) after "court" insert "of the kind mentioned in subsection (1)(a) or (b) or any other order of the court".

7 In section 7(7) (possession orders in cases of fixed term tenancies which have come to an end) for "on the day on which the order takes effect" substitute "in accordance with section 5(1A)".

8 (1) Section 9 (extended discretion of court in possession claims) is amended as follows.

(2) In subsection (3) omit the words from "or payments" to "profits)".

(3) For subsection (4) substitute—

"(4) The court may discharge or rescind any such order as is referred to in subsection (2) if it thinks it appropriate to do so, having had regard to—

(a) any conditions imposed under subsection (3), and

(b) the conduct of the tenant in connection with those conditions."

9 (1) Section 21 (recovery of possession on expiry or termination of assured shorthold tenancies) is amended as follows.

(2) In subsection (3) for "on the day on which the order takes effect" substitute "in accordance with section 5(1A)".

(3) After subsection (4) insert—

"(4A) Where a court makes an order for possession of a dwelling-house by virtue of subsection (4) above, the assured shorthold tenancy shall end in accordance with section 5(1A)."

Housing Act 1996 (c. 52)

10 The Housing Act 1996 is amended as follows.

11 (1) Section 127 (introductory tenancies: proceedings for possession) is amended as follows.

(2) In subsection (1) for the words from "an order" to the end substitute—

"(a) an order of the court for the possession of the dwelling-house, and

(b) the execution of the order."

(3) After subsection (1) insert—

"(1A) In such a case, the tenancy ends when the order is executed."

(4) In subsection (2) for "such an order" substitute "an order of the kind mentioned in subsection (1)(a)".

(5) Omit subsection (3).

12 (1) Section 130 (introductory tenancies: effect of beginning proceedings for possession) is amended as follows.

(2) In subsection (2)(a) for the words from "in pursuance of" where they first appear, to "of the court)" substitute "in accordance with section 127(1A)".

(3) In subsection (2)(b) for "127(2) and (3)" substitute "127(1A) and (2)".

13 (1) Section 143D (demoted tenancies: proceedings for possession) is amended as follows.

(2) In subsection (1) for the words from "an order" to the end substitute—

"(a) an order of the court for the possession of the dwelling-house, and

(b) the execution of the order."

(3) After subsection (1) insert—

"(1A) In such a case, the tenancy ends when the order is executed."

(4) Omit subsection (3).

Transitional provisions

14 (1) Subject as follows, this Part of this Schedule does not apply to any possession order made before the commencement date.

(2) This Part of this Schedule does apply to a possession order made before the commencement date if the order applies to—

(a) a new tenancy by virtue of paragraph 20, or

(b) a tenancy which has not ended pursuant to the order before that date.

(3) Paragraphs 3(3) and 8(3) apply to any possession order regardless of when it was made.

(4) In determining for the purposes of sub-paragraph (2) whether a tenancy has ended, any ending which was temporary because the tenancy was restored in consequence of a court order is to be ignored.

(5) In this paragraph "the commencement date" means the day on which section (Possession orders relating to certain tenancies) comes into force.

PART 2

REPLACEMENT OF CERTAIN TERMINATED TENANCIES

Circumstances in which replacement tenancy arises

15 In this Part of this Schedule "an original tenancy" means any secure tenancy, assured tenancy, introductory tenancy or demoted tenancy—

(a) in respect of which a possession order was made before the commencement date, and

(b) which ended before that date pursuant to the order but not on the execution of the order.

16 (1) A new tenancy of the dwelling-house which was let under the original tenancy is treated as arising on the commencement date between the ex-landlord and the ex-tenant if—

(a) on that date—

(i) the home condition is met, and

(ii) the ex-landlord is entitled to let the dwelling-house, and

(b) the ex-landlord and the ex-tenant have not entered into another tenancy after the date on which the original tenancy ended but before the commencement date.

(2) The home condition is that the dwelling-house which was let under the original tenancy—

(a) is on the commencement date, the only or principal home of the ex-tenant, and

(b) has been the only or principal home of the ex-tenant throughout the termination period.

(3) In this Part of this Schedule "the termination period" means the period—

(a) beginning with the end of the original tenancy, and

(b) ending with the commencement date.

(4) For the purposes of sub-paragraph (2)(a) the dwelling-house is the only or principal home of the ex-tenant on the commencement date even though the ex-tenant is then absent from the dwelling-house as a result of having been evicted in pursuance of a warrant if the warrant is subsequently set aside but the possession order under which it was granted remains in force.

(5) In that case, the new tenancy is treated as arising on the first day (if any) on which the ex-tenant resumes occupation of the dwelling-house as that person's only or principal home.

(6) For the purposes of sub-paragraph (2)(b) any period of time within the termination period is to be ignored if—

(a) it is a period in which the ex-tenant was absent from the dwelling-house as a result of having been evicted in pursuance of a warrant which was then set aside although the possession order under which it was granted remained in force, and

(b) the ex-tenant subsequently resumes occupation of the dwelling-house as the ex-tenant's only or principal home.

(7) The appropriate national authority may by order provide for particular cases or descriptions of case, or particular circumstances, where the home condition is met where it would not otherwise be met.

Nature of replacement tenancies

17 The new tenancy is to be—

(a) a secure tenancy if—

(i) the original tenancy was a secure tenancy, or

(ii) the original tenancy was an introductory tenancy but no election by the ex-landlord under section 124 of the Housing Act 1996 (c. 52) is in force on the day on which the new tenancy arises,

(b) an assured shorthold tenancy if the original tenancy was an assured shorthold tenancy,

(c) an assured tenancy which is not an assured shorthold tenancy if the original tenancy was a tenancy of that kind,

(d) an introductory tenancy if the original tenancy was an introductory tenancy and an election by the ex-landlord under section 124 of the Housing Act 1996 (c. 52) is in force on the day on which the new tenancy arises,

(e) a demoted tenancy to which section 20B of the Housing Act 1988 (c. 50) applies if the original tenancy was a demoted tenancy of that kind, and

(f) a demoted tenancy to which section 143A of the Housing Act 1996 (c. 52) applies if the original tenancy was a demoted tenancy of that kind.

18 (1) The new tenancy is, subject as follows, to have effect on the same terms and conditions as those applicable to the original tenancy immediately before it ended.

(2) The terms and conditions of the new tenancy are to be treated as modified so as to reflect, so far as applicable, any changes made during the termination period to the level of payments for the ex-tenant's occupation of the dwelling-house or to the other terms and conditions of the occupation.

(3) The terms and conditions of the new tenancy are to be treated as modified so that any outstanding liabilities owed by the ex-tenant to the ex-landlord in respect of payments for the ex-tenant's occupation of the dwelling-house during the termination period are liabilities in respect of rent under the new tenancy.

(4) The appropriate national authority may by order provide for other modifications of the terms and conditions of the new tenancy.

(5) Nothing in sub-paragraphs (2) to (4) is to be read as permitting modifications of the new tenancy which would not have been possible if the original tenancy had remained a tenancy throughout the termination period.

(6) The terms and conditions of a new secure tenancy which arises by virtue of paragraph 17(a)(ii) are to be treated as modified so far as necessary to reflect the fact that the new tenancy is a secure tenancy and not an introductory tenancy.

19 (1) Any provision which is made by or under an enactment and relates to a secure tenancy, assured tenancy, introductory tenancy or demoted tenancy applies, subject as follows, to a new tenancy of a corresponding kind.

(2) Any such provision which relates to an introductory tenancy applies to a new tenancy which is an introductory tenancy as if the trial period mentioned in section 125(2) of the Housing Act 1996 (c. 52) were the period of one year beginning with the day on which the new tenancy arises.

(3) Any such provision which relates to a demoted tenancy applies to a new tenancy which is a demoted tenancy as if the demotion period mentioned in section 20B(2) of the Housing Act 1988 (c. 50) or section 143B(1) of the Housing Act 1996 (c. 52) were the period of one year beginning with the day on which the new tenancy arises.

(4) The appropriate national authority may by order modify any provision made by or under an enactment in its application to a new tenancy.

Status of possession order and other court orders

20 (1) The possession order in pursuance of which the original tenancy ended is to be treated, so far as practicable, as if it applies to the new tenancy.

(2) Any court orders made before the commencement date which—

(a) relate to the occupation of the dwelling-house, and

(b) were made in contemplation of, in consequence of or otherwise in connection with the possession order,

are to be treated, so far as practicable, as if they apply to the new tenancy.

Continuity of tenancies

21 (1) The new tenancy and the original tenancy are to be treated for the relevant purposes as—

(a) the same tenancy, and

(b) a tenancy which continued uninterrupted throughout the termination period.

(2) The relevant purposes are—

(a) determining whether the ex-tenant is a successor in relation to the new tenancy,

(b) calculating on or after the commencement date the period qualifying, or the aggregate of such periods, under Schedule 4 to the Housing Act 1985 (c. 68) (qualifying period for right to buy and discount),

(c) determining on or after the commencement date whether the condition set out in paragraph (b) of Ground 8 of Schedule 2 to that Act is met, and

(d) any other purposes specified by the appropriate national authority by order.

(3) In proceedings on a relevant claim the court concerned may order that the new tenancy and the original tenancy are to be treated for the purposes of the claim as—

(a) the same tenancy, and

(b) a tenancy which continued uninterrupted throughout the termination period.

(4) The following are relevant claims—

(a) a claim by the ex-tenant or the ex-landlord against the other for breach of a term or condition of the original tenancy—

(i) in respect of which proceedings are brought on or after the commencement date, or

(ii) in respect of which proceedings were brought, but were not finally determined, before that date,

(b) a claim by the ex-tenant against the ex-landlord for breach of statutory duty in respect of which proceedings are or were brought as mentioned in paragraph (a)(i) or (ii), and

(c) any other claim of a description specified by the appropriate national authority by order.

(5) For the purposes of sub-paragraph (4)(a) proceedings must be treated as finally determined if—

(a) they are withdrawn,

(b) any appeal is abandoned, or

(c) the time for appealing has expired without an appeal being brought.

Compliance with consultation requirements

22 (1) The fact that—

(a) the views of the ex-tenant during the termination period were not sought or taken into account when they should have been sought or taken into account, or

(b) the views of the ex-tenant during that period were sought or taken into account when they should not have been sought or taken into account,

is not to be taken to mean that the consultation requirements were not complied with.

(2) The consultation requirements are—

(a) the requirements under—

(i) section 105(1) of the Housing Act 1985 (c. 68),

(ii) paragraphs 3 and 4 of Schedule 3A to that Act,

(iii) regulations made under section 27AB of that Act which relate to arranging for ballots or polls with respect to a proposal to enter into a management agreement, and

(iv) section 137(2) of the Housing Act 1996 (c. 52), and

(b) any other requirements specified by the appropriate national authority by order.

Joint tenancies

23 (1) In the application of this Part of this Schedule in relation to an original tenancy which was a joint tenancy, a reference to the dwelling-house being the only or principal home of the ex-tenant is to be treated as a reference to the dwelling-house being the only or principal home of at least one of the ex-tenants of the joint tenancy.

(2) The appropriate national authority may by order provide for this Part of this Schedule to apply in relation to an original tenancy which was a joint tenancy subject to such additional modifications as may be specified in the order.

Supplementary

24 In determining for the purposes of this Part of this Schedule whether a tenancy has ended, any ending which was temporary because the tenancy was restored in consequence of a court order is to be ignored.

25 In this Part of this Schedule—

"appropriate national authority" means

(a) in relation to England, the Secretary of State, and

(b) in relation to Wales, the Welsh Ministers,

"assured shorthold tenancy" and "assured tenancy" have the same meanings as in Part 1 of the Housing Act 1988 (c. 50) but do not include a demoted tenancy to which section 20B of that Act applies,

"the commencement date" means the day on which section (Possession orders relating to certain tenancies) comes into force,

"demoted tenancy" means a tenancy to which section 20B of the Act of 1988 or section 143A of the Housing Act 1996 (c. 52) applies,

"dwelling-house"

(a) in relation to an assured tenancy, or a tenancy to which section 20B of the Act of 1988 applies, has the same meaning as in Part 1 of that Act,

(b) in relation to a tenancy to which section 143A of the Act of 1996 applies, has the same meaning as in Chapter 1A of Part 5 of that Act,

(c) in relation to an introductory tenancy, has the meaning given by section 139 of the Act of 1996, and

(d) in relation to a secure tenancy, has the meaning given by section 112 of the Housing Act 1985 (c. 68),

"ex-landlord", means the person who was the landlord under an original tenancy,

"ex-tenant" means the person who was the tenant under an original tenancy,

"introductory tenancy" has the same meaning as in Chapter 1 of Part 5 of the Act of 1996,

"modification" includes omission,

"new tenancy" means a tenancy which is treated as arising by virtue of paragraph 16,

"original tenancy" has the meaning given by paragraph 15,

"possession order", in relation to a tenancy, means a court order for the possession of the dwelling-house,

"secure tenancy" has the same meaning as in Part 4 of the Act of 1985,

"successor"

(a) in relation to a new tenancy which is an assured tenancy, has the same meaning as in section 17 of the Act of 1988,

(b) in relation to a new tenancy which is a demoted tenancy to which section 143A of the Act of 1996 applies, has the meaning given by section 143J of that Act,

(c) in relation to a new tenancy which is an introductory tenancy, has the same meaning as in section 132 of the Act of 1996, and

(d) in relation to a new tenancy which is a secure tenancy, has the same meaning as in section 88 of the Act of 1985.

"termination period" has the meaning given by paragraph 16(3).'. — *[Liz Blackman.]*

Brought up, read the first time, and added to the Bill.

New Schedule 3

SERVICE CHARGES: PROVISION OF INFORMATION AND DESIGNATED ACCOUNTS

Landlord and Tenant Act 1985 (c. 70)

1 The Landlord and Tenant Act 1985 is amended as follows.

2 For section 21 (as substituted by section 152 of the Commonhold and Leasehold Reform Act 2002 (c. 15)) (regular statements of account) substitute—

"21 Service charge information

(1) The appropriate national authority may make regulations about the provision, by landlords of dwellings to each tenant by whom service charges are payable, of information about service charges.

(2) The regulations must, subject to any exceptions provided for in the regulations, require the landlord to provide information about—

(a) the service charges of the tenant,

(b) any associated service charges, and

(c) relevant costs relating to service charges falling within paragraph (a) or (b).

(3) The regulations must, subject to any exceptions provided for in the regulations, require the landlord to provide the tenant with a report by a qualified person on information which the landlord is required to provide by virtue of this section.

(4) The regulations may make provision about—

(a) information to be provided by virtue of subsection (2),

(b) other information to be provided (whether in pursuance of a requirement or otherwise),

(c) reports of the kind mentioned in subsection (3),

(d) the period or periods in relation to which information or reports are to be provided,

(e) the times at or by which information or reports are to be provided,

(f) the form and manner in which information or reports are to be provided (including in particular whether information is to be contained in a statement of account),

(g) the descriptions of persons who are to be qualified persons for the purposes of subsection (3).

(5) Subsections (2) to (4) do not limit the scope of the power conferred by subsection (1).

(6) Regulations under this section may—

(a) make different provision for different cases or descriptions of case or for different purposes,

(b) contain such supplementary, incidental, consequential, transitional, transitory or saving provision as the appropriate national authority considers appropriate.

(7) Regulations under this section are to be made by statutory instrument which—

(a) in the case of regulations made by the Secretary of State, is to be subject to annulment in pursuance of a resolution of either House of Parliament, and

(b) in the case of regulations made by the Welsh Ministers, is to be subject to annulment in pursuance of a resolution of the National Assembly for Wales.

(8) In this section—

"the appropriate national authority"—

(a) in relation to England, means the Secretary of State, and

(b) in relation to Wales, means the Welsh Ministers,

"associated service charges", in relation to a tenant by whom a contribution to relevant costs is payable as a service charge, means service charges of other tenants so far as relating to the same costs."

3 (1) Section 21A (withholding of service charges) is amended as follows.

(2) For subsection (1) substitute—

"(1) A tenant may withhold payment of a service charge if—

(a) the landlord has not provided him with information or a report—

(i) at the time at which, or

(ii) (as the case may be) by the time by which,

he is required to provide it by virtue of section 21, or

(b) the form or content of information or a report which the landlord has provided him with by virtue of that section (at any time) does not conform exactly or substantially with the requirements prescribed by regulations under that section."

(3) In subsection (2)—

(a) in paragraph (a) for "accounting period to which the document" substitute "period to which the information or report", and

(b) for paragraph (b) substitute—

"(b) amounts standing to the tenant's credit in relation to the service charges at the beginning of that period."

(4) In subsection (3)—

(a) in paragraph (a) for "document concerned has been supplied" substitute "information or report concerned has been provided", and

(b) for paragraph (b) substitute—

"(b) in a case within paragraph (b) of that subsection, after information or a report conforming exactly or substantially with requirements prescribed by regulations under section 21 has been provided to the tenant by the landlord by way of replacement of that previously provided."

4 (1) Section 22 (as substituted by section 154 of the Commonhold and Leasehold Reform Act 2002 (c. 15)) (inspection etc of documents) is amended as follows.

(2) In subsection (1)(a) for the words from "the matters" to "under" substitute "information required to be provided to him by virtue of".

(3) In subsection (3) for "supplied with the statement of account under" substitute "provided with the information concerned by virtue of".

(4) In subsection (4)—

(a) for "statement of account", wherever it appears, substitute "information",

(b) for "supplied", wherever it appears, substitute "provided", and

(c) in paragraph (b) for "21(4)" substitute "21".

5 In section 23(1) (as substituted by paragraph 1 of Schedule 10 to the Commonhold and Leasehold Reform Act 2002 (c. 15)) (information held by superior landlord)—

(a) for "a statement of account which the landlord is required to supply under" substitute "information which the landlord is required to provide by virtue of", and

(b) after "of the relevant information" insert "which relates to those matters".

6 In section 23A(4) (effect of change of landlord)—

(a) in paragraph (a) after "23" insert "and any regulations under section 21", and

(b) after paragraph (b) insert "and

"(c) any regulations under section 21 apply subject to any modifications contained in the regulations."

7 In section 26(1) (exception: tenants of certain public authorities) for "statements of account" substitute "service charge information, reports on such information".

8 In section 27 (exception: rent registered and not entered as variable) for "statements of account" substitute "service charge information, reports on such information".

9 Omit section 28 (meaning of "qualified accountant").

10 In section 39 (index of defined expressions) omit the entry in the Table for "qualified accountant".

Landlord and Tenant Act 1987 (c. 31)

11 The Landlord and Tenant Act 1987 is amended as follows.

12 (1) Section 42A (service charge contributions to be held in designated account) is amended as follows.

(2) In subsection (2)—

(a) for paragraph (b) substitute—

"(b) any other sums held in the account are sums standing to the credit of one or more other trust funds,", and

(b) for "Secretary of State" substitute "appropriate national authority".

(3) After subsection (2) insert—

"(2A) The appropriate national authority may by regulations ensure that a payee who holds more than one trust fund in the same designated account cannot move any of those funds to another designated account unless conditions specified in the regulations are met."

(4) In subsection (3)(a)—

(a) after "subsection (1) is" insert ", or regulations under subsection (2A) are,", and

(b) for "them" substitute "such documents".

(5) In subsections (5), (6), (7) and (8) for "this section" substitute "subsection (3)".

(6) After subsection (9) insert—

"(9A) Regulations under subsection (2A) may include provision about—

(a) the circumstances in which a contributing tenant who has reasonable grounds for believing that the payee has not complied with a duty imposed on him by the regulations may withhold payment of a service charge,

(b) the period for which payment may be so withheld,

(c) the amount of service charge that may be so withheld;

and the regulations may provide that any provisions of the contributing tenant's tenancy relating to non-payment or late payment of service charge do not have effect in relation to the period for which the payment is so withheld."

(7) In subsection (10)—

(a) after "this section" insert "or in regulations under subsection (2A)", and

(b) for "Secretary of State" substitute "appropriate national authority".

(8) After subsection (10) insert—

"(10A) Regulations under this section may—

(a) make different provision for different cases, including different provision for different areas,

(b) contain such supplementary, incidental, consequential, transitional, transitory or saving provision as the appropriate national authority considers appropriate.

(10B) Regulations under this section are to be made by statutory instrument which—

(a) in the case of regulations made by the Secretary of State, is to be subject to annulment in pursuance of a resolution of either House of Parliament, and

(b) in the case of regulations made by the Welsh Ministers, is to be subject to annulment in pursuance of a resolution of the National Assembly for Wales."

(9) In subsection (11)—

(a) after "section " insert—

""the appropriate national authority"—

(i) in relation to England, means the Secretary of State, and

(ii) in relation to Wales, means the Welsh Ministers;", and

(b) in the definition of "relevant financial institution" for "Secretary of State" substitute "appropriate national authority".

13 (1) Section 53 (regulations and orders) is amended as follows.

(2) In subsection (2)(b) omit "or 42A".

(3) After subsection (2) insert—

"(3) This section does not apply to any power to make regulations under section 42A."

Leasehold Reform, Housing and Urban Development Act 1993 (c. 28)

14 The Leasehold Reform, Housing and Urban Development Act 1993 is amended as follows.

15 (1) Section 78 (management audits) is amended as follows.

(2) In subsection (4) for paragraphs (a) and (b), and the "and" following paragraph (b), substitute—

"(a) he is—

(i) a member of a body which is a recognised supervisory body for the purposes of Part 42 of the Companies Act 2006;

(ii) a qualified surveyor; or

(iii) where the landlord is a relevant landlord, a member of the Chartered Institute of Public Finance and Accountancy;

(b) he is not any of the following—

(i) an officer, employee or partner of the landlord or, where the landlord is a company, of an associated company;

(ii) a person who is a partner or employee of any such officer or employee;

(iii) an agent of the landlord who is a managing agent for any premises to which the audit in question relates; or

(iv) an employee or partner of any such agent; and".

(3) After subsection (5) insert—

"(5A) For the purposes of subsection (4)(b)(i) above a company is associated with a landlord company if it is the landlord's holding company, a subsidiary of the landlord or another subsidiary of the landlord's holding company.

(5B) Subsection (4)(b)(i) does not apply where the landlord is a relevant landlord.

(5C) For the purposes of subsection (4)(b)(iii) above a person is a managing agent for any premises if he has been appointed to discharge any of the landlord's obligations relating to the management by the landlord of the premises."

(4) After subsection (6) insert—

"(7) In this section—

"holding company" and "subsidiary" have the meanings given by section 1159 of the Companies Act 2006;

"relevant landlord" means—

(a) a local authority (within the meaning of the Landlord and Tenant Act 1985);

(b) a National Park authority; or

(c) a new town corporation (within the meaning of the Act of 1985)."

16 In section 79(2)(a) (rights exercisable in connection with management audits)—

(a) for the words from "the matters" to "supplied" substitute "information required to be provided", and

(b) for "under" substitute "by virtue of".". *[Liz Blackman.]*

Brought up, read the First time, and added to the Bill.

Schedule 7

AMENDMENTS OF ENACTMENTS: PART 1

Amendment made: No. 27, in page 175, line 12, at end insert—

Greater London Authority Act 1999 (c. 29)

8A The Greater London Authority Act 1999 is amended as follows.

8B (1) Section 333A (the London housing strategy) is amended as follows.

(2) In subsection (3)—

(a) in paragraph (a) for "Housing Corporation for the purpose of making housing grant" substitute "Homes and Communities Agency", and

(b) in paragraph (b)—

(i) for "Housing Corporation", in the first place where it appears, substitute "Homes and Communities Agency",

(ii) for "making housing grant" substitute "giving housing financial assistance", and

(iii) omit the words from "(and see also" to the end of the paragraph.

(3) In subsection (4)—

(a) in paragraph (a)—

(i) for "grant", in both places where it appears, substitute "housing financial assistance",

(ii) for "made" substitute "given", and

(iii) for "payable" substitute "given", and

(b) in paragraph (b) for "grant" substitute "housing financial assistance".

(4) In subsection (8)(a) for "Housing Corporation" substitute "Homes and Communities Agency".

(5) In subsection (10)—

(a) for the definition of "housing grant" substitute—

""housing financial assistance" means financial assistance given under section 22 of the Housing and Regeneration Act 2008 in connection with the provision of housing accommodation;",

(b) after the definition of "local housing authority" insert—

""provide", in relation to houses or housing accommodation, includes—

(i) provide by way of acquisition, construction, conversion, improvement or repair; and

(ii) provide indirectly;", and

(c) omit the words from "and the reference" to the end.

8C In section 333D (duty to have regard to the London housing strategy)—

(a) in the heading for "Housing Corporation" substitute "Homes and Communities Agency", and

(b) in subsection (1) for the words from "under" to "Corporation" substitute "relating to Greater

London and conferred by or under Part 1 of the Housing and Regeneration Act 2008 (other than any function conferred by virtue of section 13 or 14 of that Act), the Homes and Communities Agency".'.
[Liz Blackman.]

Schedule 11

REPEALS

Amendments made: No. 51, in page 189, line 44, column 2, at beginning insert—

	'In section 85(3)(a), the words from "or payments" to "profits)."'.

No. 7, in page 189, line 50, at end insert—

'Housing Associations Act 1985 (c. 69)	Section 33A.'.

No. 52, in page 189, line 50, at end insert—

'Landlord and Tenant Act 1985 (c. 70)	Section 28.
	In section 39, the entry in the Table for "qualified accountant".
Landlord and Tenant Act 1987 (c. 31)	In section 53(2)(b), the words "or 42A".
	In Schedule 2, paragraph 9 and the italic heading before it.'.

No. 53, in page 189, line 51, column 2, at beginning insert—

	'In section 9(3), the words from "or payments" to "profits)".'.

No. 8, in page 190, line 2, at end insert—

	'In Schedule 6, paragraph 24.'.

No. 129, in page 190, line 3, column 2, at beginning insert—

	'Section 173(6).'.

No. 54, in page 190, line 6, at end insert—

'Companies Act 1989 (Eligibility for Appointment as Company Auditor) (Consequential Amendments) Regulations 1991 (S.I. 1991/1997)	In the Schedule, paragraph 60 and the heading before it.'.

No. 55, in page 190, line 22, at end insert—

'Environment Act 1995 (c. 25)	In Schedule 10, paragraph 25(2).'.

No. 56, in page 190, line 25, column 2, at end insert—

	'Section 127(3). Section 143D(3).'.

No. 130, in page 190, line 43, leave out 'paragraph' and insert

'paragraphs 15(19), 18(10)(a) and (12)(a), 19(7)(a) and'.

No. 57, in page 191, line 2, column 2, at beginning insert—

	'In Schedule 15, paragraph 13.'.

No. 9, in page 191, line 2, after 'paragraphs' insert '26,'.

No. 28, in page 191, line 9, at end insert—

'Greater London Authority Act 1999 (c. 29)	In section 333A (a) in subsection (3)(b), the words from "(and see also" to the end of the paragraph. (b) in subsection (10), the words from "and the reference" to the end.'.

No. 58, in page 191, line 15, column 2, at end insert—

	'Section 156(2). In Schedule 10, paragraphs 6 and 7 and the italic heading before paragraph 6.'.

No. 59, in page 191, line 20, at end insert—

'Anti-social Behaviour Act 2003 (c. 38)	Section 14(1)(b).'.

[Liz Blackman.]

Order for Third Reading read.—[Queen's Consent, on behalf of the Crown, and Prince of Wales's Consent, on behalf of Duchy of Cornwall, signified.]

9.41 pm

Mr. Iain Wright: I beg to move, That the Bill be now read the Third time.

Before I begin my substantive remarks, I thank hon. Members of all parties who served on the Public Bill Committee. As I said earlier, they applied forensic scrutiny to our deliberations. As someone who has taken the Bill through all its stages in this House and feels protective towards it, I thank all hon. Members for their work. I thank the officials who worked on the Bill and the Clerks. I also thank the witnesses who shaped our deliberations in December during the evidence sessions. The Bill leaves the House for the other place in a much improved form.

Simon Hughes: I will ask a question that I tried to ask previously because the Under-Secretary will now be allowed to answer it. Since the Bill left here after Second Reading, how many amendments have the Government accepted from Opposition parties?

Mr. Wright: I do not have the information to hand at the moment, but I am sure we can tally that up at some point.

We have listened to concerns from hon. Members of all parties. We have made substantial amendments to the definition of social housing in response to concerns about means-testing, which was never our intention.

Dr. Blackman-Woods: The Minister took on board the most important amendment, which dealt with including sustainability and the need to promote sustainable development in the objectives of the new homes and communities agency.

Mr. Wright: I agree. I pay tribute to my hon. Friend and the valiant manner in which she battled about that concern.

The other key element involved the whole regulatory regime. Members of the Committee expressed anxieties about the risks of policy passporting and micro-management by the Secretary of State through the regulator of registered providers and registered social landlords. That was never our intention and I believe that locks in the Bill will prevent that. However, we listened to hon. Members' concerns and tabled amendments to address them.

Mr. Raynsford: I thank my hon. Friend personally for the extremely careful attention that he gave to those issues and for agreeing to table amendments dealing both with the definition of the Secretary of State's power to direct and with the role and intervention powers of the regulator. All have helped to ensure that the objective—a proportionate but hands-off style of regulation—can be carried forward. If that is achieved, we will definitely have made an improvement to the Bill.

Mr. Wright: For my part, I thank my right hon. Friend for all the personal assistance that he has given me on the amendments. His work and experience have been invaluable to me.

The amendments that we tabled address the sector's concerns. We are reinforcing the view that the Secretary of State's role should be limited to strategic directions, with direct influence only on key issues such as rent, physical maintenance and tenant empowerment, which is right. The regulator's standards should be outcome-focused wherever possible, should not threaten the status of charitable providers and, crucially, should take account of the desirability of registered social landlord boards managing their own business and setting their own corporate direction.

Finally, an important group of amendments ensures that the regulator should be able fully to intervene to address tenants' concerns only where there is a material breach of standards, including on a single estate. You might rule me out of order for mentioning this, Mr. Deputy Speaker, but that will for ever be known as the "Emily Thornberry test", after my hon. Friend the Member for Islington, South and Finsbury (Emily Thornberry), who on Second Reading rightly mentioned the rat-infested estates and the lack of co-operation that housing associations display in dealing with her. That group of amendments and the powers of the regulator allow it to intervene on those points, but not on minor or trivial points.

We have improved the Bill. I pay tribute to the hon. Members for Welwyn Hatfield (Grant Shapps), for Montgomeryshire (Lembit Öpik) and for North-East Bedfordshire (Alistair Burt) for their fantastic work in scrutinising the Bill. It has been a pleasure to serve with them. I particularly want to thank those titans, the Privy Councillors on the Committee, the right hon. Member for North-West Hampshire (Sir George Young) and my right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford), who, as former housing Ministers, provided genuine expertise. Their help, co-operation and, at times, criticism have helped to improve the Bill.

I want other hon. Members to participate in this Third Reading debate, so I conclude my remarks by saying that the Bill is an important measure. It sets in statute two new housing bodies: the Homes and Communities Agency, which will invest in regeneration and new housing supply and play a key role in achieving our ambition of delivering 3 million homes; and the new social housing regulator Oftenant, which will place tenants at the heart of social housing, driving improvements in standards.

I am pleased by the wide consensus on the benefits of establishing those organisations, which was clear from our Committee deliberations and the oral evidence that we took from stakeholders. We have been challenged on the details, but not the principles. The Bill leaves this place in a much better state than when it first started.

Margaret Moran: I agree with my hon. Friend that the debates in Committee were useful, one of which was on amending some of the clauses dealing with domestic violence, on which he made some commitments. We tried to ensure in previous housing legislation that survivors of domestic violence would not be penalised through losing their homes and would be safeguarded under homelessness legislation, but we have apparently failed, because there is still a postcode lottery in provision and safety for them. Will my hon. Friend say briefly what he intends to do as a result of that discussion?

Mr. Wright: I am glad that my hon. Friend has mentioned that. She is a champion of trying to prevent and minimise domestic violence, and the amendment that she and my hon. Friend the Member for Edmonton (Mr. Love) tabled was important. I want to help as much as possible, and she will be aware of the meeting that we had last week. I am keen to pursue policy on the basis of evidence and for that reason was concerned about what was said in Committee about policy passporting and differing interpretations of the term "vulnerability". I therefore agreed last week to work with her on a review to see to what extent that policy postcode lottery and that test of vulnerability apply to different parts of the country. I am keen to move forward on that, but I want to do it on the basis of clear evidence. I hope that she agrees with me and will co-operate with me on that basis.

As I say, I want to ensure that other hon. Members can contribute to the Third Reading debate. I look forward to handing the Bill on to the other place in a much improved state. I have been with it from its start and I am very proud of it. I commend it to the House.

9.49 pm

Grant Shapps: The Bill initially contained more than 300 clauses, and on Second Reading I mentioned its size; little did I know that down the line in Committee there would be another 242-odd Government new clauses, and that today a further 137 amendments would be tabled at the last minute, with no time to debate them properly. Today's debate demonstrated just how ineffective the House has been made to be. There was limited time to consider literally hundreds of amendments and new clauses to the Bill. It is completely unsatisfactory.

[Grant Shapps]

It is not that the Bill is inherently evil, or that the Minister and the Government are intent on destroying homes and creating bureaucracies that will prevent people from being able to live in affordable housing; they just fundamentally misunderstood the best way of delivering their objectives. They know that they have a lamentable record on housing delivery over the past 10 years. We know that the average number of homes built every year during our time in office was 176,000, and that the figure is only 146,000 under this Government. Social housing, which was mentioned today and many times in Committee, is being built at a very limited rate. We were building more homes on average in each of our 18 years in office than Labour built in any of its 10 years—a situation that has greatly frustrated Labour Back Benchers, as the Minister knows. In addition, homelessness among children has risen dramatically under this Government. There are twice as many homeless children as there were 10 years ago. The figure has doubled to 130,000.

We know that there are all sorts of problems in the supply and provision of housing, but the Bill does very little to resolve them. It seeks to resolve them through more top-down management—exactly the kind of problem that got the Government into a low-level house building programme in the first place. The Bill is Whitehall driven, centralised and bureaucratic, and it gives powers to a new quango. We do not know how that quango will behave in future. The Minister mentioned earlier that Sir Bob Kerslake, the new chief executive of the Homes and Communities Agency, said that the agency would be able to act on local vision and work with local partners. That may well be true, but that is not what it says in the Bill. The problem is that despite the fact that one chief executive thinks that he can act in that way under the terms of the Bill, what matters is what is actually in the Bill and the way in which it is written. It has been written to dictate centralised targets from above to people down below.

However one cuts it—however one reads the Bill—one realises that it is about creating targets and the Government trying to drive through their famous target of 3 million homes by 2020. Never mind the fact that the Government are already missing the target that enables them to reach that 2020 target, or the fact that they have missed their targets for the past 11 years, as I described; misguidedly, they still think that the solution is to put a top-down weight on local people. What came out most clearly both in Committee and—to a limited extent, because of the brevity of this debate—today is the idea that there is a better way of doing things.

We could work with, trust and rely on local communities by incentivising them to build the housing that we need. For some reason, the Government feel that that is a dogma that they could not possibly adopt. The idea of working with, rather than against, local people—the idea that people should not have to create campaigns to try to protect their local area—is anathema to the Government. It does not need to be like that. We can encourage local communities to create the homes that are needed by incentivising them. We can do that by ensuring that infrastructure follows housing, and by ensuring that local communities are financially benefited as and when housing comes to an area. There must also be joined-up thinking, so that when the people in an area agree to build more housing, there is something in it for local people.

When we ask ourselves honestly what incentive the Bill provides for local people to agree to or even encourage the building of housing in their areas, the answer is "Absolutely none." The truth is that it will invariably destroy the quality of life rather than enhance it. We do not believe that things need to be like that: housing and development should not have a bad name. It is the policies that have been followed for the past 10 years, gold-plated by the Bill, that have got us into this mess.

What has happened in this instance is a bit like what has happened to the word "consultation". Under the present Government, no one believes that a consultation is genuine. The very meaning of the word—its definition in the Oxford English Dictionary—has been degraded by the sham "consultations" of the past few years. The same muddied cloud now hangs over the word "development", and the Bill does nothing to address that.

It could all be so different. Local areas could vie with each other to build sustainable housing in which everyone would want to live. Existing communities could benefit, enjoying the extra services and improving their areas by backing developments. However, the Bill does nothing to favour that approach. Instead, it looks to the heavy hand of top-down government from Whitehall. When local people object to development proposals, the Homes and Communities Agency will have the power to override their objections. There is very little to commend the Bill to the House. We had a great opportunity to provide the amount of housing that we know we need to accommodate a nation, but that opportunity has been missed.

The Minister claimed today that the purpose of all those amendments had been to take account of the will of the Committee and the House, but he was unable to answer a simple question about the number of Opposition amendments that he had accepted. In fact, the reason there were so many amendments is not that this is a tremendous Bill, but that the Minister has dithered a great deal.

Mr. Iain Wright: May I point out to the hon. Gentleman that he has not once mentioned the creation of Oftenant? Are tenant standards so low on the Conservatives' agenda?

Grant Shapps: I do not want to take up other Members' time. I will simply say that it is difficult to understand why Oftenant should apply to some houses and not others. The Minister was unable to explain that in Committee, and he has been unable to explain it today. The Bill is, if nothing else, inconsistent.

9.57 pm

Lembit Öpik: I enjoyed serving on the Committee with the Minister. I think that he has genuinely listened. Above all today, I have accepted—and respect—the fact that the specific case that I raised in relation to amendments Nos. 14 and 15 will be considered. I think that that will prove to be a valuable step forward.

I approve of the creation of Oftenant. We felt that the name was faulty, but the best alternatives that we

could come up with were Ofsquat and Ofhome, so we will stick to Oftenant for now.

The Bill has become complicated. We did not have enough time to examine the details, and I think the Minister will admit privately that the Government crammed an awful lot into a very short time today. The problem was exacerbated by the urgent question that was debated earlier. I hope that that means that the Government will show patience in another place, and will allow proper scrutiny of the parts of the Bill that we could not scrutinise here.

I think that the most important point to be made is that if the HCA works properly, it will help the Government to meet the target that we all want to meet—the provision of 3 million new homes. As the hon. Member for Welwyn Hatfield (Grant Shapps) observed, if it is given free rein to wander into the activities of other quangos it may become a great, burdensome monster that will get in the way. However, I am choosing to be an optimist. Having listened to the Minister's elucidation of how much he loves the Bill, I feel that I am looking at its parents sitting proudly on the Front Bench after nurturing it thus far.

The Liberal Democrats want the Bill to work. We want it to be successful, and we want to meet that target. We want both a good quality of life and high standards of community development, and I think I can say with confidence that if the HCA achieves that, the months we have spent improving the Bill will not have been wasted.

9.59 pm

Sir George Young: I congratulate the Minister on a very sure-footed performance. I say that while his boss, the Minister for Housing, the right hon. Member for Don Valley (Caroline Flint), is sitting next to him. He did an heroic job in Committee, and I am sure he has been earmarked for promotion to other Departments that are more accident-prone than the one in which he currently serves. He did a first-class job.

The Minister will have noticed that there has been a total change in the housing climate since we debated the Bill on Second Reading in November. It is now a much colder climate than when we started. The base rate has gone down, but the borrowing rates have gone up. If we look at reports of house builders, we find that they are less optimistic; and 50 per cent. of the Housing Corporation's target is now on the back of market housing.

It being Ten o'clock, MR. DEPUTY SPEAKER *put the Question already proposed from the Chair, pursuant to Order [27 November].*

Question agreed to.

Bill read the Third time, and passed.

10 pm

Simon Hughes (North Southwark and Bermondsey) (LD): On a point of order, Mr. Deputy Speaker. I seek your guidance as a result of frustration. I appreciate that this may not be a matter that you can deal with now, but four of the groups selected by Mr. Speaker for debate were not touched on at all and in one group we debated only one provision and the bulk of amendments and new clauses were not debated. In addition to taking other steps outside this place, I seek your guidance on whether it would be possible, if the Government were minded to do so, to change the timetable for debate on Report. Could a motion to change the timetable be brought forward when it was absolutely obvious, once Report stage had started, that nothing like the bulk of the work set out was going to be done? Will you confirm whether that would be acceptable, Mr. Deputy Speaker, as it would help us to understand how to deal with Bills that have so many Government amendments and new clauses appended to them in future? The Leader of the House said that she was willing to look further into that as a major parliamentary issue.

Mr. Deputy Speaker (Sir Alan Haselhurst): In all these matters, the initiative lies with the Government. There may be occasions on which they may wish to put a different or amended programme motion before the House, but as the hon. Gentleman knows, I am afraid that that is not a matter for me. We are getting used to the procedure of programme motions and it is all a matter of judgment on each occasion as to whether sufficient time—in the eyes of the whole House—has been provided.

Northern Rock

10.1 pm

Mr. Mark Hoban (Fareham) (Con): I beg to move,

That an humble Address be presented to Her Majesty, praying that the Northern Rock plc (Transfer Order 2008 (S.I. 2008, No. 432)), dated 21st February 2008, a copy of which was laid before this House on 21st February, be annulled.

The timely publication this morning of Northern Rock's business plan and accounts again calls into question the Government's decision to nationalise the bank. As one reads through the documents, the gamble that the Prime Minister and the Chancellor took by nationalising Northern Rock last month becomes clearer and clearer. Whether we get back all the money lent by the taxpayer depends on Ron Sandler's being able to turn around the business, shrink the mortgage book and rebuild the deposit base.

Yet it has taken the Government since September to get us to this point and it took them five months to decide the future of Northern Rock—five months from when Northern Rock was offered emergency funding to the point of nationalisation and five months of uncertainty for its employees, customers and the business. Although the problems at Northern Rock were a consequence of the management's strategy, it is clear that the Government exacerbated the problem through their handling of the crisis.

Let us look at the way the Government handled the decision to provide Northern Rock with emergency funds. The announcement triggered a run on the bank, which could be stemmed only by a guarantee of retail deposits, but as the Treasury Select Committee made clear in its excellent report "Run on the Rock"

"The cumulative effect was ... to make the run on the deposits of Northern Rock more prolonged, and more damaging to the health of the company, than might otherwise have been the case."

It will therefore be harder for Ron Sandler and his team to rebuild the vital retail depositor base, which will play an important role in refinancing the business on more conventional lines and also in repaying the loans to the taxpayer.

Mr. John Redwood (Wokingham) (Con): Does my hon. Friend agree that there is a contradiction in that rapid repayment of the Treasury money requires contracting the business, whereas fattening the business up for resale requires growing it? It is quite difficult to understand how the management can do both.

Mr. Hoban: Indeed. My right hon. Friend identifies an important issue at the heart of the matter. The business plan before us today in the form of the Chancellor's written ministerial statement talks about repayment of the loan, but does not provide a date by which Northern Rock will exit public ownership. There is a contradiction there, but the first priority must be to repay the loans to eliminate the taxpayer's exposure.

Of course the problem that Northern Rock will have after the five months of dither and delay is that the business itself has made no progress in that time, as the interim management waited for the Treasury to decide what it would do with Northern Rock. The way in which the Government handled Northern Rock stands in stark contrast to the prompt action on Bear Stearns by the US authorities, which were able to organise a private sector solution over a weekend. Of course, we know from the Treasury Committee report and elsewhere that a private sector solution was on the table for Northern Rock before September, but it is clear that the Government turned it down. I wonder how much the Chancellor regrets making the decision back in August, when he washed himself of all sorts of problems, not to accept the offer that was apparently on the table at the time.

Stewart Hosie (Dundee, East) (SNP): I share the hon. Gentleman's frustration about the use of the weekend takeover as an excuse not to act earlier. I think that I share his frustration that a Lloyds TSB bid was not accepted. I certainly share the frustration of many people that the Bank of England did not increase liquidity late last summer, when it could have done so. I understand what the Opposition are trying to do with the annulment motion today, but does he not feel that, if they annul the order, it might further weaken confidence in the banking sector, which is—how can I put this gently?—rather brittle at the moment?

Mr. Hoban: It would be to the benefit, because there are better solutions to Northern Rock's problems than the one before us today. We have argued that case for some time, and I shall touch on that briefly towards the end of my speech.

To go back to the comparison with the US, Bear Stearns shareholders now have certainty over the value of their shares—unlike Northern Rock shareholders, who have to wait until the independent valuer tells them how much their shares are worth. Of course, JP Morgan Chase will pay for the compensation and buy the shares—not the US taxpayer, whereas, in the UK, the UK taxpayer will have to compensate Northern Rock shareholders for the nationalisation.

In reality, although for some people nationalisation was the end of the story and the solution to the problem, it is not an end in itself, and the publication of the business plan and accounts today demonstrates that. The two documents clearly point out the risks that the taxpayer has assumed as a consequence of nationalisation. The order transfers ownership of Northern Rock from its shareholders to the taxpayer, but it transfers the risks, too. The regulatory impact assessment published alongside the order gives no assessment of the risks assumed by the taxpayer. When the Chancellor signed off the RIA, he said that it represents a reasonable view of the likely costs and benefits, yet no numbers were attached to the RIA to back up that assertion, whereas the accounts and the business plan make plain the scale of the challenge that faces Northern Rock and therefore the risks borne by the taxpayer.

The Chancellor in his written statement today supports the objective that Northern Rock repay its loan to the Bank of England by 2010 and release guarantees by 2011, so we know that taxpayers' exposure to Northern Rock will continue beyond the next general election. But as the business plan makes clear on page 8, the repayment of the loans by 2010 is an assumption that is part of the base case of the management's plans. I wonder whether the Chief

Secretary can tell us how long it will take to repay the loans using the management's worst case scenario? The Treasury has access to the forecasts that the management prepare, so she should be able to tell us the worst case scenario for repaying the debt.

Yet even the statement that the debt will be repaid by 2010 is at odds with the views of Ron Sandler, who wrote to Northern Rock customers. I have here a letter that was passed to me by a mortgage holder at Northern Rock about repaying the bank's debt in full and said:

"We aim to achieve this over the next three to four years."

That is by 2011 or 2012—a much more pessimistic assumption than the line that the Treasury has been spinning today. Can the Chief Secretary explain the discrepancy between the Treasury line put out today and the line that the man whom they handpicked to run Northern Rock has taken in talking to customers?

Let us be clear: we want the loans to be repaid as soon as possible. We expect the Government to stand by the commitment that the Chancellor gave on 19 November:

"we fully expect to get"

the money

"back." [*Official Report*, 19 November 2007; Vol. 467, c. 972.]

However, we recognise that the changes that need to be brought about to achieve that will lead to job losses in the north-east. They will come about as Northern Rock wants to shrink its mortgage book over the next three years. In 2011, its share of the mortgage market is forecast to be about 2.4 per cent. compared with 7.5 per cent. last year, and its assets will shrink from £107 billion to £49 billion.

To achieve that, Northern Rock customers coming to the end of their fixed terms will need to be encouraged to move to other providers. In the current circumstances, that will be relatively straightforward for customers who present a low risk, who have low loan-to-value ratios on their mortgages, or who have good credit histories. Is there not a danger, however, that the more risky customers will have to stay with Northern Rock, thereby reducing the overall quality of its loan book and exposing taxpayers to greater risk of defaults—and defaults would, of course, be a cost we would pick up? The overall quality of the loan book will deteriorate as people who cannot find an alternative are forced to stick with the standard variable rate that Northern Rock offers. Therefore, there is a risk to the value of the assets.

Will the Chief Secretary clarify what the table on page 10 of the business plan means? It refers to net assets before fair value adjustments. Is that to do with further write-offs of structured investment vehicles, or is it to prepare us for the write-off of further Northern Rock assets? If there are further write-offs, will the taxpayer not have to pick up the tab?

In our debates on Northern Rock, the Chancellor has always reassured us about the quality of the loan book, yet the accounts that were published today present a much less rosy picture. Northern Rock's impairment figures have deteriorated between two and three times the average of the Council of Mortgage Lenders figures for residential mortgages. The accounts also make it clear that the more aggressive approach to arrears that Northern Rock has introduced has led to a fourfold increase in the number of homes that it owns through repossession. Are the Government content with the practice on repossessions that Northern Rock has instituted?

Despite the Chancellor's reassurances about the quality of the loan book, we see in the accounts published today a rapid deterioration in the loan book and a sharp increase in repossessions. Is the Chief Secretary prepared to reiterate the confirmation the Chancellor has given on the quality of the loans that the taxpayer has, in effect, taken on through the nationalisation of Northern Rock?

Another aspect of the "recovery plan and justification for nationalisation is the proposed build-up of retail deposits from about £10 billion at the end of 2007 to £20 billion in 2011. That depends on Northern Rock's ability to rebuild depositor confidence. However, there is a challenge here, because we are now entering into a more competitive phase for deposits as a consequence of the closing off of wholesale markets to financial institutions. What assessment have the Government made of the likelihood of Northern Rock doubling its deposits by 2011, and what will be the impact on achieving the 2010 deadline if it does not?

Will the Chief Secretary also confirm that the commitment given in the appendix to the business plan that Northern Rock will rank outside the top three in any one of the "Moneyfacts" retail deposits categories for the remainder of 2008 extend beyond then? One of the concerns raised when this House and the other place discussed the Banking (Special Provisions) Act 2008 was the impact that the Government guarantee arising through nationalisation could have on competition for both loans and savings. People are rightly concerned that Northern Rock might take advantage of its privileged status as a Government-backed bank to offer better rates than its competitors. Will the commitment on savings extend beyond 2008?

The taxpayer's exposure to Northern Rock will depend not only on the loan book and the ability to rebuild customer deposits, but on the operating results of the company in public ownership. In 2007, it made a loss of £141 million. The business plan predicts that it will make substantial losses in 2008 and will return to break-even only in 2011. How much will Northern Rock cost the taxpayer over the next three years, simply in terms of its operational results? In deciding to acquire Northern Rock, did the Treasury understand that it would be loss-making from 2008 onwards?

My next point refers back to one made by my right hon. Friend the Member for Wokingham (Mr. Redwood). The plan sets out a timetable of the repayment for the taxpayer-backed loans and releasing the guarantee, but contains nothing to indicate when either the Government or Northern Rock expect the bank to return to the private sector. Will the Minister tell us whether privatisation will happen as soon as the loans are repaid? Have other conditions been set that will trigger the bank's privatisation?

Notwithstanding this evening's proceedings, the business plan is still subject to approval by the EU, and it could, of course, ask Northern Rock to revise its business plan. That could have an impact on how quickly Northern Rock's strategy would be effective in reducing the level of the taxpayer loans and so on. Will the Chief Secretary tell us when she expects to receive

[Mr. Hoban]

the Commission's approval of Northern Rock's business plan? Until that clarification is received there will clearly be an important uncertainty that affects the way in which the business is run. There are potential risks in respect of the objective that the taxpayer-backed loans will be repaid by 2010. Tonight's debate gives the Chief Secretary the opportunity to confirm, without qualification and caveat, that the taxpayer will pay not one penny towards the cost of rescuing Northern Rock, and I hope that she will take it.

There were some unfinished pieces of business from our debate on the Banking (Special Provisions) Act 2008, one of which has now been clarified with the publication of today's accounts and is crucial to understanding the liabilities that will be assumed by the taxpayer through this Order. On Second Reading and on Third Reading some debate took place between the Chief Secretary and my Conservative colleagues and some Labour Members about Granite. It is clear that the risks associated with Granite will be borne by Northern Rock. Today's accounts make a statement about Granite being

"regarded as legal subsidiaries under UK companies legislation. This is because they are principally engaged in providing a source of long term funding to the Group, which in substance has the rights to all the benefits from the activities of the SPEs. They are effectively controlled by the Group."

The Office for National Statistics said in its evidence to the Select Committee on Treasury that the risks and rewards of Granite accrue to Northern Rock and thus to the taxpayer.

Does the Chief Secretary now accept that she was wrong in a response that she gave to an intervention from my hon. Friend the Member for Ludlow (Mr. Dunne) during the debate on the Act? She said:

"We have also repeatedly made it clear that the Government guarantees apply to Northern Rock and not to Granite." [*Official Report*, 21 February 2008; Vol. 472, c. 631.]

The reality of the accounts today is that the taxpayer bears the risk. The risk is not being ring-fenced, kept to one side or kept offshore. The risks and rewards of Granite accrue to Northern Rock, and they will be borne by the taxpayer.

The other matter that we debated as the Act was going through Parliament was the framework agreement. It was deposited in the Library today, yet as Northern Rock's report makes clear, the agreement was in place from 22 February—the day that Northern Rock was nationalised. Can the Chief Secretary tell us why Parliament was not presented with the document earlier? Why did we have to wait until today's debate and the publication of today's accounts for the document to be placed in the Library? Is that not another example of the Government riding roughshod over Parliament?

Although our debate focused primarily on Northern Rock, it is worth remembering that the Act enables the Government to nationalise any other bank where lender of last resort status has been given and that the taxpayer assumes an open-ended commitment without effective parliamentary scrutiny. Today's debate seeks to annul an order that had been made last month. Parliament should be given the right to approve nationalisation before it takes place, rather than debate it retrospectively. Parliament should have the power to veto these proposals, rather than be treated as a doormat by an over-mighty Executive. The Prime Minister talks about strengthening Parliament, but he undermines its authority through measures such as this.

The publication of the accounts and business plan today makes it very clear that nationalisation is not the end of the Northern Rock story. The Government's mishandling of the Northern Rock crisis has led to the risk that taxpayers will not get back all the money we have lent to the bank. The repayment depends on the bank's ability to manage down the mortgage book and to rebuild customer deposits and the viability of the remaining business, EU state aid approval, and the state of the housing market. The Government have gambled our money on Ron Sandler and his management team, but we know it need not have been like this. As the rescue of Bear Stearns shows, private sector solutions can be found to the problems created by the credit squeeze.

We also believe that nationalisation was not the only alternative. The Chancellor proposed that in future failing banks could be dealt with through a form of administration. We believe that that could have been the answer to the question. It would have presented a better deal for the taxpayer and the assets could have been realised in a way that protected the interests of taxpayers, rather than exposing them to ongoing continued risk until 2010-11. The Government rejected that course of action despite endorsing it for the future.

The Northern Rock story will run on and on. Even based on today's announcement, the liability of the taxpayer will run beyond the next general election, leaving another problem for the next Conservative Government to sort out.

10.20 pm

The Chief Secretary to the Treasury (Yvette Cooper): We are debating the transfer order to take Northern Rock into temporary public ownership. I am disappointed that the hon. Member for Fareham (Mr. Hoban) and his party have chosen to pray against it. This morning, Northern Rock published its annual accounts for 2007 and a more detailed business plan. I shall refer to them in responding.

We need to be clear about the purpose of the order. It will take Northern Rock into temporary public ownership in order to safeguard the financial stability of the banking system and the financial interests of the taxpayer. The Chancellor set out three objectives that have guided everything that we have done in relation to Northern Rock: maintaining financial stability; protecting consumers; and protecting the taxpayer. The decisions that we have made have shown how seriously we take the financial stability of the banking system. The Government are prepared to take strong action and make difficult decisions in order to safeguard that financial stability. Given the turbulence in the financial markets in the summer, the ongoing credit squeeze and the series of problems with Northern Rock's business model in the autumn, it is clear that without intervention Northern Rock would have gone down. That would have had serious risks not only for

depositors and creditors but for the stability of the banking system. That would not have been in the public interest. That is why we took action and why it was right to do so. That is why we authorised the Bank of England to provide support and stepped in with the Government guarantee arrangements last autumn. That was supported by hon. Members from both sides of the House at the time.

We have searched for alternative options, including private sector takeovers. In trying to ensure that we protect the taxpayer, we have made it clear that temporary public ownership is the best deal. That is in part because of the state of the market. The alternative deals were simply not good enough for the taxpayer.

Mr. Philip Dunne (Ludlow) (Con): Will the Chief Secretary enlighten the House on whether the Chancellor took advice or was given guidance during his discussions with the US Secretary of State, Secretary Paulson, on his experience in securing a rapid decision-making process to take a bank that was getting into difficulty into private sector ownership? What lessons did the Chancellor learn from those discussions?

Yvette Cooper: Interestingly, the experience on the other side of the Atlantic has shown that banks across the world are facing serious pressures as a result of global economic and financial market turbulence. In many ways the situation with Bear Stearns was very different from that with Northern Rock. Bear Stearns is not a retail bank and does not have retail deposits, and so the implications for depositors as opposed to creditors were very different. There is a different legal framework and the situation was different as there were viable private sector offers on the table.

Clearly, decisions have to be made about what is the best alternative in the circumstances faced in particular financial markets at particular times. Equally, it is important that we do not simply pretend that there are alternatives when they do not exist. That is why Opposition Members need to take a bit of responsibility. The decision was taken last autumn to support Northern Rock, through the Bank of England's loans and through Government guarantees. I reiterate my view that that was the right decision to take at the time, and it was supported in all parts of the House. Once it was taken, there were knock-on consequences that had to be faced up to. Opposition Members have repeatedly refused to do so.

The hon. Member for Fareham repeatedly raised his concern that it was the decision to take Northern Rock into temporary public ownership that created exposure for the taxpayer. That is not the case. The taxpayer's exposure was created by the decisions that were taken in the autumn on both the Bank of England loan and the guarantees that were put in place. Having done that, and been clear that that was the right decision in the interests of protecting the financial stability of the banking system, it was then important that we ensured that the taxpayer's interest was protected. The options of insolvency, administration, Bank of England-led administration and wind-down, which were put forward by Opposition Members, would all have been a worse deal for the taxpayer than temporary public ownership and the business plan that we have now set out.

Mr. Redwood: Surely the Chief Secretary can see that, if the Bank of England had simply acted as bank manager, and provided tough love to Northern Rock and managed it through it, we as taxpayers would not have had to absorb all the responsibilities and potential losses of sacking staff and losing on current trading. Will she confirm that she is accepting a business plan that means that the taxpayer will have to pay the losses in 2008, 2009 and 2010? Why do we need those as well?

Yvette Cooper: The right hon. Gentleman describes what he says would have been "tough love" by the Bank of England in managing it through. I presume that he is talking about the proposal, which Opposition Members have described, of a Bank of England-led administration. That would effectively use powers that do not currently exist. We think that there is a strong case for introducing a new special resolution regime, and that that would be the right thing to do. However, it would involve major changes to the law and the current approach to insolvency and failing or troubled banks. It is right that such proposals should be consulted on seriously and introduced through legislation. For Opposition Members to pray in aid powers that simply do not exist on the statute book, and think that they would somehow magically come to the rescue of Northern Rock, is pie in the sky and irresponsible. They are simply not facing up to the serious problems that Northern Rock faced.

As hon. Members know, Northern Rock's new management team has presented the Government with a detailed business plan for their approval. It details how the new board intends to repay the Bank of England's loan, release the Government guarantee arrangements and return the business to the private sector. It is based around four strategic priorities: to contract into a smaller, sustainable business, reducing the asset base; to repay the Bank of England loan by the end of 2010, while increasing the level of retail deposits, although keeping them below 2007 levels; to restructure the organisation and its operations; and to strengthen risk management in key areas. The bank envisages repaying the loan by 2010, and £2.5 billion has already been repaid since the end of 2007.

The business plan also addresses a concern that has been widely raised about Northern Rock's business model—its excessive dependency on the wholesale funding markets—and addresses that over-reliance by reducing the size of Northern Rock's asset base and by increasing its retail deposit base. It is important, and we have stressed throughout, that Northern Rock should not cause unfair competition in the rest of the financial markets. The business plan recognises that. Although the retail deposits will increase over the next three years, both Northern Rock's level of retail deposits and its share of the retail savings market will remain lower than at the start of last summer. The competitive framework that Northern Rock published as part of its business plan also commits it to not appearing in the top three of the best-buy tables for the rest of 2008. The framework will be kept under review and will remain subject to the requirements of the European Commission.

Mr. Hoban: Will the Chief Secretary give a commitment that Northern Rock will not appear in the top three best-buy tables beyond 2008? Can she tell us

[Mr. Hoban]

what the total loss forecast for Northern Rock will be between now and 2011 in the business plan that the Treasury will approve?

Yvette Cooper: As I said 10 seconds ago, the competitive framework that Northern Rock published today as part of its business plan also commits it to not appearing in the top three of the best-buy tables for the rest of 2008. The framework and the overall approach will be kept under review, as is right. I remind Members that we have always said that we would engage in detailed discussions with the European Commission to make sure that we are compliant with the state-aid approach. With regard to the overall financial position for Northern Rock and for the taxpayer, we have made it clear that such an approach gives us the best deal for the taxpayer, who already had exposure as a result of the Bank of England loan and the guarantees that were put in place.

Had we taken the approach that Opposition Members set out, and tried to go for the fire sale of the assets that they proposed, there would be considerable risk to the taxpayer, and to the Bank of England loan, which as a result of the business plan is now being repaid.

Mr. Hoban: Will the Chief Secretary tell the House what the predicted losses are in the business plan that the Treasury will approve? It is clear that there will be substantial losses next year, in 2009 and 2010, with break-even in 2011. What will the losses be? The taxpayer will have to stump up for them. We need to know what they will be.

Yvette Cooper: Today, Northern Rock set out in its accounts what its financial position was for 2007, and it has set out its business plan for the next few years. It has set out a clear framework as part of the business plan, which involves repaying the loans from the Bank of England. It is important for the taxpayer that the loans are repaid, and we should be clear that under the approach repeatedly proposed by Opposition Members those loans from the Bank of England would be at stake—they would be put at risk. Opposition Members have never faced up to the fact that their completely incoherent and all-over-the-place approach would seriously put at risk not only support from the taxpayer as a result of the guarantees, but the approach taken by the Bank of England.

Mr. Graham Stuart (Beverley and Holderness) (Con) *rose—*

Yvette Cooper: I shall give way once more, but I am conscious of the fact that Members from other parties also want to contribute to the debate.

Mr. Stuart: My question is simple. What will the cumulative losses be before 2011?

Yvette Cooper: I say again that Northern Rock has set out its business plan; it has set out the series of actions it will take. Opposition Members have to recognise that to protect taxpayers we have ensured that their interests are safeguarded by a responsible approach to temporary public ownership, which they have rejected time and again. They seriously seem to think that getting the Bank of England or another organisation to sell off the assets would somehow result in a better deal for the taxpayer. However, the consequence would be to put the taxpayer at risk.

Mr. Redwood: Will the right hon. Lady give way?

Yvette Cooper: I want to make some progress.

Opposition Members have referred to the level of arrears as a result of Northern Rock's decisions. The level of arrears for Northern Rock has increased, just as it has across the market. However, it is still significantly below the Council of Mortgage Lenders average, so Northern Rock is in a very different position compared with other banks across the market. We know that Northern Rock had an unsustainable financial model; the bank needs to change its approach and it is right that it should do so. That is what the business plan does.

In the end, the transfer order is about the decision to transfer. It is right to reflect on whether alternatives were available and whether they are still available. Opposition Members have asked us to oppose the transfer order, as they believe that the decision should be reversed—an utterly irresponsible approach at a time when the financial markets continue to be in global turbulence and when we face a continued credit squeeze in the markets. It was right to seek private sector alternatives, and we made no secret of the fact that we would have preferred such an alternative. We were not prepared to go with a private sector bid at any price—we were determined to protect the taxpayer—and that was the right thing to do.

Stewart Hosie: The Minister said that she was not prepared to accept a deal at any price, and that is rather sensible. If all the stories are to be believed, however, early in the process it was going to be £2 a share from Lloyds TSB with a £10 billion credit line, which is a far better deal than £110 billion of potential liabilities should it all go wrong. Surely to goodness, £2 a share and a £10 billion credit line is a much better deal than a potential liability of £110 billion, which we are sitting on today.

Yvette Cooper: I caution the hon. Gentleman against making decisions on the basis of speculation about different alternatives. The clear view of the tripartite authorities was that there was not a viable private sector alternative, and we spent time seeking such an alternative and seeking private sector bids. However, we have not received an appropriate private sector bid that meets the terms that we require to ensure that we get a good deal for the taxpayer. It is right that we should make such a requirement. Transferring Northern Rock into temporary public ownership, by contrast, means that the taxpayer will receive any upside from a future sale of the business, which better aligns risk with reward.

Mr. Redwood: Does that not mean that, as the business will lose money for the next three years, it will receive a Treasury subsidy to compete against others in the market that will not have that luxury?

Yvette Cooper: Once again, I have to remind Opposition Members that the decision that they supported in the autumn to support Northern Rock through Bank of England loans and Government guarantees exposed the taxpayer. Those decisions were supported by hon. Members at the time, and there are consequences that flow from that. As a result of those decisions at the time, it is important to ensure that the taxpayer's exposure is limited and their interest is protected. Opposition Members have singularly failed to make any proposal that would protect the taxpayer's interest as a result of those decisions.

John McDonnell (Hayes and Harlington) (Lab): We have heard a lot about the taxpayer's potential losses, but before my right hon. Friend concludes will she say something about potential job losses? We understand that 2,000 jobs are at stake. From the evidence available to the Government, are wider job losses possible, or are we consolidating at this point in time? She mentioned responsibilities, so would she comment on the responsibilities of the previous chief executive and the directors? The chief exec, we understand, is to receive a payout of £750,000, despite the folly of the investment strategy that he pursued that resulted in significant job losses.

Yvette Cooper: My hon. Friend makes an important point. The proposals set out in the business plan are for the contraction of the overall Northern Rock business, returning it to its more modest roots and putting it on a more sustainable footing. As a result, it is proposed that staffing should be reduced by about a third. We have had discussions with One NorthEast, and Northern Rock has had discussions with Unite trade union, to consult on job losses and make sure that people receive proper support to find new jobs. There are vacancies in the financial sector in the north-east, and it is important, when there are job losses on such a scale in a particular area, that serious support is available to help people find new jobs. Had we not stepped in in the autumn, which was the right thing to do to protect the financial stability of the banking system, we would have seen job losses across the board. We would have seen Northern Rock go under, so it would not have continued to be a significant employer in the north-east. The business plan envisages that Northern Rock will continue as a significant employer in the north-east, with a viable future for the operation.

My hon. Friend also raised the issue of remuneration. He will appreciate that it is not for the Government to set the remuneration of banks. The remuneration of the previous chief executive was set while Northern Rock was in the private sector. However, my hon. Friend is right that staff, depositors and shareholders will all look at those arrangements with some concern, and he is right that remuneration committees in future should reflect on those arrangements.

Opposition Members have proposed a series of alternatives and it is right to consider them seriously. However, it is also right to point out that at no stage have the Opposition suggested how any of them would work in practice. They proposed putting Northern Rock into administration. That would have made it impossible to reconstruct the bank. It would have triggered insolvency processes, depressed the price that would have been obtained on any sale of assets, and forced the sale of assets into a market in which a credit squeeze is continuing. It would not have been a good deal for the taxpayer.

The Opposition say that the new powers proposed under the special resolution regime should be used. Those powers do not yet exist and Northern Rock needs to be dealt with now, not in 12 months when a new banking Bill has been introduced. It needs to be dealt with now. That, in the end, is the problem with Opposition Members. They will not face up to the consequences for Northern Rock, which need to be dealt with now. They hop about from one position to another. None of them makes sense. How on earth can they promote financial stability in the banking system when they cannot establish stability even in their own policy?

Northern Rock got into trouble last year as a result of its business model and the serious turbulence in the financial markets at the time. The Bank of England and the Government stepped in. Now we have to see it through. Temporary public ownership was the right decision for the taxpayer, for financial stability and for consumers. It has provided Northern Rock with the chance to restabilise and to restructure itself at best value to the taxpayer so that it can be returned at the earliest possible opportunity to the private sector. The decision to bring Northern Rock into temporary public ownership was the right way to meet the objectives that we set out, and right for financial stability for the taxpayers and consumers. The Opposition were wrong to oppose it and they would be wrong to vote against the transfer order today.

10.42 pm

Dr. Vincent Cable (Twickenham) (LD): I shall not repeat all the arguments about the history of the nationalisation of the bank, which we have heard several times before. I simply reiterate our basic position. We believed from the outset that temporary public ownership was necessary and inevitable once the Government had made large-scale loans and guarantees, and it was certainly preferable to a bad private sale, which is what was on offer.

On that point, I noted from several interventions from those on the Conservative Benches flattering reference to the Bear Stearns arrangement as a private sector solution. It was not a private sector solution at all. It is underwritten by $30 billion of American Government guarantees. What was impressive about it was the speed with which it was negotiated, but it was a public sector solution to a private sector problem and it remains so, albeit under private ownership. If people are looking to the United States for inspiration, the extent of the taxpayer commitment in the United States in underwriting mortgage securities is far greater than any that has been undertaken in this country. We can admire the speed with which the crisis was handled, but let us not try to pretend that it was in any sense a private sector solution. It was not.

Because of the time constraints and because we have been over the historical ground before, I shall pick up a few points that are relevant from today's information from the accounts of the company, and make some

[Dr. Vincent Cable]

reference to the business plan, which we have in rather skeletal form, and some brief reference to the quality of the assets of the company. I agree with the point that the hon. Member for Fareham (Mr. Hoban) made. I have for a long time shared his doubts about the quality of the loan book. Now we are hearing anecdotes about it, although we have no hard and fast evidence on that subject.

One thing to emerge clearly from the balance sheet is the very rapid expansion of lending last year, from £87 billion to £99 billion. We now have that in black and white. Much of it was undertaken in the earlier part of last year; there was a rapid spurt in mortgage lending growth at the approach to the peak of the market. That, of course, is the source of all the problems that the bank subsequently got itself into.

There is a link between that and the issue raised by the hon. Member for Hayes and Harlington (John McDonnell) in an intervention about the remuneration of the senior executives responsible for that spurt in lending, which was the source of the problem. I note that the accounts refer to the fact that Mr. Applegarth's payments are substantially less than what he would otherwise have been due on the termination of his employment. I would love to ask him what on earth he would have been paid if the thing had turned out well—he has got £750,000, plus a cheap loan, plus a £2.5 million pension pot as reward for failure of the most abject and embarrassing kind. The Minister is right: not a great deal can be done about something that was undertaken when the bank was under private ownership and that is now subject to contractual arrangements. However, it sends the most appalling signal—not just to the work force, but to the shareholders who have lost everything. We need at least to record that.

The other thing that the balance sheet brings out is the size of the Bank of England loan, which is £28.5 billion. It is the first time that I have seen the figure in black and white. One of the problems has been that in the past we have had to deduce the figure indirectly from the accounts of the Bank of England. It is very odd that the Bank refuses to disclose that important information and that we have eventually got it in precise terms from the balance sheet of the company. That is an odd approach to freedom of information, and I hope that it will be rectified.

The other issue, which has already been touched on several times, is the profit and loss account, the summary and the operating and financial review, and the deterioration that took place between the £626 million profit and the £167 million loss. Several items are worth commenting on. For the most part, we are talking about exceptional items. There is a very large sum—£127 million—for non-recurring administrative expenses, and a large chunk of that is for professional fees. I do not know whether the Chief Secretary is responding to the debate, but if she is, will she explain the process by which the professional fees of the lawyers and advisers have translated through to the bank?

As I understand it, the Treasury was given bills of about £75 million from the various bidding parties—Goldman Sachs and others. Some of those have been accepted and some rejected, but it seems that as much as £50 million may well have made its way to the company. It would be useful to have some reassurance that the more outrageous claims have been pruned out—because some of them were outrageous. The largest quantitative sums were the impairment charges, which were £658 million. That sounds like an awful lot of money, but it is a great deal less than 1 per cent. of the assets. Given the doubts that are now beginning to creep in about the quality of the assets, the figure strikes me as conservative rather than very large.

A second set of questions relates to the business plan. The hon. Member for Fareham made the right points on that: there is clearly a tension between the attempts to get taxpayers' money back as quickly as possible and preparing the company for eventual sale. If the two objectives are not in direct competition, they are certainly in tension. I understand that the current management are redeeming mortgages and realising cash from that, and also trying to sell them on to other banks; inevitably, the better-quality mortgages are being sold on. That raises the issue of whether the latter stages of the repayment of the taxpayer will be achieved. The question that we need to answer is about not merely whether there is a general commitment to repay the taxpayer by 2010, but what the specific staging posts are, and how much we can expect to be repaid and when.

The third set of points relates to the quality of the assets. My understanding of this has advanced a little since our previous debate, much of which centred on Granite. There was concern that the Granite mechanism potentially transferred into the Granite vehicle the bank's better-quality mortgages. When I talked to the new chairman about this—I think it is public knowledge and I am not breaching any confidentiality in the conversation—he sought to reassure me that there is a computer model at the bank that ensures that the mortgages that go into Granite are chosen entirely at random, so they are a mixture of good and bad. If so, there may well be problems with Granite but they will not result in the sort of cumulative impairment that we were worried about. None the less, there are clearly problems with many of the mortgages that were advanced last year, and I would expect the repossession problem and the difficulties flowing from that to get progressively worse over the next year or so.

Let me say a little about a controversial matter. Several of us have had e-mails during the day from shareholders who see this transfer order as a mechanism for raising again the issue of compensation. I support the Government's view that the argument that there needs to be some kind of fair settlement in the direction of generous compensation is unrealistic. The simple fact is that the valuation of the shares before nationalisation was based almost entirely on artificial Government support, and it is unrealistic to expect substantial compensation in those conditions. The hon. Member for Fareham talked about the helpful certainty of the Bear Stearns compensation. I am sure he followed that as closely as I did, but my understanding was that the shareholders were offered about 2 per cent. of the value of the shares and, after a lot of negotiation over a two or three-day period, that was increased to about 10 per cent. However, it was

virtually wiped out. It is unrealistic and unfair to imagine that such rescues can be accompanied by generous compensation of shareholders.

Last week, we had an indication of continuing problems in the financial markets. This is clearly not just a Northern Rock problem; many of the other banks are rocky as well. As has happened in the United States, we will get continuing pressure from the rest of the banking system for the public sector to take over the risks and for it to retain the potential upsides of any improvement. The Governor of the Bank of England is under a lot of pressure from the City and financial commentators to take over poor assets and poor mortgages in return for liquidity. He is absolutely right to take a strong line on that. I believe that the Bank of England's position has changed slightly and it is now willing to accept mortgage assets in return for liquidity while insisting that they are of very high quality.

Jim Cousins (Newcastle upon Tyne, Central) (Lab) *rose—*

Dr. Cable: I am just drawing my remarks to a conclusion.

The Governor is absolutely right to defend the public interest, which goes much further than the narrow issues of Northern Rock.

10.53 pm

Mr. Richard Spring (West Suffolk) (Con): This afternoon, there was an announcement on the home page of the Northern Rock website saying:

"Due to essential maintenance, access to our Tracker Online and Silver Savings Online services will be unavailable between 20:00 and 21:00 hours today, Monday 31st March. We apologise for any inconvenience this may cause."

We can only hope that that was not a bad omen of what lies before us. It does not bode well on the very day that Northern Rock is putting its best foot forward, announcing its business plan and setting out its future, with much publicity surrounding its full-year results for 2007.

In view of Northern Rock's declining mortgage book, the order before us deals with the transfer of shares to the Treasury solicitor, the possible hiring and firing of directors, and administrative changes surrounding shares. I want specifically to consider the regulatory aspect of this exercise, because that is at the heart of the problem. Section 2 of the Banking (Special Provisions) Act 2008 requires the Treasury to consider the desirability of making the order for two reasons. The first is to protect

"the public interest in circumstances where financial assistance has been provided by the Treasury to the deposit-taker for the purpose of maintaining the stability of the UK financial system."

The other is to maintain

"the stability of the UK financial system in circumstances where the Treasury consider that there would be a serious threat to its stability if the order were not made".

That is the exact point made by the Chief Secretary, and it is the heart of what is before us this evening.

In a letter sent to MPs by the chief executive of the Financial Services Authority, the internal audit identified a number of key failings. Before we can agree to any order, therefore, we have to be satisfied that the arrangements will be satisfactorily monitored by the FSA. I should add in passing that Northern Rock will not be a publicly owned company for the purposes of the Freedom of Information Act—a key element in the whole Northern Rock picture. After the regulatory failure of Northern Rock as a public company, is the Minister satisfied that there the FSA will adequately resolve that issue with regard to Northern Rock in its new state? It is worth remembering that the reliance on wholesale markets helped to bring Northern Rock down when banks became reluctant to lend to each other.

The interest rate offers on the website that I mentioned are pretty generous. Despite the modifications to the business plan, we must consider what is happening in the marketplace today. For example, LIBOR, which is the interbank lending rate, is back over 6 per cent.—its highest level since 27 December. That indicates the real nervousness among financial institutions, despite the additional liquidity provided by the Bank of England. In the build-up to the situation that confronted us, we saw the failure of the tripartite system introduced by the Prime Minister. Given the poor regulatory performance of the FSA, what assurances can we get that it will meet regularly and monitor lending and borrowing practices carefully? Given the clear illiquidity I referred to in the wholesale markets—and there is real pressure out there—will the FSA work closely with the Bank of England? There is no easy divide between liquidity, compliance and solvency. Last summer, the FSA presumed that the Bank of England would provide sufficient liquidity to bail out failing banks. We have to see the order in that context.

As far as Bear Stearns is concerned, it is not a question of it being some sort of pure exercise—I refer to the comments of the hon. Member for Twickenham (Dr. Cable). Of course, a credit facility was provided by the Federal Reserve, but the real point is not so much the way in which Bear Stearns was handled by the Federal Reserve, but the speed of the action. That was the key.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): I went through the argument about Bear Stearns with some of the hon. Gentleman's colleagues earlier. Is he arguing that a Conservative Government, had they been in place last September, would not have made every effort to explore a private sector solution to the problems faced by Northern Rock? If he agrees that they would have done that, does he accept that it would take time to work through such an option?

Mr. Spring: Of course, the Bear Stearns exercise was encouraged and helped by the Federal Reserve, and I know that the hon. Gentleman would agree with me about that, but the point is that the process took place very rapidly. Let us remember the situation in which we found ourselves. There were queues of people outside the banks—it was a terrible indictment of our financial services industry. Of course, the Americans, seeing the potential for equivalent disasters in the United States, moved very quickly to ensure a private sector takeover

[Mr. Spring]

of Bear Stearns with the support of the Federal Reserve. The point for us to consider when comparing Bear Stearns with the fiasco of Northern Rock is simply this: it is impossible to discern, because we cannot get a clear answer, what the Lloyds TSB offerings happened to be. However, we know enough to know that something could have been worked up to ensure a satisfactory takeover, but something called "the general election" intervened. I fear that the decision was ultimately political, and its consequences have been the dithering and backsliding of the past few months, which have had a devastating impact on the reputation of our financial services industry.

The order demands assurances on transparency and good management. Northern Rock made a great impact on the reputation of our financial services industry and our regulatory oversight. The price to earnings ratio of UK domestic banks is now the lowest in Europe. The market is taking a view of us and our country, even though the financial services industry in this country is probably the most important such industry, relatively speaking, in Europe. That view flows partly from the Government's incompetence and their handling of Northern Rock.

The solution had better work this time. However, I am afraid that, given the way the Government handled the issue, we can have little confidence that a Government so marked by indecision and procrastination, perfectly illustrated by the Northern Rock fiasco, will ever enjoy the fullest confidence of the banking and financial services industry in this country or internationally again.

11.1 pm

Mr. John Redwood (Wokingham) (Con): It was a great pity that the Chief Secretary decided to devote so much energy to rather silly and clumsy partisanship and to claiming that we do not have any better ideas about how to tackle the position, instead of doing what the House expected of her and telling us a little about the challenges and difficulties that lie ahead if the business stays in the public sector. It probably will if we are unsuccessful in persuading the Government otherwise.

The Chief Secretary constantly asks, "What was the other option?" There was an easy other option, for which I have argued throughout the crisis, from when it broke in the summer. Of course, the Bank of England had to step in when there was a run and act as lender of last resort. However, the Bank of England—and, if necessary, the Treasury, working with it—should subsequently have been the intelligent bank manager of the business. It had a natural relationship with Northern Rock as its banker.

As a banker, it could have taken all the collateral it needed to ensure that taxpayers' money would never be at risk. It could have guided and influenced the business plan so that it had an impact on phasing the repayments and the way in which they would be made. It did not have to take over the bank's ownership, with all the other liabilities and risks. It did not have to take responsibility for the staff or future trading. It should have concentrated on lending the least amount needed to get the bank through the immediate problem, and having the best possible security for the taxpayer and the best possible supervision and management overlooking the board, as a bank manager should do, to ensure that the money would be repaid in good time. That was the obvious thing to do.

The problem with the current model is that the Government are trying to do two contradictory things. Of course, the Chief Secretary is right to tell the House that she views getting back the £24 billion—the remaining outstanding loan, we were told tonight—as an urgent priority. I suspect that she can do that and I wish her every success. We all represent taxpayers and it is important that we get the money back. It is also important that the Bank of England gets its money back as quickly as possible because it is a small bank trying to deal with a large and complex system. All the time that it is so committed to Northern Rock, it does not have the firepower that it needs to deal with the obvious imperfections and difficulties in the money market.

How can we get the money back? The Government and the bank's recently appointed management admit that the money will be repaid—we trust in reasonable time—by squeezing the business, perhaps halving it, getting people to repay their mortgages early because they remortgaged with someone else and making sure that new advances are not made through Northern Rock to replace advances that are maturing as people pay them off, so that business can be transferred to other organisations in the financial world, and some of the assets can perhaps be sold on, as appropriate.

That is a perfectly good working model for getting the Treasury money back, but it is not what the owners of a bank would be doing if they were trying to sell it on to someone else for maximum value. Indeed, doing so will diminish the value of the assets under control, because the bank will have to battle constantly to cut its costs, by sacking its staff and reducing its administrative overheads, to bring it closer to the reality of the falling revenue. Instead of having one or two years of rising profits before returning the business to the private market, which would be best for securing a good price, we have been told tonight that it will definitely have three years of losses. We know, too, that it will have a much smaller business, so it will be quite difficult for it to explain how it can suddenly turn all that round.

Jim Cousins: Does the right hon. Gentleman accept that the logic of what he is saying points to a longer period for the repayment of the bank's loan than the period to 2010 and to putting less pressure, by the reduction of business, on the rest of an already struggling mortgage market?

Mr. Redwood: I do not think that the circle can be squared. If the loan were made permanent for, say, 10 years, it would give the business more chance, but there would then be enormous competition issues with the European Union, which might prevent it from exploiting that chance. Indeed, my next point is that given that the Government are forecasting perhaps three years of quite serious losses, they will have to argue hard to our bosses in Europe that they are not making a direct Treasury subsidy to allow unfair competition, even though the business is slimming itself down.

My hon. Friend the Member for Fareham (Mr. Hoban) has already put his finger on the issue, which is that although it would be quite easy to defend ourselves against a charge of anti-competitive practices in making new advances, because the business would be shrinking its advances portfolio, it would be more difficult to defend against that charge on the deposit front. I looked at the Northern Rock site today, as many others preparing for this debate no doubt did too, and saw offers of 6 per cent. with the full Treasury guarantee. That seems a pretty attractive rate, but a justification will need to be made to the competition authorities in Brussels if such rates are supported by direct Treasury subsidy, because the company is a loss-making business offering those rates to collect capital to replenish its capital base.

We have a business with two conflicting aims. I trust that the repayment of the moneys will be completed before the next general election—it would be a neat order to do so—but the Government will then have a weakened, loss-making business with far fewer staff and an unpleasant impact on the north-east, which is one of the tragedies of the situation that they have created, that will be quite difficult to return to market for a sensible price. Ministers must accept that they are responsible not just for getting back the £24 billion that has been lent, but for getting a fair value for the assets that they have taken over, rather than going through three of four years of writing them down, showing that they are impaired, losing lots of money on them and ending up with a second set of losses for the taxpayer, in addition to the running annual loss that will have to be paid for out of taxpayers' money, as the Chief Secretary knows but will not admit, because once someone owns 100 per cent. of the shares, they are clearly responsible for paying the losses.

There are other oddities. It is interesting that Northern Rock appointed new non-executive directors on £90,000 a year, plus £10,000 for every committee, shortly before the nationalisation went through. Will that become the standard level of remuneration for such posts in the public sector, or will an attempt be made to bring Northern Rock into line with the more normal public sector levels? That is an issue for Ministers, who have naturally been telling the public sector that they want good wage and salary control, because they are worried about the inflationary effects of doing otherwise.

One interesting point to emerge in the business plan is that there is to be a continued transfer of new money into the Northern Rock Foundation. We have been promised a minimum of £15 million, but we have to ask whether that has been through the proper public expenditure assessment processes and whether other parts of the country would be eligible for such treatment, as we are now talking about a public subvention to a particular part of the country for particular purposes.

If Ministers are to have their way in the Division, as they often do, what we need above all is a bit more explanation of how they will satisfy themselves that Northern Rock's business plan will lead in due course to resale to the private sector on terms that are satisfactory to the taxpayer, and how they will satisfy themselves that they can do that without falling foul of competition rules, while still getting the repayment within a reasonable period. I think that they have set themselves an impossible task.

Ministers are in this situation because they dithered and made mistakes at every twist and turn of this awful story. They did not keep markets liquid enough in the summer to head the problem off. They did not understand how to organise a lender of last resort, in secret or with the involvement of all the banks, so that there was no great shock to Northern Rock that brought it down. They delayed when the run on the Rock began, and greatly increased the cost of the rescue by not making an immediate statement, as they should have done. They spent too long lecturing banks for making all sorts of mistakes and not enough time understanding that there was a crisis in the credit markets, and that bad credit and good credit were both going down at the same time in a way that would undermine good as well as bad institutions. They delayed too long when trying to put together a private sector bid, even though many people told them that that was not likely to be productive, given the delays and difficulties that the Government faced.

The Government have come up with the worst of all possible worlds, which is to nationalise all the assets and liabilities of Northern Rock. I fear that those in the north-east will grow to dislike the policy because it will mean redundancies, closures and a squeeze on the bank, and I fear that taxpayers will come to loathe the policy because it will mean endless losses and a very bad final result if the Government try to sell the bank.

11.11 pm

Mr. Philip Dunne (Ludlow) (Con): It is a great pleasure to follow my right hon. Friend the Member for Wokingham (Mr. Redwood), whose closing remarks form a précis of the calamitous state of affairs regarding the nationalisation of Northern Rock that economics students will, in years to come, turn to first to get a proper understanding of what went wrong. The Chief Secretary to the Treasury has unfortunately again left the Chamber. It seems to be becoming a habit that whenever I stand up she goes off, perhaps to get help. I shall start my remarks by explaining to her colleague, the Exchequer Secretary to the Treasury, why the parallel with Bear Stearns is so pertinent; Ministers seem to have failed to pick up on that. I am pleased to see the Chief Secretary return. I should tell her that I am trying to explain why the parallel with Bear Stearns is so clear and direct.

Last August, the financial authorities were made aware of the problem with Northern Rock and tried to put together a private sector rescue. They received an indicative proposal that was dependent on substantial, Government-guaranteed financing. If the authorities had sat round a table in the same room as the financiers, just as Secretary Paulson did with JPMorgan Chase, a deal would have been done over the weekend, and the Government would have avoided all their subsequent problems. It is for the Government to reflect on why that did not happen, and to repent for years to come.

I should like to pick up on one or two of the revelations in Northern Rock's annual report and business plan, published today, which allow us a glimpse of why the Government were so reluctant to disclose what is happening in the bank. Consistently over a period—ever since he first discussed the issue with us—the Chancellor has told the House and the public at large that he is confident

[Mr. Philip Dunne]

that Northern Rock's asset book is good, and that Northern Rock was solvent. He was confident about that because he had been told by the Financial Services Authority that that was the case. One of the final notes of the accounts—note 41(B) on capital management, on page 99—says that on 19 April 2007, the FSA was told that

"Northern Rock's regulatory capital was below the capital requirement imposed by the FSA by £85.5m".

As long ago as last spring, months before the problems emerged in the credit markets, the FSA was aware that Northern Rock was operating outside its capital regime. However, it did little about it—so little, indeed, that despite its having identified Northern Rock as one of the so-called high-impact firms, its regulatory regime was so lax that its own internal review, published last week, describes it as being

"at the extreme end of the spectrum"

of regulation.

The FSA's decision that, alone among 38 high-impact firms, Northern Rock did not need a risk mitigation programme implies considerable scrutiny during "close and continuous" meetings. However, it is clear from the FSA's commendably frank and candid appraisal of its own performance that the number of such meetings held by the FSA in the three years from 2005 until 2007 amounted to none in 2005, one in 2006 and seven in 2007. Of the seven, five took place on the same day—I would describe that as a single meeting—and two took place by telephone. I calculate that that represents an average of less than one day of meetings per year during the three years in which Northern Rock was supposedly a high-impact firm. The organisation in which the Chancellor has placed such confidence said repeatedly that Northern Rock was a good bank, solvent and with good assets. It beggars belief that the Chancellor can have placed such trust in the regulator, given its performance over that period.

Let us examine the asset quality revealed elsewhere in the accounts, which has already been mentioned by other Members tonight. A most revealing statistic is the proportion of residential mortgages—the primary and most secure category of assets held by the bank—which are at the

"extreme end of the spectrum",

as the FSA put it. Page 92 of the annual report reveals that in 2006-07, the proportion of mortgages with a loan-to-value ratio in excess of 100 per cent.—in other words, the loans were greater than the value on which they were secured—rose from £110 million, in round figures, to £432 million. That £432 million is now guaranteed by the taxpayer, although the company itself admits that the loans were greater than the security on which they were pledged. As for the second-worst-secured assets, those with a 95 to 100 per cent. loan-to-value ratio, the figures are remarkable. Since the end of 2006 the amount lent increased from £2.1 billion to £4.1 billion, an increase of £2 billion.

Jim Cousins: I happen to have the table in front of me. Does it not also show that the best-quality mortgages, those with a loan-to-value ratio of less than 70 per cent., rose by a figure three times as great as the one that the hon. Gentleman has given?

Mr. Dunne: I readily agree that the overall book has increased substantially, which means that all categories of loan have increased. My point is that the risk of the book has increased significantly over the year—and this is the book that the Chancellor keeps telling us is of very high quality. The least-high-quality lending has risen by nearly £2.5 billion, and that is the part that is most at risk, not least given what is happening in our present housing market.

Mr. Redwood: Perhaps my hon. Friend will remind Labour Members that there are a good many unsecured loans as well. People were being lent 125 per cent. or so of the value of the houses involved, including the top-up unsecured loans, and I believe that the 2007 accounts show particularly large increases in provision against those unsecured loans.

Mr. Dunne: I am very grateful to my right hon. Friend for reminding me of that. Indeed, the unsecured lending book is of the order of £7.7 billion as at the end of 2007, and the impairment charge was in excess of £200 million, much of which was secured against that portfolio.

Hometrack, which provides one of the widest analyses of the housing market, published some statistics today confirming that we have entered the sixth month in a row of declining house prices. The increase in high-risk residential mortgages places a sharper focus on the Chancellor's confidence that the book will be good and that taxpayers' money will be secure. I wish I could share his confidence.

In an earlier discussion of the possible consequences of administration, the Chief Secretary referred to its leading to fire sales of assets. Of course, we have been in a state of uncertainty over this company since mid-September, and the company has successfully sold a portfolio of assets—its commercial loans—for a premium over the book value at a time of considerable uncertainty for the company as a whole. That firmly demolishes the argument that an administration would have somehow made it more likely that losses would have been incurred on the sale of the loan portfolios. Good assets will sell for a good price in these circumstances irrespective, as has just been proven, of whether the company is in distress.

That brings me on to my main point, which also comes out of a reading of the accounts. Much was made in earlier debates about Granite of whether or not the business plan will feed the beast. Enough has already been said about that this evening. However, Northern Rock established another financial vehicle, which has not been referred to in previous debates. I refer to the Saphir Finance vehicle, a special purpose vehicle, which issued £400 million in tier 1 notes; they were issued against the £400 million of preference shares issued by Northern Rock. The preference shares were provided as collateral to the holders of the notes issued by Saphir Finance.

The preference shares in Northern Rock, given that they are preference shares, rank ahead of all the ordinary shares, including the ordinary shares to which the foundation trust shares will be converted through the transfer order. Oblique reference is made in the order to the preference shares, but I would ask the Chief Secretary, even in the few minutes remaining in our debate, to help us to determine whether in the compensation payments made to shareholders of Northern Rock, if there are

any, the Government will observe the traditional capital ranking rights of securities and ensure that preference shareholders are paid out in preference to ordinary shareholders. I am not sure whether she is able to give us that assurance now. I am more than willing to give way to her—*[Interruption.]* She indicates that she is not in a position to do so, so perhaps she will be kind enough to write to me—*[Interruption.]* Once again, she is not indicating either way.

Yvette Cooper *indicated assent.*

Mr. Dunne: She will be happy to write to me about that. I am very grateful because the issue is causing concern outside this place. Given the lack of information about how the Government intend to implement the transfer order and compensate shareholders if any compensation is due, if the Government choose to ignore the standard ranking of securities, it will blow another hole in the confidence of financial institutions in the Government's respect for the ordinary workings of the market. I am not arguing that preference shareholders should necessarily receive anything, as that will come down to a judgment on what compensation should be paid at all; but if any compensation is due, it is due first to the preference shareholders, and if that does not happen, I would urge the Chief Secretary to think very carefully, as it will raise ripples right across the financial sector. The House will be pleased to hear that that brings me to my final point.

My right hon. Friend the Member for Wokingham asked a question about the business plan objectives that are set out quite succinctly in the annual report, both in the executive chairman's statement and in the operating financial review, where the company's objectives are referred to as, first, the repayment of the Bank of England debt; secondly, the release of Her Majesty's Treasury's guarantee; and, thirdly, a successful return of the company to the private sector. Where within those objectives sits the priority donation out of income—by the way, the company is generating none at the moment—of £15 million to good causes? Of course, we would all like to give plenty of money to good causes, but it is not within the company's objectives. The company is not generating a profit at the moment, so out of what pot of reserves will it make such a payment for 2007 and subsequent years if profits are not made?

Mr. Henderson: Perhaps the hon. Gentleman could make it clear whether the Conservatives' position is that those moneys should not be made available to the Northern Rock Foundation. If so, does he recognise the consequences for many causes in the north-east? Does he also recognise that making those contributions might well be a pretty clever marketing stroke on behalf of Northern Rock, on whichever constitutional basis it is formed—currently under the public sector?

Mr. Dunne: I understand the hon. Gentleman's enthusiasm for spending money in his region, but that is not the point. I am trying to make a point not about whether a company should distribute money that it does not have, but about the fact that the Government have made a determination that Northern Rock, which is being nationalised and is owned by the Government, will make that payment—but from where? It must come from the taxpayer in the first year, because the company is not generating the profit that it would have distributed under the previous arrangements.

In conclusion, I urge the Chief Secretary to think again, before we vote on this issue, about whether or not the Government are really in a position to allow taxpayers' money to be put at risk in the way that they have. I urge her to think again about the prospect of introducing a banking reform proposal that would have allowed an orderly administration to take place under Bank of England supervision, which is what will happen if another bank gets into difficulty next time.

11.27 pm

Mr. Hoban: We have had a very full debate on the order. I was a little disappointed in the Chief Secretary's speech. I expected that she would set out very clearly the rationale for the Government nationalising Northern Rock, that there would be some substance to her arguments and that we would not have to rely on the vague assertions that this represents a better deal for the taxpayer, without some information to prove that that was so. She gave us no comfort on the quality of assets that the taxpayer will acquire. Northern Rock's payment ratios are deteriorating faster than those of the industry as a whole. She gave us no comfort that taxpayers would get all their money back. She said that this was the best deal possible, without providing the substance to demonstrate that it is the best deal possible.

On the specific losses that Northern Rock will incur in 2008, 2009 and 2010, despite being presented with the opportunity to give the House the figures, the Chief Secretary sought to avoid giving the House and the taxpayer that information, despite the fact that the Treasury must know what the figures are. The Treasury has access to all the financial information that supports the plan, and I am disappointed that she chose not to share those figures with the House, because that indicates that a significant loss could occur over the next three years. Ron Sandler refers to a substantial loss. The taxpayer would be right to be concerned about their exposure as a consequence of the transfer order before us. The Chief Secretary talks about there being no alternative, but the reality is that the Government have yet to prove the case for nationalisation, have yet to make the substantive arguments that this House deserves to hear, and have yet to be fulsome in disclosure of information about Northern Rock's financial position in their forecasts and projections. They are just hoping that the money will be repaid by 2010. Even Ron Sandler is not giving Northern Rock customers that same degree of assurance.

That is why we will pray against the order. We believe that the taxpayer has been exposed to significant risk as a consequence of the way the Government have handled the fallout from Northern Rock, and the Northern Rock situation over the past six months. The taxpayer deserves better answers than they have had tonight from the Chief Secretary.

It being one and a half hours after the commencement of proceedings, MR. DEPUTY SPEAKER *put the Question, pursuant to Standing Order No. 16 (Proceedings under an Act or European Union Documents) and Order [26 March.]*

Mr. Deputy Speaker (Sir Michael Lord): I think the Ayes have it.

Hon. Members: No.

Division deferred till Wednesday 2 April, pursuant to Standing Order No. 41A (Deferred divisions).

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Michael Lord): I propose to put motions 4, 5 and 6 together.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees).

TAXES

That the draft Companies Act 2006 (Consequential Amendments) (Taxes and National Insurance) Order 2008, which was laid before this House on 20th February, be approved.

COMPANIES

That the draft Companies Act 2006 (Consequential Amendments etc) Order 2008, which was laid before this House on 27th February, be approved.

SEX DISCRIMINATION

That the draft Sex Discrimination (Amendment of Legislation) Regulations 2008, which were laid before this House on 6th March, be approved. *[Steve McCabe]*

Question agreed to.

PETITION

Perry Family (Citizenship)

11.31 pm

Frank Cook (Stockton, North) (Lab): Being cognisant of the need for brevity as there is an important Adjournment debate to follow, I shall simply tell the House that the petition I seek to present this evening relates to the Perry family of Thorpe Thewles in my constituency. Mr. Perry went to South Africa many years ago and met Karen, his current wife. Having married, they had three sons and after many years Mr. Perry repatriated himself to this country, took up a secure job and established a home in Thorpe Thewles, and was joined by his wife who, sadly, did not take care of her travel documents and was then considered to be out of time as far as immigration status is concerned. This is an example of the triumph of bureaucracy over common sense or the formulation of arid regulation without any degree of human compassion – or perhaps if Mrs. Perry had been born fleet of foot and had expressed a wish to represent England in the Olympics and change her name to Zola Budd, it might not have been necessary for me to present this petition.

Following is the full text of the petition

[The Humble Petition of Marcus, Cain-Dean and Joshua Perry and others undersigned hereon,

Sheweth

That they are against any law that discriminates against long standing and successful marriages of over 20 years, where a British citizen is forced to be apart from their chosen spouse.

Wherefore your Petitioners pray that your Honourable House urges the Government to reflect over the case of the Perry family and allow Karen Perry to enjoy legal status within the United Kingdom and enjoy family rights as should her sons and husband.

And your Petitioners, as in duty bound, will ever pray, &c.]

[P000161]

Ms Deborah Phillips

Motion made, and Question proposed, That this House do now adjourn. *[Steve McCabe.]*

11.34 pm

David Davis (Haltemprice and Howden) (Con): The outcome of this debate will decide whether an elderly constituent of mine, Betty Phillips, will spend her remaining years supported by the love and care of her daughter and granddaughter or separated, lonely and at risk.

The issue that I wish specifically to address is the prospective deportation of Deborah Phillips, the daughter of my constituent, Betty Phillips. That deportation is a matter of weeks away if the Minister does not use his powers to act. Let me start by describing Deborah and how she came to be in the position she is in today. The story starts when Betty, Deborah's mother, falls in love with a sailor in the US navy, a world war two veteran, when he is on shore leave in Hull. They then get married, and go to live in America, where they live on a variety of military bases. Deborah was born in 1959 and her brother David was born in 1962. In 1963, the family returned to Hull. Mr. Phillips, who was an American citizen, got indefinite leave to remain in the UK, as did their children, and he took a job at the university, where he stayed until he retired in 1992.

Deborah grew up in, and was educated in, Hull from the age of three. After leaving school, she worked in Hull city council's offices until she was 21. She then joined the US navy, where she remained until she retired. Her US navy record always showed her home address as England. During the period between 1981 and 1990, on returning to the UK her passport was variously stamped first, "Indefinite leave to remain" and then, "Allowed to enter for six months." She wrongly assumed the latter to be a mistake. That was an error on her part, but one that was encouraged when her new passport in 1990 was once again stamped, "Indefinite leave to remain." She knew that she would have to get the stamp issue resolved, but assumed that that would be a simple administrative issue. She had never had any trouble returning to England, and, despite her American citizenship, thought of herself as English. That is hardly surprising, given that she had grown up in England. The issue did not strike her as important—wrongly, of course.

It is true to say that at that point the needs of her parents were not pressing, but in 2003, her father was diagnosed with Alzheimer's disease and she returned home to Hull to help her mother care for him. By then, she had a daughter of her own—Alexandra. Deborah helped her mother to nurse her father until he died. After he died, the family went on holiday together to Corfu in June 2005. On re-entering the UK, she was told that she did not have leave to remain and that she had two months to rectify the problem. She was told at that point that indefinite leave to remain ceases after two years outside the UK, but she had been provided with no previous advice on this either from the Home Office or at any time after she had re-entered the UK.

From that point on, Deborah started a series of applications to obtain indefinite leave to remain in the United Kingdom, the first of which was in August 2005. She was told that it would take three weeks, but instead it took seven months. As the Home Office retained her passports, she was also unable to return to America to bury her father's ashes in Arlington national cemetery. At the end of the seven months, her application was refused and she was told to leave the country.

Deborah made her second application from America, and then returned to Britain to return her child Alexandra to the school in Hull to which she was accustomed. After that application failed, she and her daughter were in effect deported. Her third application was also turned down. She stayed in America between May 2006 and June 2007, where she and her daughter lived from motel to motel. They had no particular place in which to live. Her mother, Betty, had to go out to America in July 2006 for a surgical operation because she had nobody to look after her here in Britain. In June 2007, Betty fell ill with a series of mini strokes and so Deborah rushed back to the UK on a military flight.

Let us be clear that Betty Phillips is 80 years old, and although she is a robust Yorkshire lady in many ways, she is physically very frail, and is in constant need of help. As each month passes she, of course, grows more frail. From Deborah's arrival in Britain last year, there have been a series of stays of deportation, the latest of which runs out in some weeks' time. We are now in a position where a daughter of my constituent, who received her entire education in Hull—whose own daughter is more used to English education than any other—and who wants simply to care for her mother is on the brink of being deported. She will not be a burden on the state, because she has a pension from the American navy. She is indeed likely to save the state money, as she will be looking after her mother, who would otherwise be dependent on state care. She will create no housing pressure, because she will stay with her mother. Most importantly, her mother would not have to face the emotional agony of having her daughter and granddaughter wrenched away from her at a fragile time of her life.

Frankly, if I wanted to score easy political points it would be too simple. I could ask why Deborah is being wrongly deported, in my view, when the Government cannot deport Muktar Ibrahim, the 21/7 bomber, or Mustaf Jamma, who has been charged with the murder of Sharon Beshenivsky. I could ask why Deborah has to be deported when the murderer of Philip Lawrence cannot be. I could list rapists, murderers and terrorists galore whom we cannot deport, while the daughter and carer of my 80-year-old constituent cannot stay.

Those questions were certainly put to me by Mrs. Betty Phillips, and they are questions for which I have no answer. I do not want to score political points. I have a great deal of respect for the Minister and I simply want a civilised answer that prevents this terrible prospect for Mrs. Phillips. I suspect the Minister is as conscious as I am that, whatever the technicalities, Deborah Phillips is a victim of a weakness in the law that means that someone born of a British father before 1961 has a right to citizenship, but someone born of a British mother at the same time does not have that right. That morally dubious distinction arises, I believe, from a mistake in the legislation.

The British Nationality Act 1981 was amended by the Nationality, Immigration and Asylum Act 2002, which inserted new section 4C to correct an historical

[David Davis]

wrong and an historical discrimination. The discrimination that the amendment sought to correct was that before 1983 legitimate children born to a British mother and foreign father would not become British citizens by descent through the maternal line, whereas if they were born abroad to a father of British descent and a mother who was a foreign national, they became a British citizen by descent through the paternal line.

Unfortunately for Deborah, the new law to correct the discrimination, that is section 4C of the 1981 Act, was limited to children born after 7 February 1961. Deborah was born on 5 November 1959. Therefore she still does not benefit from Parliament's intention to correct the historical wrong. The issue is even more profound in her case, as her brother, David Phillips, who was also born in the US, was born on 20 March 1962 and therefore qualifies to register as a British citizen. The law therefore discriminates between Deborah and her brother, even though they have the same parents, were born in the same place, and were born only two years and four months apart. That is ludicrous.

A further policy consideration arises from the case. There will not be a large number of people in the same situation as Deborah Phillips, but a high proportion of those who are will have parents who are entering an era of frailty as they enter their '70s, '80s and even '90s. Those parents need support from their adult children.

My request to the Minister is straightforward. First, in the legislation that he is due to introduce to the House, will he please review the operation of the law to correct the anomaly? Secondly, since any change in the law will be too late for Deborah, will he use his discretion to allow Deborah Phillips to stay in the United Kingdom? That is acutely necessary in this case at this time, since a change in the law that comes into effect tomorrow—in fact, in precisely 17 minutes—means that if Deborah has to leave the UK, she will not be allowed back in for 10 years, as far as I can tell, under any circumstances. That means that she will not be allowed even to visit her mother, whatever the circumstances, because the effect of the law is mandatory. So, no matter how ill her mother is, no matter what goes wrong, no matter what the circumstances, Deborah will not even be able to visit her.

I repeat that my request is straightforward. We all like to claim that our preferred immigration policy is both firm and fair, but both parts are important. Policies should be both firm and fair. Let the Minister demonstrate today that he believes that too, and prevent Mrs. Betty Phillips from having to live out the latter stages of her life in loneliness and unhappiness, forcibly separated from her daughter and granddaughter by a law that was simply not thought through properly.

The Minister is a civilised man. I hope that he will give us a civilised answer to the problem.

11.44 pm

The Minister for Borders and Immigration (Mr. Liam Byrne): I am grateful for the opportunity to respond to tonight's Adjournment debate. Sometimes in debates about immigration, I think that there is a great deal of consensus in all parts of the House that is sometimes not revealed or seen in the public domain. Tonight may be another example of the consensus between us being greater than the things that divide us.

The right hon. Member for Haltemprice and Howden (David Davis) mentioned a specific case in his constituency, but it raises wider points of policy, as he said, which will command the attention of the House both this evening and, I hope, in months to come. I thank him for the courteous and careful way in which he has made representations to me over the past few months.

I congratulate the *Hull Daily Mail* on championing the case. I have not always agreed with the direction of its editorial policy, but judging by some e-mails that I received this afternoon from the right hon. Gentleman's constituents, I think—telling me that many local people disagree with the *Hull Daily Mail*—it is doing something that it feels is right even if it is not popular with all sections of its readership.

I wish to delineate two issues: the way in which decisions are made, and why they are made. Those are the wider policy issues to which the right hon. Gentleman alluded. I shall conclude by proposing a way forward. The basic chronology of the case is a matter of agreement between us. As the right hon. Gentleman said, Deborah Phillips was born in the United States and spent the first years of her life there. She came to the United Kingdom and spent a considerable period of her childhood and early adulthood here before returning to the United States. In other words, although she was educated in the UK, she built her life in the United States, in the services and then, I think, in business. I believe that her brother remains there.

I first wish to set out how decisions are taken. It is often forgotten in the public debate that it is rarely Ministers who make such decisions. The decisions are taken by independent Crown civil servants and, often, independent immigration judges. In this case, the right hon. Gentleman's constituent failed in her appeal to the asylum and immigration tribunal in December 2006. The judge found that:

> "The situation as between mother and daughter"

was not

> "so exceptional that to deprive her of the right to live with her mother would place this country in breach of its obligations" under Article 8 of the Human Rights Convention"

In reaching its finding, the AIT held that Miss Phillips's mother was financially independent and could afford to pay for her own care, that her mother had travelled to the United States in 2006 for an operation, and that Miss Phillips had a brother in the US. That is simply a summary of some of the things that the judge said.

I do not think that when judges make decisions of such force and clarity the House would want Ministers overturning them left, right and centre. The question that we must turn to is whether the framework within which the judgment was made was not quite right, and whether justice demands a different solution. In this case, as the right hon. Gentleman set out, the question is whether the framework of the British Nationality Act 1981 and its amendments is quite right.

Before 1983, British women were unable to pass on citizenship, but there was discretion in the British Nationality Act 1948 to confer citizenship on any minor

by registration. That was why Merlyn Rees, when he was Home Secretary, said on 7 February 1979 that he would exercise discretion in favour of any minor of a UK-born mother who applied for registration before his or her 18th birthday. In other words, that concession would benefit anybody born after 1961, as long as they registered before their 18th birthday.

In the Nationality, Immigration and Asylum Act 2002, this Government widened that concession through an amendment to the 1981 Act, which meant that people could register after the age of 18. The nub of the argument was that there may well have been children in some parts of the world who were unaware of the proceedings of the House of Commons, incredible as that might seem. New section 4C was introduced and added on Third Reading in the Lords without dispute.

However, the problem in the right hon. Gentleman's case is that the provision does not help Ms Phillips, as she was born before 1961, in 1959. That issue was addressed by Lord Filkin in 2002, when he said:

> "British women did not acquire the right to pass on their citizenship until 1983. One can only go so far towards righting the wrongs of history before the number of 'what ifs' to be taken into account becomes unmanageable." [*Official Report, House of Lords*, 31 October 2002, Vol. 640, c. 295-6.]

Any geographical or time limitation in the new registration provision would have produced hard-luck cases. At the time, the Government felt justified in drawing a line around people who, had they applied in time, would have been registered as citizens under the terms of the policy in 1979. Nevertheless, the Government accept that those born to British mothers before 1961 are at a disadvantage, so I can confirm that we shall seek to bring forward a legislative remedy at an early stage, perhaps in the immigration reform Bill we have already proposed.

Ms Phillips is one of the hard-luck cases referred to by Lord Filkin, so the question for us is whether there is a unique combination of factors that warrants leave outside the rules. The right hon. Gentleman pointed out that there is probably only a limited number of people in that category; none the less it is important to look first at whether there are particular extenuating circumstances, and in this case I believe there are.

Many of those circumstances could come under the existing carer's concession in the immigration rules. It allows Ministers and caseworkers to exercise discretion, and in compassionate circumstances a period of leave of up to 12 months can be granted. I think that that would be appropriate in this case because of a combination of factors that include the following: first, Ms Phillips's role as her mother's full-time carer; secondly, Ms Phillips's inability to apply for citizenship, as a result of the legislation that I propose soon to amend; thirdly, the length of time of Ms Phillips's residence in the UK; fourthly, the ties that Ms Phillips's daughter has built up during their four years' residence in the UK—as the right hon. Gentleman told me last week, and confirmed today, her daughter is in school in the UK; and, finally, and perhaps most important, the news that the right hon. Gentleman conveyed to me about Deborah Phillips's mother's condition and the role that Deborah Phillips wants to take as her carer.

The combination of those factors points to a requirement on me to exercise discretion in this case, so it is appropriate to grant leave of 12 months, exceptionally, outside the rules.

David Davis: As the hon. Gentleman is clearly moving towards the solution I was hoping for, I take this opportunity to thank him for being as civilised and thoughtful as I always thought he was.

Mr. Byrne: The right hon. Gentleman is very kind. I thank him, too, for the way in which he presented the case to me and for his efforts to draw the wider issues to the attention of the House.

Finally, I wanted to give a pointer either to my work in the future or—who knows in this job?—perhaps the work of my successor. It is perfectly possible that the 12 months' leave that I think I am able to grant will expire before the immigration simplification reforms that we shall propose are on the statute book; in which case I think it would be appropriate to extend the leave again.

Question put and agreed to.

Adjourned accordingly at seven minutes to Twelve o'clock.

House of Commons

Tuesday 1 April 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

COMMUNITIES AND LOCAL GOVERNMENT

The Secretary of State was asked

Eco-towns

1. **Mr. Kevan Jones** (North Durham) (Lab): What progress has been made on the competition to establish eco-towns. [197662]

The Minister for Housing (Caroline Flint): Before the House rises for the recess, I will publish a shortlist of the locations that we believe have the best potential to be eco-towns and which will go forward for further assessment and public consultation. Later this year, we will announce up to 10 locations that we are satisfied meet our criteria.

Mr. Jones: In the selection of sites of eco-towns, will my right hon. Friend take into account the needs of existing communities to expand and regenerate, and resist attempts by organisations such as UK Coal to use eco-towns as a way of exploiting their existing land bank, which in some cases will affect the expansion of existing communities?

Caroline Flint: It is essential that the proposals for eco-towns not only meet high environmental standards but recognise where they sit in relation to other communities, particularly those that we seek to regenerate. It is also essential that they do not become simply commuter-belt communities, but have an identity of their own that includes homes, infrastructure and employment within the communities.

Mr. Edward Garnier (Harborough) (Con): Will the Minister confirm that neither she nor the Secretary of State will entertain as suitable to go on the shortlist those sites that are no more than reheated and previously rejected or withdrawn applications? She will know, as will the Under-Secretary of State for Communities and Local Government, the hon. Member for Hartlepool (Mr. Wright), of the case in my constituency involving the Co-op, which has sought for the third time to build on its 5,000-acre farming estate. It withdrew its application in 1992 and tried again in 1996 with a sustainable urban extension. Will she confirm that this reheated application system should not be permitted?

Caroline Flint: We are certainly not interested in any reheated plans. For the next phase of consultation, it is important that we look at the locations that have the potential to be sites for eco-towns and that they undergo cross-government scrutiny, with advice from the Environment Agency, Natural England, the Highways Agency and others. It is important that we scrutinise the proposals in more depth to ensure that they fit the bill, and that is laid out clearly in the prospectus that we produced last year.

Sir Peter Soulsby (Leicester, South) (Lab): Will the Minister give an assurance that in the next phase to which she has just referred there will be an adequate opportunity for neighbouring local authorities to express their very real concerns about the potential effect of eco-toyns on transport and regeneration?

Caroline Flint: Yes, we want local authorities and communities to look further into issues regarding infrastructure and transport, both in terms of getting from one place to another and reducing the reliance on the car by providing more sustainable transport options for those who will eventually live in the communities.

John Bercow (Buckingham) (Con): From the constructive and good-natured debate that I had on development in Aylesbury Vale with the Under-Secretary of State, the hon. Member for Hartlepool (Mr. Wright), in Westminster Hall on 4 December, the Minister of State should be in no doubt that I am an enthusiast for sustainable development, including new housing which we need. Will she, however, accept it from me that the proposed impost in the minds of some of 5,000 new homes in Little Horwood in my constituency would represent a disproportional and unjust burden? If she chooses to trifle with the people of Little Horwood and to bite them, I can assure her that they will bite back.

Caroline Flint: I thank the hon. Gentleman for his support in recognising that new homes have to be part of the future and that we need to build more. Part of the scrutiny for the eco-towns is to look at the housing supply and the housing need in the local communities where they will be placed, and we will look into that in great depth. One of the priorities for locations is housing need, and we cannot duck that because this is about homes for people who cannot get on the housing ladder and have a home of their choosing.

Mrs. Claire Curtis-Thomas (Crosby) (Lab): I am sure my right hon. Friend agrees that the amount of research that the Government have done into the development of eco-homes eclipses anything that we might expect from our opponents. Does she agree that the new homes entail a 40 per cent. reduction in energy use? Crucially for the British economy, those homes will also provide significant employment opportunities and opportunities to gain funding from countries such as China, because we will export that investment.

Caroline Flint: I pay tribute to my hon. Friend, who is involved in engineering—she is an eminent engineer—and who always looks for opportunities to support that profession. She is right: homes built today

are 40 per cent. more efficient than those built a few years ago. Our aim through eco-towns and other approaches is to capitalise on the skills, ideas and innovation in this country to build homes and provide jobs and be a potent force for overseas export and investment back into this country.

Lembit Öpik (Montgomeryshire) (LD): Airport infrastructure in the United Kingdom is a subject of much interest. Is the Minister aware that small airports and airfields around the UK provide an important sub-infrastructure and that many business people use them? Will she provide an assurance that airfields such as Leicester airport and others will not be regarded as easy targets on which to build eco-towns, given that they are important parts of the infrastructure of the communities that they serve and are significant generators of wealth in the areas that they serve?

Caroline Flint: I declare an interest, because there is a growing airport in my constituency. It is very successful, and there has been house building and job creation as a result of that investment. I will not be drawn into specifics because, as I have said, I will publish the shortlist of locations before the House rises. However, I assure the hon. Gentleman that all factors in relation to eco-towns, including transport infrastructure, other amenities in the local area and the use of brownfield sites, are part of the mix, which we will study further to see what more we can get out of developers and to ensure that developers are meeting our exacting benchmarks.

Mr. Stewart Jackson (Peterborough) (Con): On 4 March, the Under-Secretary of State, the hon. Member for Hartlepool (Mr. Wright), told us that an announcement was imminent. Why has there been a delay, and why has it taken almost a month for the proposals to be published? Is the delay not a sign of the disarray in the Minister's Department, which has ignored the need for proper infrastructure planning, failed to carry local support and even advanced proposals for sites that have already been rejected by planners? Will eco-towns join the growing list of botched projects, such as Thames Gateway and pathfinder?

Caroline Flint: Well, I do not know about reheated plans, but those are reheated Tory arguments. Behind the attacks on eco-towns, which is what this is really about, is a fundamental attack on the need to build more homes. We have not built new towns for 40 years. Of course infrastructure is important, which is why we are introducing the community infrastructure levy, the community infrastructure fund and all the proposals that will go through to the next round. There will be much closer scrutiny involving local authorities, Departments and other agencies to see what more we can get from those bidders to deliver on infrastructure. A community is not a community without infrastructure, and those eco-towns will show how it can be done well and how they can be the best.

Housing (Bournemouth)

2. **Mr. Tobias Ellwood** (Bournemouth, East) (Con): What the housing targets for Bournemouth over the next 10 years are; and how they were decided. [197683]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Parmjit Dhanda): The panel report into the draft regional spatial strategy for the south-west recommends an overall net increase in dwellings for Bournemouth of 16,100 for the period 2006 to 2026. That is the recommendation of the panel based on evidence submitted to and discussed at the examination in public held between 17 April and 6 July 2007. The panel's recommendations are currently before the Secretary of State for consideration.

Mr. Ellwood: I am grateful for that reply, but it does not give the full picture. It is interesting that the Minister for Housing, who has just sat down, said that a community is not a community without infrastructure. The numbers of houses that the Under-Secretary has just read out will be built in Bournemouth with no investment in rail services, schools, hospitals or the fire service—as the Under-Secretary knows, there has been a 1 per cent. increase for the fire service. How can we continue to cram houses into Bournemouth unitary authority, which is already building 600 new dwellings every single year, without creating slums for the future?

Mr. Dhanda: The hon. Gentleman needs to have a closer dialogue with his local authority, which asked for the regional spatial strategy to include between 680 and 780 homes a year and which is currently building at a rate of more than 1,000 completions a year. Bearing that in mind, the hon. Gentleman would be best off working with the local authority to help to ensure that his local community gets the infrastructure that goes with those houses, and I am sure that that is possible.

Rough Sleepers

3. **Ms Sally Keeble** (Northampton, North) (Lab): What recent estimate she has made of the number of rough sleepers in each local authority area. [197684]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): An estimate of the number of rough sleepers in England is published every September. It is based on the results of local authority street counts in areas with a known or suspected rough sleeping problem. The 2007 estimate indicated there were 498 people sleeping rough on any one night, which is a 73 per cent. reduction on the 1998 baseline.

Ms Keeble: I am grateful for that response. The success of the rough sleepers programme means that there are only eight rough sleepers in Northamptonshire. However, will the Minister explain why we are spending a total of £5 million of public money emptying a 66-unit three-storey block of flats to provide a centre for those eight rough sleepers in a part of my constituency that has a pressing need for accommodation for homeless families? Does he not think that there should be a better balance between the needs of homeless families with children and the needs of rough sleepers?

Mr. Wright: I pay tribute to my hon. Friend's hard work on housing and homelessness in Northampton. I greatly enjoyed my visit to her constituency a couple of weeks ago.

On the specific point that my hon. Friend raised, I understand that the proposed Robinson house, as part of the £160 million Places of Change funding, will help homeless people in her constituency to seek access to education and training. I hope I can reassure my hon. Friend by saying that the grant, which totals £1.4 million for Northampton borough council, will not be drawn down until my Department is satisfied with the integrity of the scheme. I will keep a close eye on it, and I encourage my hon. Friend to do so as well.

Mr. David Evennett (Bexleyheath and Crayford) (Con): We are all very concerned about rough sleepers. However, should the Government not also be tackling the long-term problems of family breakdown and drug and alcohol dependence? Should they not be doing more about those issues?

Mr. Wright: I understand the hon. Gentleman's point. However, we spent yesterday in the House discussing the Housing and Regeneration Bill, including the creation of the Homes and Communities Agency and the need for 3 million new homes by 2020 as a result of family breakdown. That is exactly what this country needs, yet the hon. Gentleman's party is opposing the Bill. I would have thought that he would support the housing Bill that this country needs and deserves.

Mr. Lindsay Hoyle (Chorley) (Lab): Will my hon. Friend look into how councils are not counting rough sleepers? In fact, all the evidence goes to show that they work around the town and away from where rough sleepers actually sleep. What will he do to ensure that we get the true number of rough sleepers in each local authority area? After that, what can we do to ensure that local people in desperate need on the streets get into accommodation with heating?

Mr. Wright: I pay tribute to my hon. Friend. I have received parliamentary questions from him on this very important point. His hard work on this issue is probably at odds with his local authority's.

My hon. Friend mentioned methodology, which is an important point. I will ensure that we continue to have robust data on the number of people sleeping rough. However, I should point out that before 1998 there was no measurement of rough sleeping levels and the Conservative party attached no importance to the issue. The current methodology has been applied consistently for a decade and shows a sharp reduction in the number of people sleeping rough. Furthermore, the methodology is backed up by the independent National Audit Office.

Listed Buildings

4. **Mr. Andrew Turner** (Isle of Wight) (Con): What account she takes of listed building status in planning policy guidance. [197685]

The Secretary of State for Communities and Local Government (Hazel Blears): Government policy on planning and the historic environment is set out in planning policy guidance note 15, which highlights the need for effective protection of the historic environment, including listed buildings, as a central part of our cultural heritage and sense of national identity. Tomorrow, my right hon. Friend the Secretary of State for Culture, Media and Sport will publish the first heritage protection Bill in 30 years. It will give listed buildings greater protection, encourage greater public involvement in decisions and create a single, unified heritage protection regime.

Mr. Turner: I thank the right hon. Lady for her answer. Is she aware that sites such as High Down on the West Wight currently have protection by dint of being sites of special scientific interest, but are not listed? What extra protection, for instance, would the listing of the structure at High Down—a quarter of a mile long concrete ramp for rockets—bring to the site?

Hazel Blears: I scratched my head when I saw the hon. Gentleman's question. I thought that he might ask about Osborne house or any of the 1,900 listed buildings on the Isle of Wight; the island has more than its fair share of beautiful buildings. Clearly, the listed building regime is a key consideration in planning applications, and PPG15 says that local authorities must have particular regard to where there are listed buildings. Clearly, there is a process to undergo for areas that are not listed. As I said, tomorrow my right hon. Friend the Secretary of State for Culture, Media and Sport will publish a draft Bill that will seek to improve the process for listing areas. I have no doubt that the hon. Gentleman will take a great interest in that.

Mr. David Heath (Somerton and Frome) (LD): A large number of the listed buildings in my area have thatched roofs. That poses real problems for owners, not only because of the cost of replacing a roof but because there is a shortage of the appropriate cereal straw to do it. Will the right hon. Lady issue guidance to stop the inflexibility of many planners, who require an absolute like-for-like replacement of thatches instead of using the available material, which is visually impossible to distinguish from the original?

Hazel Blears: Goodness, it is amazing what one learns in the Chamber; certainly, I have learned something today. The hon. Gentleman raises an important point about ensuring that the planning system retains its flexibility but at the same time seeks to protect the cultural and architectural heritage that is so important in this country. I think he will agree that getting the balance right is important. I had no idea that there were different colours of thatch, or perhaps different shades of thatching; I am now better informed, and I will look into it myself.

Ordnance Survey

5. **Robert Key** (Salisbury) (Con): What the respective responsibilities of the shareholder and client Ministers for Ordnance Survey are. [197686]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): I am the Minister for Ordnance Survey responsible for the shareholder relationship between the Department and the agency, dealing with strategic and day-to-day

issues arising in connection with its activities, particularly in terms of financial and Government matters. My ministerial colleague the noble Baroness Andrews leads for the Department on issues relating to the purchase of Ordnance Survey products and services.

Robert Key: It is a great relief that the Minister knows who he is.

Ordnance Survey is the envy of the world as a mapping institution; it is second to none, and it costs the taxpayer nothing. However, there is continuing confusion between its public duty and the private competition that it has to have as a trading fund. The pan-government agreement, which regulates how different Government Departments and agencies use Ordnance Survey, came to an end yesterday. We have no news of what is going to be put in its place, so will the Minister tell us? When will the regulatory framework be updated and amended to bring an end to all this confusion, which is getting in the way of Ordnance Survey's excellent work?

Mr. Wright: I agree with the hon. Gentleman. Ordnance Survey is a true success story for Britain and, given the importance in the 21st century of data collection and dissemination, is something that we can lead the world on. In respect of his important point about the pan-government agreement, that was established, as he is aware, to ensure that the Government have access to mapping data in order to develop and implement policy at a reasonable price. We are looking into that, and I will update the House accordingly.

David Taylor (North-West Leicestershire) (Lab/Co-op): The Minister is clearly the right man for such a range of responsibilities. He will be aware that Ordnance Survey is the second-largest Government trading fund and that it breaks even on its costs by selling its goods and services to the public and private sectors. There is an argument that such information should be made more freely available, free of charge. Has he read the book which was published alongside the Budget, "Models of Public Sector Information via Trading Funds" — quite a racy read — and which rebuts the claim that a move to free data would damage the work of Ordnance Survey? It should be made freely available to citizens of this country, and that can be done in a way that produces funds rather than absorbs them.

Mr. Wright: As a fellow accountant, I can imagine that I would find it racy as well.

My hon. Friend raises an important point about the provision of data. He said that Ordnance Survey breaks even as a trading fund. In fact, it provides about £6.2 million in surplus that is then passed back to the public purse via dividends. That is to be encouraged. The business model, with changing market conditions and technology, is being considered and, as Minister with responsibility for Ordnance Survey, I will continue to do so.

Miss Anne McIntosh (Vale of York) (Con): I am so sorry to hear that the Minister's ministerial duties also come at no cost to the taxpayer.

Is the Minister aware that the Atlantis initiative, which is very important in supplying information to support flooding and water management, is also unfunded? For how long, in the present climate, does he believe that that initiative will be sustainable?

Mr. Wright: I thank the hon. Lady for her consideration of my welfare. I shall look into the point she raises and get back to her. I seem to be doing that on a regular basis with regard to the questions she asks me, but I shall endeavour to ensure that I look into the points she raises and get back to her.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): Is the Minister aware that Ordnance Survey is not only one of the oldest but one of the most efficient Government services? Other Departments depend on it, quite apart from local authorities and other institutions in need of accurate information. Will he urgently come up with an agreement that does not — as usual — lend some agency the extraordinary honour of a totally unworkable private finance initiative? This trading fund works, and we ought not to disturb it.

Mr. Wright: I agree with my hon. Friend on that. As I said before, Ordnance Survey is a true success story, and its provision of data is an example of Britain leading the world. The business model is reviewed on the basis of changing market conditions and technology, and we will continue to do that. The bottom line, however, is to ensure that the success of Ordnance Survey continues.

Empty Properties

6. **Mr. David Anderson** (Blaydon) (Lab): How many empty properties there are in England; and what steps she is taking to ensure effective use of the national housing stock. [197687]

The Minister for Housing (Caroline Flint): The housing strategy statistical appendix completed by local authorities shows that there are currently 672,924 empty properties across England — that is a 12 per cent. reduction since 1997. Of these, 271,252 are privately owned properties that have been empty for more than six months.

Mr. Anderson: I thank the Minister for her reply and I welcome the fact that the percentage has gone down, but surely 670,000 is a lot of houses to stand empty. What role should local authorities play, and what powers do they have, in ensuring that they can bring these houses back into use?

Caroline Flint: My hon. Friend is absolutely right: progress is being made; and the figures also have to be seen in the context of rising house numbers, but we have to do more to reduce the number of long-term empty homes. That is why in the Housing Act 2004 we introduced empty dwelling management orders, which give local authorities power to take over the management of properties that have been empty for more than six months. The orders are often used as a last resort but, for example, Manchester city council's threat to use them led to 40 properties coming back into use.

Mr. James Gray (North Wiltshire) (Con): I am sure the Minister will agree that at a time when there is huge pressure on our countryside for new building, it is a national disgrace that there are 700,000 empty homes throughout our nation. She mentions empty dwelling management orders as if they are the be-all and end-all to solve the problem, but will she not admit that because they are so bureaucratic and difficult to bring in, the total of EDMOs so far has not been 700,000 but 11?

Caroline Flint: EDMOs are there to be used by local authorities—we provided that power for them. I am always keen to discuss how we can improve matters: Councillor Mehboob Khan of Kirklees council has sent me some constructive ideas about the way forward. Having said that, it is a matter of making sure that local authorities have ownership of the issue at a local level—some 200 of them have an empty properties officer, including in Gateshead, the authority of my hon. Friend the Member for Blaydon (Mr. Anderson).

It is also important that, as part of their housing strategic assessment, local authorities identify the right type of housing that needs to be built for the communities that they serve. That is why we must ensure we have the right balance between one and two-bedroom flats and affordable family homes. We will do what we need to do, but local authorities also have to be seen to engage in this matter and deal with the commercial market to ensure that the number of empty homes can be reduced further.

Mr. David Kidney (Stafford) (Lab): Our planning system stresses the need to stimulate house building on brownfield land before greenfield land. Has my right hon. Friend considered giving empty homes special status in planning, to try to stimulate the bringing back of empty homes into use, before building on brownfield or greenfield land?

Caroline Flint: Of course we want to see where we can bring empty homes back into use where possible. In fact, this year's Budget proposals allow for a reduction in VAT where homes are being renovated that have been empty for two years. That is part of the process of using the tools we have provided locally to get a more wide-ranging view of how planning should be developed with regard to housing and infrastructure. However, we have to build more homes too. Even if we filled every empty property, it still would not give us the type and number of houses we need to meet demand in the long term.

Mr. Paul Goodman (Wycombe) (Con): Speaking of empty property, the Minister knows that 122 acres of Whitehall currently lie empty at a cost to the taxpayer of some £200 million a year—a substantial sum. Since the Government have a target and a plan for everything, how many acres will still be empty at the end of the year, and what saving will the Government achieve by then in their plan to reduce the number?

Caroline Flint: We are working across Whitehall to identify suitable surplus public land. We have considered some 900 sites and identified around 170 plus that could be suitable for housing. That is part of our engagement with local authorities in identifying the sites in their areas. I am pleased to say that some 62 per cent. of local authorities have identified their five-year land use plans. We will work with them to ensure that we put our land into the pot, but we must have local ownership for the housing, especially the affordable housing, that we need for the future of people in this country.

Margaret Moran (Luton, South) (Lab): Is my right hon. Friend aware that in my constituency the number of private empty homes has increased from 884 in 2001 to more than 1,500 in 2006-07? Is she also aware that the local authority has taken only four actions and is not using the powers that we have granted to tackle that problem? What can she do to ensure that local authorities are required to work in partnership with registered social landlords to enable those houses to be brought back into use for families in desperate need?

Caroline Flint: I thank my hon. Friend for bringing the position in Luton to my attention. As a Minister, I always think it is important to ask whether powers are available before devising new ones. If they are available but not used, my hon. Friend gives a good example of the Government's role in asking why. I am happy to examine the matter in more detail. Clearly, I want to ensure that the orders that we provided can be used. If there is a reason that they cannot be used, I want to hear about it. However, simply not using them is no excuse.

Council Tax

7. **Mr. John Baron** (Billericay) (Con): What the percentage change in band D council tax has been between 1997-98 and 2008-09 in (a) Basildon, (b) London and (c) England. [197688]

The Secretary of State for Communities and Local Government (Hazel Blears): Between 1997-98 and 2008-09, the average band D, two adult council tax in the Basildon district council area rose by 118 per cent. That includes the precepts for Essex county council, Essex police authority, Essex fire and rescue and any parish councils.

The corresponding figure for London was 98 per cent., and for England the figure was 100 per cent. The average council tax increase of 4 per cent. in 2008-09 is the lowest for 14 years—and the second lowest ever—and 2008-09 will be the 11th successive year in which we have increased local government funding by more than the rate of inflation.

Mr. Baron: Given that the council tax in Basildon district has more than doubled in the past 10 years and that the Local Government Association believes that that is largely because the Government have offloaded responsibilities on to councils generally, without providing the necessary funding—24-hour licensing laws is one example—will the Secretary of State explain to my constituents why the Government expect them to pay the bill for those extra responsibilities when they are already labouring under higher fuel bills and food prices?

Hazel Blears: The hon. Gentleman knows that in the past 10 years services have improved dramatically in local authority areas throughout the country. More than two thirds of local authorities are good or

excellent. I trust that he also knows that the average council tax per dwelling in England is £204 less for those living in a Labour area than it is for people living in a Tory area, and £143 less if one lives in a Labour area rather than a Liberal Democrat area. Labour councils cost you less.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): Does my right hon. Friend agree that the average council tax is the more accurate statistic for constituencies such as mine because many properties in Barnsley, East and Mexborough are in band A and band B?

Hazel Blears: My hon. Friend makes an extremely good point. Two thirds of the people in this country live in bands A, B and C, with 15.9 per cent. of the population in band D. I am sure that he welcomes the neighbourhood policing teams that were announced this week, the children's centres and the fact that recycling has increased from 7 to 32 per cent. That means that Labour councils not only cost you less, but deliver a better deal.

Robert Neill (Bromley and Chislehurst) (Con): I know that the Secretary of State is a fair lady, so will she concede that her figures disguise the reality that council tax has more than doubled since the Government came to power, and that the remorseless increase in council tax is shown by all independent surveys to be one of the largest drivers in the increasing cost of living for families? The Government promised that the cost of the Mayor and the London assembly would be no more than 3p a week, but her figures disclose that the cost of London-wide services to Londoners has more than tripled under this Government, although I doubt whether Londoners regard themselves as three times safer or better transported.

Hazel Blears: I am grateful to the hon. Gentleman for his view that I am a fair person, and I shall respond to him in that spirit. I do not know whether he is aware that the figures in London are even starker. Council tax for people who live in Labour boroughs in London is £198 less than in Tory boroughs, and I was astounded to see that people in Liberal Democrat areas pay £521 more in council tax than people in Labour areas. The record of Ken Livingstone in London, with safer neighbourhood teams and better—

Mr. Speaker: Order. I call Mr. Bone.

Mr. Peter Bone (Wellingborough) (Con): This is all good knockabout so far, but does the Secretary of State understand that since council tax was introduced in Wellingborough it has increased by 422 per cent.—the largest increase in the whole country? Does she accept that that is causing problems for pensioners and those on fixed incomes?

Hazel Blears: I entirely understand that families and pensioners, and people on fixed incomes, have to manage their budgets and look carefully at value for money. That is why, rather than this being knockabout stuff, it was important to stress the fact that the people in local government—particularly in Labour local authorities—are trying to secure value for money. However, let me tell the hon. Gentleman that the average pensioner household is in fact some £29 a week better off as a result of this Government's proposals on tax, benefits, pension credit, the winter fuel allowance and free TV licences. Overall, pensioners are significantly better off, but of course I acknowledge that managing budgets is still pretty tough for some people.

Empty Business Property Rating

8. **Dr. Brian Iddon** (Bolton, South-East) (Lab): What assessment she has made of the likely effects of the empty business property rating rules that come into force in April; and if she will make a statement. [197689]

The Minister for Local Government (John Healey): We set out the likely effects in an impact assessment alongside the Rating (Empty Properties) Bill last year, with a further assessment alongside the regulations in February. They showed that we expect an increased rate of re-letting of commercial property and a reduction in the business rents as a result.

Dr. Iddon: There are many multi-storey Victorian mills in my constituency with unlettable upper floors, basements and outhouses. Some of those mills are listed buildings in a poor state that are home to scores of small businesses. What support can local authorities give from today to help the owners of those mills to stay in business, thus protecting thousands of jobs?

John Healey: If they are empty and listed, those buildings are exempt from business rates. The crucial question is whether they are capable of beneficial occupation; in other words, are they rentable? If my hon. Friend and his constituents feel that those properties are not rentable, he should apply to the Valuation Office Agency, which will undertake an assessment and, if appropriate, provide the relevant relief or exemption.

Mr. Philip Hollobone (Kettering) (Con): Is the Minister aware that the Government's proposals are going to cause big problems for small businesses? One such business in Kettering contacted me and said:

"We have purchased two new offices in Kettering. Unfortunately, with the economy slowing down they have remained empty since December. In future, I will not buy any new property until I have a secured tenant signed up. This means that there will be a lot less investment in Kettering."

What kind of message is that to the business community up and down the country?

John Healey: When the cost of empty property relief has stood at £1.3 billion, it is no longer easy to justify offering that tax relief for buildings that sit empty, when they are subsidised by other taxpayers. If the hon. Gentleman is concerned about business rents and the prospects for business, I suggest that he consult the Federation of Small Businesses. The FSB recognised in its submission to Lyons that such reform could bring down rents for business, because it would increase the incentives to re-let, sell or redevelop property that would otherwise remain empty.

Sustainable Buildings Code

9. **Dr. Alan Whitehead** (Southampton, Test) (Lab): What progress is being made in assisting local authorities to implement the sustainable buildings code. [197690]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): Local authorities are fully aware of the code for sustainable homes, and many of them are already using it to improve the sustainability of homes in their area in a range of circumstances, including in building sustainable social housing, in housing growth areas and, where local circumstances allow, in other suitable developments. Guidance and support are available as appropriate.

Dr. Whitehead: I thank my hon. Friend for that reply. Where local authorities wish to introduce compliance with code levels above the scheduled national compliance dates in their local planning frameworks, is it the Minister's intention to provide them with the support and guidance to do so?

Mr. Wright: I thank my hon. Friend for his question. His long-term and sustained interest in this area has provided a real incentive for the Government to go further. In respect of the zero-carbon homes target for 2016—the most ambitious target anywhere in the world—I would say that the planning framework provided by planning policy statement 22 in respect of renewable energy and the draft PPS on climate change, published over Christmas, helps to incentivise local authorities to go further and faster, if local circumstances allow it, and we would certainly encourage that to take place.

Richard Younger-Ross (Teignbridge) (LD): Does the Minister agree that a block to making buildings more sustainable is often the planning process, as my hon. Friend the Member for Somerton and Frome (Mr. Heath) suggested in his question about thatch—what I might call the "Heath-Thatcher" question. Local authorities will often say no when it comes to replacing a wooden window with double glazing, and prefer single glazing because they argue that if the window is on a listed building, it cannot be changed.

Mr. Wright: I disagree with the hon. Gentleman. As I said in response to my hon. Friend the Member for Southampton, Test (Dr. Whitehead), I believe that the planning framework that we have put in place really helps with this problem. I mentioned PPS22 and the draft PPS on climate change, and I would also mention the recently introduced permitted development rights, which show that we are pushing as much as possible for greener homes and greener communities. That is our intention, and it is a key policy for this Government.

Mr. Mark Harper (Forest of Dean) (Con): The Minister will know that part of the sustainable buildings code is the requirement to have lifetime home standards by 2013. Will he explain the logic of imposing that requirement on publicly funded homes before those built by the private sector?

Mr. Wright: The intention is very clear: that we want to be as ambitious as possible for public buildings—and that applies to our existing intentions and targets. In response to an earlier question about Ordnance Survey, I mentioned how Britain could lead the world, and I believe that the incentive provided by public investment in this sector can help Britain to lead the world in innovative and green products, which we can subsequently export. I hope that the hon. Gentleman would agree with that.

Gender Equality (Public Procurement)

10. **Judy Mallaber** (Amber Valley) (Lab): What adaptations her Department has made to its public procurement policies and practices and its guidance to local authorities to take account of the gender equality duty. [197691]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Parmjit Dhanda): Communities' procurement policy emphasises to practitioners and stakeholders the importance of focusing on a raft of social themes, including gender equality. Local authorities are responsible for taking their own procurement decisions, subject to their legal duties, including the duty of best value and public procurement law.

Judy Mallaber: I thank my hon. Friend for that answer. The Labour Government have done a lot to help women at work, but there remains a stubborn equal pay gap and segregation between male and female job opportunities. Will the Minister take into account the recommendation of the Business, Enterprise and Regulatory Reform Committee report "Jobs for the Girls" on the £125 billion of public procurement, and its recommendation that public bodies, including local authorities, could be subject to legal challenge for breaching the legal duty to promote gender equality if they do not use their purchasing power to ask suppliers and contractors to demonstrate an active commitment to equality principles? Will he also ensure that that guidance is given—

Mr. Speaker: Order. We must be fair to other Members who want to contribute.

Mr. Dhanda: I thank my hon. Friend for that question. She is quite right to get across to the House the real changes in recent years around equalities legislation, not least the right to flexible working, maternity leave, paternity leave and the minimum wage, which has made a real difference—a disproportionate difference, in fact—to women. In terms of what more we have to do, much remains to do around equal pay with local authorities, 47 per cent. of which have implemented an equal pay review. Only 3 per cent. of them, in all, are still to begin that work. We are supporting them with £500 million of capitalisation to assist local authorities in this process. That, however, is just a beginning, and my hon. Friend the Minister for Local Government has already announced that we will provide further capitalisation for the future.

Sir Patrick Cormack (South Staffordshire) (Con): Will the Minister accept that the politically correct

gobbledegook to which we have just listened is incomprehensible to most people in this country? Will he assure me that the guidance will be written in English, and will he try to address the House in that language in future?

Mr. Dhanda: I am not sure which bit the hon. Gentleman did not understand of the fact that it is only under a Labour Government that you get the right to flexible working, it is only under a Labour Government that you get rights around maternity and paternity leave, and it is only under a Labour Government that you get a minimum wage. I hope that is not too complicated for the hon. Gentleman.

Topical Questions

T1. [197707] **Ian Lucas** (Wrexham) (Lab): If she will make a statement on her departmental responsibilities.

The Secretary of State for Communities and Local Government (Hazel Blears): I have made my departmental priorities clear. They are to deliver the new homes that we have to deliver by 2020, to make sure that we give more power to councils and communities, and to make a priority of preventing violent extremism.

Ian Lucas: When council candidates declare next week, will my right hon. Friend join me in calling on all of them to make it clear that they will stand on a non-racist ticket? It is very important that these elections do not at any stage descend into the gutter, and that we make it clear that we need cohesive communities that can be built together.

Hazel Blears: Absolutely; my hon. Friend is so right! When people come to exercise their democratic vote and choose the kind of administration they want, it should be on the basis of good policy, value for money and the provision of cleaner, greener and safer environments. It should not be on any kind of platform seeking to divide people; rather, it should be on a platform that brings people together.

T2. [197708] **Mr. John Baron** (Billericay) (Con): The Government said they would fund concessionary bus fares, but Basildon district council finds that for the forthcoming financial year it will be three quarters of a million pounds—approximately 5 per cent. of council tax—down, which means that the introduction will be delayed by half an hour on a daily basis. Given that the council will have either to raise council tax further or to cut services in order to fund the scheme, will the Secretary of State meet me to discuss the issue—and if not, which option does she believe the council should take?

Hazel Blears: I am amazed that on the day that free travel is introduced, which will liberate many of our older and disabled people to be able to travel right across the country—11 million people will have opportunities they never had before—the hon. Gentleman should seek to cavil about this scheme. I can tell him that I was on the supertram in Sheffield yesterday—on the day that the scheme was launched—and every single person with their pass was absolutely delighted that they would be able to travel from Sheffield; perhaps even to the hon. Gentleman's constituency, although I cannot think of terribly good reasons why they would necessarily want to.

T3. [197709] **Mr. Mark Todd** (South Derbyshire) (Lab): The misleadingly branded Grovewood eco-town, which is proposed for the area between Swadlincote and Burton-upon-Trent, would build over farmland, would justify the construction of a major new road and would lead to the loss of a proportion of the national forest. When will the Minister give the coup de grace to that ridiculous proposal?

The Minister for Housing (Caroline Flint): As I have said, I will make an announcement soon on the locations shortlisted for the next phase of the eco-town programme. Let me say to my hon. Friend, however, that it has been an exacting process to sift more than 50 bids down to the next shortlist, and during the next phase we will be looking at how we can raise the benchmark, endeavour to get more from the developers, and make sure that engagement with local authorities, communities and others is at the heart of the next six months of work. That will include steps such as a sustainability appraisal, a planning guidance note and, importantly, making sure that it is possible to have the infrastructure for these communities to thrive.

Mr. Eric Pickles (Brentwood and Ongar) (Con): May I thank the Secretary of State for using the Conservative slogan at these elections—safer, cleaner, greener—in urging people to vote? Was she engaged in some kind of elaborate April fools' joke when she suggested that Labour authorities have the lowest council tax, given that not a single academic, serious commentator or statistician agrees with her on that assessment? Is this, perhaps, the clearest example of what her colleague and neighbour the Under-Secretary of State for Health, the hon. Member for Bury, South (Mr. Lewis), meant when he said:

"The Government is losing touch with what fairness means to the mainstream majority"?

Hazel Blears: I am sure that the hon. Gentleman understands the term "plagiarism", and I must tell him that "Safer, greener and cleaner" has been Labour's slogan for the past five years; indeed, I was beginning to wonder whether we needed to modernise it. As I have said to the House, the average council tax per dwelling in England in Labour areas is £204 less than in Tory areas, and £143 less than in Liberal Democrat areas—that is why it is excellent value for money. In the local elections on 1 May people will be able to make their choice, and they will see that Labour delivers for them, whereas Tories never do.

Mr. Pickles: If we are using the same slogan, that perhaps explains why there are so few Labour authorities these days, and why the Prime Minister preferred not to have the Secretary of State at the campaign launch. Under Labour, council tax has doubled and the burden on pensioners has become unbearable; no wonder the Under-Secretary of State for Health is in a state of despair. Why did the Government give pensioners a £200 discount on their council tax in 2005 and nothing in subsequent years? Why do pensioners have to wait for an announcement

of a general election before this Government show them any compassion?

Hazel Blears: Again, the hon. Gentleman may have had a little lapse of memory. He will know that this Labour Government have helped pensioners in every year since we came to power, which is why the average pensioner household is £1,500 better off in real terms than it was 10 years ago. He will also know that we have just announced the extra winter fuel allowance for pensioners. He will recognise that every year we try to think of another way in which we can help our older citizens, who make such a fantastic contribution to our community.

T6. [197712] **Mr. Graham Allen** (Nottingham, North) (Lab): Does the Minister agree that local area agreements are best when they are actually local, and that the reduction in the number of targets this year has been very welcome? Will the Secretary of State, or one of the other Ministers, also tell the House whether focusing on themes such as early intervention, as is happening in Nottingham, focuses the minds of not only the Government, but the Government office and all our local partners, so that we can achieve things through these plans, rather than have them sitting gathering dust on the shelf?

Hazel Blears: My hon. Friend has played a leading role in the negotiation of the local area agreement in Nottingham through his chairmanship of the local strategic partnership. I am grateful to him for that leadership, because alongside reducing indicators, mainstreaming grants, taking away ring-fencing and giving councils more power and communities more control, that leadership really makes a difference. Nottingham is concentrating on early intervention, and in that way it will ensure for the long term that it is a great place in which to live, work and bring up families.

T4. [197710] **Mr. Henry Bellingham** (North-West Norfolk) (Con): Has the Secretary of State read the recent article in the *Municipal Journal* by two eminent professors, Steve Leach and Michael Chisholm? They stated that the current local government reorganisation

"is so flawed that it corrupts the body politic."

Is that not a dreadful indictment of what is obviously a politically motivated reorganisation that will do nothing to deliver better services, but will simply pile ever-greater burdens on the hard-pressed council tax payer?

The Minister for Local Government (John Healey): We have looked at that analysis, and we do not accept it. We do not accept that the reorganisation is politically motivated. All the proposals in the seven affected areas have been produced and submitted to us by local authorities in those areas. The changes will mean that instead of 44 councils there will be nine. Once they are fully in place, the taxpayer will save about £90 million each year, and that can be used to improve services or keep council tax pressures under control.

Julia Goldsworthy (Falmouth and Camborne) (LD): Since the last housing market fall in the early 1990s, almost 1 million fewer social homes are available to rent, and in the past 10 years waiting lists have increased by 60 per cent. Given that Citizens Advice is reporting increases in the number of people coming to it with problems paying their mortgages, does the Secretary of State think that her Department should have done more to prepare for this looming housing crisis?

Caroline Flint: We have invested enormously over the past 10 years. First, we have invested to ensure that existing social housing stock is up to standard. Many people today live in more decent homes as a result of that investment. That is also why we have decided that we have to build more social homes for rent, and more affordable homes so that people can get onto the property ladder. It would seem from the tone of the hon. Lady's question that she supports our proposals not only to increase the number of homes built across the country in rural and urban settings but to ensure that affordable homes are a feature of that increase. I would welcome it if Liberal Democrat councillors supported affordable housing in their own backyards.

T7. [197713] **Helen Jones** (Warrington, North) (Lab): What steps can my right hon. Friend take to ensure that councils deliver the affordable homes that they promise? Is she as disturbed as I was that Warrington borough council promised to deliver affordable housing but, in its latest planning permission, delivered only 17 affordable homes out of 178?

Caroline Flint: Clearly, it is one thing to put aspirations on paper—my hon. Friend makes a point about Warrington, which identified the target that 50 per cent. of new houses should be affordable—but another thing to ensure that they happen. At the moment, I am considering the expressions of interest for growth housing points. I want to be reassured that affordable housing targets are realistic. In Warrington, and other parts of the country, we should ensure that affordable housing is set among other private housing to ensure that we get away from the mistakes of the past, when we had private housing in one part of the community and social housing in another, which is not sustainable. That is as important as the number of affordable homes that we build.

Mr. Patrick McLoughlin (West Derbyshire) (Con): May I ask the Secretary of State specifically to consider the judgment of the High Court last week on Backdale quarry, and the important implications of that, as it overrode an inspector's inquiry? While the Secretary of State is considering that position, will she also consider the history of the application? It has now been going on for more than 10 years, and has cost the Government and the Peak park planning authority a vast fortune. It has caused huge annoyance to all the local residents, who thought that once the planning inspector had ruled, they had a solution to the problem, only to find that the High Court threw that ruling out.

Hazel Blears: I certainly will look into that case—at the process, the procedures, and the outcome of the Court hearing. I am sure that the right hon. Gentleman would agree that it is important for the planning system to provide a quick and efficient means of considering

applications, while allowing the public to be properly engaged and to have their view expressed. That is exactly what we are trying to achieve through the Planning Bill, which is before Parliament. I shall certainly consider the application to which the right hon. Gentleman referred.

T5. [197711] **Mr. Desmond Swayne** (New Forest, West) (Con): In the 1998 Command Paper "Modern local government: in touch with the people", the Government stated:

"The council tax is working well as a local tax. It has been widely accepted and is generally very well understood."

Does the Secretary of State accept that that is no longer true? Who does she think is responsible?

Hazel Blears: The council tax, following hard on the heels of the poll tax, was certainly an improvement. The hon. Gentleman will know that there has been an extensive inquiry by a well-respected individual, Sir Michael Lyons, who said that the council tax remains broadly sound, that it should be retained and that it has some welcome elements as it is a partial property tax and provides good local accountability. We believe that council tax is the right way forward. We are always conscious of the need for families and people on fixed incomes to ensure that they can balance their budgets. That is why I say again that Labour authorities cost less and are better value for money. So on 1 May people should vote Labour.

Rosie Cooper (West Lancashire) (Lab): Can my right hon. Friend offer advice to councils across the country, including West Lancashire district council? In the age of the Disability Discrimination Act 1995 it is simply unacceptable to have portakabins as polling stations, as they are not accessible to the disabled, either because they have steps or because the doors are not wide enough to allow wheelchair access. We need to send a message out from this House that all votes are valued equally.

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Parmjit Dhanda): My hon. Friend makes an excellent point. Up and down the country it is important that people should have the right to vote. We should make all our polling stations as accessible as possible. I hope that her local authority will hear what she has said. All local authorities up and down the land should ensure that as many people as possible have the opportunity to vote.

T8. [197714] **Mr. Richard Benyon** (Newbury) (Con): West Berkshire's Conservative-run administration inherited from the Liberal Democrats a lamentable 18 per cent. of household waste being recycled. That is now rising to 50 per cent., with a power from waste contract resulting in 79 per cent. being diverted from landfill. Will the Secretary of State join me in congratulating them?

Hazel Blears: I am delighted that local authorities in general have raised the amount of household recycling from 7 per cent. some years ago to 32 per cent., and some authorities are doing extremely well. Where local authorities are doing well, I am pleased to congratulate them. The hon. Gentleman inherited the previous state of affairs from a Liberal Democrat council. The record of Liberal Democrats, where they are in power, is pretty lamentable. If anybody looks at Liverpool council at the moment, they will see the state that it is in: it is officially the worst managed council in Britain.

T10. [197716] **James Duddridge** (Rochford and Southend, East) (Con): What discussions has the Secretary of State had with the Secretary of State for Business, Enterprise and Regulatory Reform in relation to the impact on local communities of the closure of our vital post offices?

Hazel Blears: I have had discussions with the Secretary of State for Business, Enterprise and Regulatory Reform on post offices. I welcome the intervention of local authorities of all political persuasions in looking at whether councils could play a bigger role in putting services through the post office, or indeed in hosting post offices in their own organisations. I am keen to encourage them to do that. I am also keen to encourage co-operatives, mutuals, village shops and a whole range of different ways of providing what are sometimes essential services to local communities.

Speaker's Statement

3.30 pm

Mr. Speaker: Yesterday the hon. Member for Aldershot (Mr. Howarth) raised a point of order on the release by the Ministry of Defence of the outcome of a procurement exercise for tanker aircraft in advance of its notification to the House. I have looked into the matter. I am satisfied that Ministers took reasonably appropriate steps in the circumstances to inform Members, and subsequently to inform the House. But I repeat my determination to ensure that, wherever practicable, the House is the first to hear of such important announcements.

Iraq

3.31 pm

The Secretary of State for Defence (Des Browne): With permission, Mr. Speaker, I would like to make a statement on the security situation in Basra. Before I begin, I would like to pay tribute to the courage of all our servicemen and women serving in Iraq, Afghanistan and elsewhere. I know that the House will join me in paying tribute in particular to those who have been killed or injured in the line of duty, most recently Lieutenant John Thornton and Marine David Marsh, killed in southern Afghanistan on Sunday, and the soldier killed in Iraq last Wednesday. I know that all our thoughts are with them and their families and friends.

Our policy in Iraq consistently has been to get the Iraqis to a point where they can take control of their own destiny and security. To that end, in December 2007, we transferred responsibility for security in Basra province to the Iraqi authorities. Of the four provinces in southern Iraq for which we had responsibility, Basra was the last to transfer under provincial Iraqi control.

The transfer of security responsibility means Iraqis taking the lead in solving the challenges and problems that they still face in their country. It therefore means Iraqis taking decisions on their own future and taking responsibility for implementing those decisions. As the Foreign Secretary and I made clear when the multinational force transferred security responsibilities to the Iraqis, the UK military's role in Basra was changing rather than ending. No longer were we in the lead, although our forces remained on hand to support the Iraqi security forces. But let me be absolutely clear: our forces continue to do a vital and necessary job in Iraq. Their roles include training and mentoring in the Basra area and on Iraq's borders, providing capabilities such as fast jet support and surveillance for Iraqi operations, and facilitating reconstruction. We describe this mission as operational overwatch. We will continue to work alongside the Iraqi security forces in southern Iraq until they are able to ensure security without our support.

One of the reasons why the Iraqis needed our continuing support into 2008 was that they and we recognised that improving security and enforcing the rule of law in Basra would require action over the longer term. As the Iraqi Government have made clear, the main problems in Basra are criminality and militia elements that act outside the law and are unwilling to embrace democratic politics. While UK and coalition forces have done much to deliver broad levels of security, over the longer term only the Iraqis can tackle successfully criminal activity and political violence, which are often linked to social and economic factors. The events of the last week should be seen in that context.

When I visited Iraq three weeks ago, I was briefed in detail about the Iraqi plan for improving security in Basra by General Mohan, the commander of the Iraqi security forces in Basra. General Mohan then visited Baghdad the following week to present the same plan to the Government of Iraq for endorsement. Prime Minister al-Maliki formally announced his intention to

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accelerate the implementation of the plan at a meeting on Sunday 23 March, where both the US and the UK were represented at a very senior level.

Let me be clear: what we have seen over the last week is action being taken by the Government of Iraq to fulfil their responsibilities for security in a province that has transferred to Iraqi control.

The Iraqi security forces, under the personal supervision of their Prime Minister, commenced Operation Charge of the Knights last Tuesday. As I have explained, it is an operation intended to tackle criminality and those in the city who continue to act outside the law, as a means of improving security for the people of Basra. The planning, timing and execution of the operation have been led entirely by the Iraqi Government and their security forces, and the Prime Minister's presence and leadership in Basra demonstrate the importance that they attach to it.

Since last Tuesday, the Iraqi security forces have been conducting cordon and strike operations against criminal elements across Basra, supported by efforts to encourage militias to give up their medium and heavy weapons. An operation of that kind in a challenging urban environment was never likely to produce immediate success, and indeed the Iraqi Defence Minister, Abd al-Qadir, has acknowledged the strength of resistance that the Iraqi security forces have faced. But Iraqi operations continue, and the Government of Iraq are making steady progress towards achieving their aim of ensuring respect for the rule of law by all parties and factions. Moqtada al-Sadr's call on Sunday for his followers to abide by a ceasefire and work with the Government of Iraq to achieve security is a demonstration of that progress.

It is too early to give a definitive or detailed assessment of how the operation has gone overall, and it would be quite wrong to seek to do so while the Iraqi security forces continue to conduct their operations in Basra and elsewhere. The situation remains fluid, although levels of fighting in Basra have reduced since the weekend. That trend has been reflected in other areas of Iraq where tensions rose in response to the operations in Basra.

In the other provinces in the multinational division south-east area, the Iraqi security forces have dealt successfully with the security challenges that have arisen in Dhi Qar and Al-Muthanna, and though there is more tension in Maysaan, militia elements there appear to have been complying with Moqtada al-Sadr's statement. In Baghdad, too, the security situation has stabilised, and the curfew has now been lifted.

We and our coalition partners are providing support to the Iraqis in line with our commitments under overwatch and in accordance with our usual rules of engagement. Requests for support are being made through the coalition, and I can confirm that UK forces have continued to meet all their obligations as part of the multinational corps. The support that we have provided is similar to that given in previous incidents, most recently during the disturbances in Nasiriyah and Basra over the Shi'a Ashura festival in January. It is important that the House understand the extent of that support. During the last week, British forces have—as part of the coalition effort—provided surveillance, flown fast jet missions over the city as shows of force and used our helicopters to help to resupply the Iraqi security forces.

Logistic support to the Iraqis has included food, water and ammunition. Medical care is being provided to wounded Iraqi security personnel. We have a small number of liaison staff working in Iraqi headquarters, and as far as ground forces are concerned we have so far deployed elements of one of our three battlegroups, using tanks, armoured vehicles and artillery to provide in extremis support to Iraqi units in combat on the ground. We have deployed elements of another battlegroup to resupply one of the Iraqi headquarters. Once again, I pay tribute to the professionalism of our forces in those complex operational circumstances.

In October, we announced our plan for drawing down UK troops from southern Iraq, from 5,000 at the time of the announcement to around 2,500 by the spring, dependent on conditions on the ground and military advice. At the end of the year, when UK forces moved into overwatch in the last province of Basra, we reduced force numbers to around 4,500. Since then, numbers have been reduced further, to their current level of around 4,000.

Before the events of the last week, the emerging military advice, based on our assessment of current conditions then, was that further reductions might not be possible at the rate envisaged in the October announcement, although it remains our clear direction of travel and our plan. In the light of the last week's events, however, it is prudent that we pause further reductions while the current situation is unfolding.

It is absolutely right that military commanders review plans when conditions on the ground change. I am sure that hon. Members would not expect us to do anything else, so at this stage we intend to keep our forces at the current level of around 4,000 as we work with our coalition partners and with the Iraqis to assess future requirements. I expect to be able to update the House on force levels later this month.

What is happening in Basra is a manifestation of our policy to give Iraqis control of their own security. That road will not always be smooth. It will require political and economic progress and reconciliation, as well as military action. I commend the continuing efforts of the British business man Michael Wareing to galvanise economic development in the south, working with companies and investors from Iraq, neighbouring countries and the wider world. I have no doubt that, despite the challenges, that combination of security, political and economic support is the right way to bring about lasting stability in Basra and beyond.

Dr. Liam Fox (Woodspring) (Con): I begin by associating myself and the Opposition with the tributes made by the Secretary of State to those killed and wounded in Iraq and Afghanistan for the sake of the security of the people of this country. We are in their debt and our thoughts are with their families and friends.

I think both sides of the House agree that for our forces to remain in Iraq we need a military and not just a political role for them. To have our troops rocketed and mortared just to provide political cover would be

wholly unacceptable. The Secretary of State has set out what he believes the military role now is, and on that basis I have a number of specific questions for him.

First, how much control do we really have over events in the area in the south of Iraq? At the meeting on 23 March, did our commanders agree with bringing forward General Mohan's offensive? When the Secretary of State says we were represented at a very senior level, was it military or civilian and what was the exact level? Surely, it is not acceptable for us simply to end up mopping up if we do not have a say in what operations are being carried out and how. From what the Secretary of State has just told us, it appears that our commanders had only 48 hours' notice, yet they had to deploy more than one battlegroup, with tanks, armoured vehicles and artillery. Is that an acceptable model for the future?

Secondly, the Secretary of State was briefed by General Mohan, as were several of us during his recent visit to the House—we raised it on the Floor during our last discussions. At that time, General Mohan said that although he believed he had sufficient men to deal with the militia threat, he was short of equipment—in particular, medium-range artillery, electronic jamming equipment and off-road capability. He also said at that time that he believed that the Government in Baghdad were slow to provide that because of pressure being applied from the Iranian Government. What representations have our Government made to get more equipment available more quickly to the Iraqi forces themselves, so that they can better deal with the situation that they face and not have to rely so much on British equipment?

Thirdly, although we welcome the Iraqi Government taking on the militias and we all hope that they succeed in doing so, what if things do not go according to plan and the situation deteriorates further—something that we all hope will not happen? Under what circumstances would British troops ever be redeployed into Basra city and who would take such a decision? Would it be so important that it would be taken by Ministers, not just by commanders on the ground?

We have seen in recent months only a small reduction in total numbers on Operation Telic, to around 5,500 now in the region—considerably more than in Iraq itself. Have the Government completely ruled out redeploying any of those back to Iraq if the situation deteriorates further? What are the cost implications of keeping our numbers up to a higher level than the Government anticipated and said only a few months ago, because that will clearly have a marked effect on the overstretch of our armed forces?

I am afraid that the Government have been caught too often on the over-optimistic end of the spectrum. Only two weeks ago, in the Government-produced national security strategy, they said that

> "we are entering a phase of overall reduced commitments, recuperation of our people, and regrowth and reinvestment in capabilities and training as much as equipment."

That is simply not true in either Afghanistan or Iraq. What will they do now in the light of the changed circumstances?

I hope that the Government have now learned not to play party politics with projected troop numbers. That the Prime Minister's performance last October reflects badly on him does little to help the families of those who will now be separated from them for longer than the Prime Minister led them to believe. We should spare a thought for them today. They are willing to make the sacrifices; they just expect the truth.

Des Browne: First, I thank the hon. Gentleman for his opening remarks. I am sure that they were appreciated by the whole House. I also thank him for his consistent support for our military, wherever it is deployed. He is entirely consistent and stalwart in that regard. I am grateful to him for that, and I know that our troops are, too.

I first challenge the peroration of the hon. Gentleman's question, which was that there was something either dishonest or misleading about the information that was given to the House by my right hon. Friend the Prime Minister. I personally take great, detailed care to ensure that, in relation to matters to do with both Afghanistan and Iraq, I keep the House updated. I ensure that every statement that comes from the Government keeps the House updated. *[Interruption.]* It is what should be expected of me. *[Interruption.]*

Mr. Speaker: Order.

Des Browne: Great care was taken with the information that the Prime Minister gave the House in October: that information and the plan reflected the best military advice. The circumstances and conditions have changed, and the military advice has changed. There is no question of anyone using troop numbers for party political purposes, but there is a question of troop numbers being used in the way that the hon. Member for Woodspring (Dr. Fox) constantly calls for, so that people have some indication of the sense of direction—particularly the families of those people who are deployed to dangerous environments.

The hon. Gentleman is constantly calling for detailed information. He is constantly calling for me to come to the Dispatch Box to anticipate where we will be in a particular period, and to the extent that I am able to respond to those questions, I do so. I do not think it appropriate subsequently, when my responses are qualified by the conditions or military advice—the conditions and the military advice change—to suggest that that anticipation is in any way misleading. It is not.

The second point that I want to make is that questioning whether we—the United Kingdom—have control over what is happening in southern Iraq is, with all due respect to the hon. Gentleman, not to understand fully the position that I explained in some detail at the beginning of my statement. This part of southern Iraq is under provincial Iraqi control, which means that the Iraqis have prime responsibility for security.

Dr. Fox *indicated assent.*

Des Browne: The hon. Gentleman suggests that he knows that. The Iraqis have control.

At the meeting, an assessment was made of whether the Iraqis could deal with the situation. I quote:

> "Iraqis can deal with the challenges in Basra. Not only that, they should deal with the challenges".

That was General David Petraeus, who was present at the meeting, speaking in an interview on Monday

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morning with John Simpson on the BBC. The view was taken that the Iraqis could deal with these challenges in relation to how their army was equipped and the reinforcements that could be provided, and that they should deal with those challenges, because that underpinned the decision to move to provincial Iraqi control in the first place. As I spelled out, the nature of the challenges that faced us in Basra could be dealt with in the longer term only by the Iraqis.

Day by day, the Iraqi army is better equipped, but of course there are still challenges. There is the challenge in the Ministry of Defence of ensuring that the Iraqi army can spend the resources available through its budget—that is improving day by day. When it is short of capability, we provide that as part of overwatch, which is exactly what we did.

I say to the hon. Gentleman that in Iraq, and especially in Basra, what our troops do is as part of a division of the multinational corps. The commander of that corps was in Basra, and decisions about the use of our troops are made through the proper chain of command—not by politicians, but by military commanders.

Mr. Peter Kilfoyle (Liverpool, Walton) (Lab): Is it not ludicrous to suggest that developments in and around Basra are somehow being determined by either the Iraqi Government forces or, indeed, British forces? Do not recent events show that any changes that take place are in the gift of the militias? Does that not in itself make the case for accelerating the withdrawal of our forces, rather than further delaying bringing them home?

Des Browne: The activity of our forces over the past week has been in support of the Iraqi security forces in a continuing operation. The operation made steady progress over the weekend, although it is acknowledged that there was significant resistance to it at the start. That has shown exactly the relevance of our forces and, frankly, the folly of bringing our forces home before conditions and circumstances allow.

Nick Harvey (North Devon) (LD): I thank the Secretary of State for his statement. I echo his words of condolence and his tribute to our troops in Iraq and Afghanistan.

Has something fundamental changed since the Prime Minister's announcement in October on the intended reduction in the number of troops? Since that time, British troops have pulled out of Basra city, handed over the province and largely restricted themselves to the air base. The picture that has generally been painted is of an improving situation.

Against that background, does the Secretary of State appreciate that the British public will be rather surprised to discover that the Government have changed their mind over the troop withdrawals? Will he explain when the decision was made and confirm whether the military advice had anything to do with the minimum number of troops needed to protect the forces, which we have raised on several occasions?

The statement refers again to the concept of overwatch, which people will previously have understood to involve training, surveillance, logistic support and availability on stand-by. However, the Secretary of State told us today about fast jet missions and the deployment of tanks, armoured vehicles and artillery. Is that still overwatch in the sense that is generally understood?

Will the Secretary of State confirm what commitments have been given to the Iraqi Government about what they can expect from British troops and over what time scale? Although I welcome his confirmation that the direction of travel is towards troop withdrawals, how long can the MOD continue to break its defence planning assumptions by operating on two fronts? What impact will this have on the promise of more troops and helicopters for the work in Afghanistan?

Des Browne: The plan and the direction of travel remain the same. As I made clear in my statement, it emerged that the rate of progress in that direction would not be sustained in the way that was planned in October, before the events in question took place. However, reducing the number of our forces is still our plan; we still intend to do that, subject to conditions on the ground and our assessment of the ability of the Iraqi security forces to sustain and develop security in the city of Basra. The nature of the challenge that they face there is such that it would not be possible for British troops to deal with it and sustain the position in the long term.

The problem is a combination of politics and economics; it is a combination of militia and criminal gangs, who are of the same ethnic and religious background. That can be dealt with in a sustainable way only by the Iraqis themselves. They have a plan—it is widely accepted to be the right plan—to deal with it, and it will take a sustained period to achieve that.

I am not in a position to answer the hon. Gentleman's question about specific stages in the plan. What I am saying is that because of the actions of the Iraqi Government and the reaction of the militia in the city of Basra over the past week, and because of what is going on, it is prudent for us to mark time at this stage, not to abandon the plan, but to mark time and review the situation.

We will review the situation while sustaining the troops, for whom we know we have a use and a need at the moment, because we have deployed them in support of the Iraqi operation over the past week in different ways, as I explained to the House and to the hon. Gentleman. The use of those troops to support the Iraqi forces in such circumstances was always part of overwatch; I have always said that it would be potentially part of overwatch.

I do not know whether the hon. Gentleman's understanding was that such a use of force would not be part of overwatch, but the hon. Member for Woodspring, who speaks for the Conservatives, consistently asks me to spell out the exact circumstances in which we would deploy, in the context of overwatch. Nobody in the House could have been in any doubt about what was involved in overwatch.

Frank Cook (Stockton, North) (Lab): Can my right hon. Friend tell us whether maintaining current troop levels in Iraq will have any impact on the prospect of reinforcing the boots on the ground in Afghanistan, if that proves necessary in an emergency?

Des Browne: We keep our troop levels under review in both operational theatres—in Afghanistan and in Iraq—and I have not found myself unable to do anything that we needed to do in Afghanistan because of Iraq, or vice versa. I do not expect to be in that situation.

Mr. James Arbuthnot (North-East Hampshire) (Con): Is the Secretary of State aware that the Defence Committee has never understood the figure of 2,500? Does he agree that it is a mistake to raise hopes of withdrawal and then to abandon those hopes, because that makes the position seems worse than it is? My view is that the Iraqi operation last week was not bad news, because it showed the Iraqis taking back responsibility for a key part of Iraq. However, as has been asked, what does that do to the defence planning assumptions? Does he still intend to complete his review of those planning assumptions this spring?

Des Browne: The right hon. Gentleman makes a point about Iraqis taking responsibility for their own security, particularly at the highest level, in their Government. They are also turning their attention to security in Basra and the south of the country. In particular, the Government are showing the whole country and the people of Basra that they are prepared to take on Shi'a militia; they are not seen to be picking and choosing the elements that they will engage with, but are showing that they are even-handed. Those are all very positive signs. It is a difficult and complex task that they have taken on, and it will take time. It will be some time before we can assess the success and sustainability of anything that they achieve.

The Government have endeavoured to spell out in detail to the country and to the House our plans that make troop numbers assessable, but we have always made it perfectly clear that those plans are subject to conditions and to military advice. I am sure that the right hon. Gentleman understands, probably better than many hon. Members but certainly as well as any hon. Member, that those conditions and the military advice can change, and that is what has happened.

I accept the advice that the right hon. Gentleman gives for the future in relation to specific numbers, and I will take it on board. Defence planning assumptions continue to be under review, and when that review is concluded I will report to the House.

Mike Gapes (Ilford, South) (Lab/Co-op): As the Secretary of State said, our forces in Iraq continue to play a vital role in support of the democratically elected Iraqi Government, but does he have any view on or assessment of the role of the Iranians in interfering in Basra and the region to assist the insurgents and the militias who oppose the central Iraqi Government?

Des Browne: It is well known that Iranian elements have been interfering substantially in southern Iraq in a number of ways. To be frank, it is not surprising that there is a connection between those who live in that part of Iraq and Iranians, because historically people moved freely around that part of the world, and during the time of Saddam Hussein there were strong relationships between elements that are now involved in Iraqi politics and Iranians. All of that is perfectly understandable. No one can move either of the two countries, and they will need to find some way of supporting and working with each other, but support by certain elements of militia and other insurgents by the provision of training, money or military equipment is unacceptable. We have exposed that on every occasion that we have been able to, not just to the Iranians and the Iraqi Government, but to other Governments in the region. It is not supported by anybody who wants to see stability in the region, and it should stop.

Sir Menzies Campbell (North-East Fife) (LD): May I press the Secretary of State again regarding overwatch? Surveillance, fast-jets, helicopters, food and water, ammunition, medical care, tanks, armoured vehicles and artillery are evidence not of overwatch but of active participation, which, if allowed to get out of control, could easily result in our being engaged in a civil war.

Des Browne: In the context of overwatch, it has always been planned that it may be necessary for our troops in southern Iraq to go to the support of the Iraqi security forces. There is no intention of allowing that support to get out of control, as the right hon. and learned Gentleman suggests. All of that is done in the context of the multinational corps, carefully and after due consideration, and we allow our troops to become engaged in that fashion only after proper consideration of whether it is appropriate for them, they have the equipment and force protection to be able to do it, the action is in support of the Iraqi forces, and it will result in a positive outcome, which all the interventions have done.

Dr. Gavin Strang (Edinburgh, East) (Lab): But how seriously unstable is the position in Basra? Has the fighting among the Shi'as come completely out of the blue? My right hon. Friend will be conscious of the fact that it is less than a month since he said in a written answer that the Government were planning for a reduction of our forces to 2,500 in the spring. He said that he will tell us "no doubt after the recess" the new timetable. Can he assure the House that the Government are not considering another major military re-engagement in Iraq?

Des Browne: I assure the House that the Government are not considering another major military re-engagement in Iraq.

Sir Peter Tapsell (Louth and Horncastle) (Con): Is the Secretary of State for Defence aware of the weight of criticism by military strategists, particularly in the United States, of the dangerous position in which our troops have been placed near to Basra for mainly political reasons?

Des Browne: The hon. Gentleman knows that I am well aware of that criticism, but I am also well aware of the sustained and consistent support of the most highly qualified and experienced American generals currently serving in Iraq, who have supported every single step that we have taken right along the line. General David Petraeus, who is rightly credited with having significant military experience and who has undertaken a long

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period of service in Iraq, so he knows the country well, supports every single thing that we have done, and he said that not only in Congress but in this city.

Mr. Quentin Davies (Grantham and Stamford) (Lab): Having encouraged the Iraqi Government to take direct responsibility for security in Basra, it is only right to do everything possible to support them in that new role. Are there not two imperatives in this situation: first, to do everything possible to support, and above all nothing to undermine, the chances for nascent Iraqi democracy; and, secondly, to do everything possible to support, and nothing to undermine, the position of our American allies? Is that not the only possible, honourable and right policy to adopt?

Des Browne: My hon. Friend is entirely correct to say that we should remain on the same page as those who are in the coalition with us, particularly the United States of America. In the course of this week, the corps commander has been in Basra at the heart of the decision-making process with Prime Minister Maliki and some of our senior officers. We keep close to our American allies, who know, understand and support everything that we are doing. We all do that to support the democratic Government of Iraq, so that they can build their security forces and, more importantly, build strength in their political system and governance to allow them to sustain the level of security that the people of Basra want. The people of Basra overwhelmingly support their Prime Minister in what he is doing there.

Adam Price (Carmarthen, East and Dinefwr) (PC): The Secretary of State has said that even-handedness by the Iraqi Government is vital. Will he therefore explain why the six-day war in Basra was waged against only one Shi'ite militia, the Mahdi army, and not against Fadhila, an armed militia which controls oil production, or the Badr organisation, which is actually an ally of the Nouri al-Maliki Government? Is not the real reason that Moqtada al-Sadr is the biggest political threat to Nouri al-Maliki in advance of the elections? Would it not be entirely wrong to ask a single British serviceman or woman to risk their life in supporting one side in a bloody civil war between warring political factions?

Des Browne: The hon. Gentleman has a surprising ability, from a comparatively long way away from Basra, to explain exactly what is happening there. The information that is coming out of the city suggests that the Iraqi security forces are taking on a complex mixture of criminal elements and gangs, including the Jaish al-Mahdi. The JAM has attracted attention, because Moqtada al-Sadr speaks for it and is part of the political process in Iraq through those from his organisation who were elected—he is a significant player in that process. To suggest that the Iraqi security forces have been taking on only one element of the militia and criminal gang elements in Basra is to misrepresent what they have been doing.

Mr. David Hamilton (Midlothian) (Lab): Does my right hon. Friend share my concerns that unless we are careful, we will get drawn into a quagmire that is not of our making? *[Interruption.]*

Mr. Speaker: Order. Let the hon. Gentleman speak.

Mr. Hamilton: At the end of the day, talk of withdrawing 2,500 troops by the spring was wrong. The next time that we discuss a reduction, we should discuss withdrawal, which is what it should have been in the first place.

Des Browne: I am well aware of my hon. Friend's views on these matters, and he and the House are well aware of my view on when we will withdraw our troops from Iraq. As far as the first part of his question is concerned, we have no intention of being drawn into any quagmire and we will not be drawn into one.

Mr. Nicholas Soames (Mid-Sussex) (Con): May I remind the right hon. Gentleman that the statement about the possible withdrawal of numbers of troops from Iraq was made, extremely unwisely and rashly, by the Prime Minister when he was in Iraq? Some of us believe that to have been a cynical pre-election stunt. Will the Secretary of State define for the House the overwatch obligations and commitments to which he refers but which he never enumerates?

Des Browne: I have spelt out the detail of overwatch in the body of the statement that I gave to the House on what we have been doing, in practical terms, in support of the Iraqi security forces in the past week. Beyond that work, of which there are many practical examples, we are also training the Iraqi security forces and working on the border to train the Iraqi border police.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): When our troops took on the role of overwatch, it was always likely that criminal and militant elements would seek to test the resilience of the Iraqi forces. I for one am heartened by the fact that they are sufficiently confident and competent to undertake this exercise. Does my right hon. Friend agree that the greatest disincentive against those elements continuing their activity will be the sure knowledge that British troops will stay there, bolstering competence, until they are defeated?

Des Browne: My hon. Friend is exactly right. The Iraqi security forces' ability to conduct and sustain an operation of that nature depends at present on support from the coalition. As the part of the coalition with the primary responsibility in that part of Iraq, we need to continue to support them.

Mr. Kenneth Clarke (Rushcliffe) (Con): How long does the Secretary of State think it will be acceptable for him to keep coming to the House to express condolences for the deaths of men serving their country in Iraq, and then going on to describe an unexpected and violent turn of events over which the British appear to have little or no influence or control?

Is not the present situation that a very violent military conflict has broken out between two Shi'a armies? We are providing logistical and military support in extremis to one of those armies, the Iraqi

army, although the Iraqi Prime Minister gave us no warning of his change to the timing of the attack. No doubt he has swept aside whatever advice he had had from the British and the description of the operation that had been given to the Secretary of State himself only a short time before. Surely the purpose of having 4,000 people in Basra now is to make sure that they are in adequate numbers safely to withdraw, because they do not appear to be playing any useful or predictable part in the political development of the country.

Des Browne: I think that the right hon. and learned Gentleman misrepresents the position in Iraq. Our forces, and those personnel who support them from the Foreign and Commonwealth Office, the Ministry of Defence and the Department for International Development, have been making significant progress, not only in training the Iraqi security forces, but in helping the democratically elected Iraqi Government, after decades during which the country was destroyed by the tyranny of a dictatorship, build an Administration who are increasingly becoming more competent and able to serve their own people. With respect, it is a gross misrepresentation to suggest that those achievements have not been made by those people, who have put their lives on the line.

The right hon. and learned Gentleman asks me how long it will be acceptable for me to come to the Dispatch Box to express condolences for the deaths of troops in operations. I do not think that it will ever be acceptable for me to do that—that is not a word that I would use. I find it deeply difficult—not for me, but for the people who I know grieve over those who have lost their lives. That will never be acceptable as far as I am concerned. As the right hon. and learned Gentleman will understand, I would much rather not have to do it at all.

During my time as Secretary of State for Defence, I have had some difficult statements to make from this Dispatch Box, but I do not recollect that I have had to make a series of statements of the type that the right hon. and learned Gentleman describes. I have never made a statement at this Dispatch Box of that nature.

This is the point at which provincial Iraqi control is being tested by the Iraqi Government themselves taking responsibility and taking decisions. It is a very difficult thing that that Government have chosen to do. There are many positive aspects to the fact that they are prepared to do it, not least the even-handedness of the Government's approach and the fact that the Prime Minister took responsibility for it. It is a difficult thing to do. We need to stay with these people and support them, in the way that we have been doing, to the extent that they need to see this through.

Sarah McCarthy-Fry (Portsmouth, North) (Lab/Co-op): Last month, I had the privilege of spending some time with our troops in Basra who are monitoring, mentoring and training the Iraqi security services, and doing a superb job. Does my right hon. Friend agree that, although in the short term it is not possible to reduce the number of troops, it is in the long-term interests of everyone, not least the Iraqi people, that we have sufficient troops there to do that job, which will eventually enable the Iraqi security services to manage the job on their own?

Des Browne: My hon. Friend describes what we seek to do very eloquently and straightforwardly. We have, over a period of some years now, progressively been handing over responsibility across the whole of the south—indeed, the coalition has been handing responsibility to the Iraqi security forces across the whole of Iraq. Many determined terrorist and other elements have tried to stop that progress. There have been setbacks. There has been a significant improvement in security in Baghdad, but I have always described that security as fragile. The fragility of that security has been exposed over the past week or thereabouts, but it has sustained. The important thing about the nature of the progress is that every time it is challenged, and every time it sees off that challenge, it emerges from those circumstances stronger. The Iraqi people deserve the opportunity to have a secure, democratic future, and they will not get it unless we support them through this process.

Willie Rennie (Dunfermline and West Fife) (LD): Five months ago, to the sound of trumpets, the Prime Minister announced the reduction to 2,500 troops. Why is he not here today to listen to this statement? He should be here

Mr. Speaker: Order. The hon. Gentleman asks his questions on the statement; he does not ask about the presence or the absence of any right hon. or hon. Member.

Willie Rennie: When I visited Basra last year, it was made abundantly clear that the minimum force protection was more than 4,000, and that was confirmed last year by the Armed Forces Minister to the Defence Committee. Is it not time simply to withdraw our troops from Iraq, because they serve little purpose, their lives are being endangered, and they are there only at the behest of President Bush?

Des Browne: None of those assertions is true. I cannot believe that anybody who understands what our troops have done very bravely over the past week in support of the Iraqi security forces could suggest that they are there for no purpose. They are there for a very obvious purpose, and they have shown it over the past six days.

Harry Cohen (Leyton and Wanstead) (Lab): Will not the reduction to 2,500 by the spring be seen as a broken promise among a long list of broken promises in Iraq? Have not the Government been bounced by a factional Iraqi Government, the US forces who want to pull the strings, and new-empire-building generals? Is it not still an occupation that is massively unpopular both in Iraq and in this country? People will ask, "What has changed since the disastrous Blair policy?" What has changed?

Des Browne: My hon. Friend's position on this issue is well known, and I suspect that his question is informed by his views on whether we should be in Iraq in the first place rather than an assessment of what is happening. I deny almost all the assertions that were contained in his question. There is a very clear direction of progress. It was never going to be progress that was not subject to changing circumstances and conditions on the ground. I am just thankful that our

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planning was such that we have the ability to be able to adjust when necessary, and that is what we are doing at the moment.

Mr. Edward Garnier (Harborough) (Con): The Secretary of State said that the British forces are providing "in extremis" support to Iraqi combat units. Does not that imply that our generals in the south are having to respond to decisions taken by other armies, and that we are therefore the victims of events rather than the leader of a strategic plan?

Des Browne: We are part of a coalition and, in southern Iraq, we are part of a coalition that is going through a process of transition. We cannot have a situation where we hand over control to Iraqi forces and keep control ourselves. That is not possible. We handed control to them through a process known as provincial Iraqi control and came back into overwatch, making decisions on when we would deploy to support them according to the circumstances in which they found themselves and their ability. We did so in the context of being part of a wider coalition, consulting our allies. That is exactly what we do. There is no problem with our continuing to proceed in that fashion, and it does not subject our troops to any of the risks that the hon. and learned Gentleman suggests.

Mr. Edward Leigh (Gainsborough) (Con): What did the Secretary of State's words mean, when he referred to marking time and sending in artillery only "in extremis"? Is not our position becoming untenable or, indeed, something of a farce? The militias know that we will never have the political will to send in ground troops—the only way to defeat militias is on the ground. What are we doing there? Should we not just stop marking time and make a decision to go in and retake the city or, even better, start our withdrawal because we are making no difference?

Des Browne: The hon. Gentleman asks what "in extremis" support is. It is support provided to Iraqi security forces in circumstances where they were in extremis and, to be candid, needed our support in order to extract themselves from that set of circumstances. We deployed our artillery against people who were mortaring them. We deployed other troops who made their presence near to the situation very visible, so that they could be seen by the enemy, allowing Iraqi security forces to be extracted. That is exactly what we did in those circumstances.

I referred to marking time to summarise the part of the statement in which I explained that we would review the circumstances in the light of recent developments and that I would then report back to the House. What I mean by that is that we do not intend to continue the reduction of our forces in the meantime, while we review circumstances and wait for the situation in Basra to develop further to see which way it settles.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Does not the statement we have heard demonstrate the folly of the policy on which we have embarked? Is it not a fact that the disestablishment of the Iraqi army at the time of Saddam Hussein's fall was the direct cause of the Iraqis' failure to gain control of the streets of Basra and elsewhere in Iraq? The Government were associated with that decision. Is it not also a fact that our inability to reduce our forces in line with our planning demonstrates that the difficulties associated with getting out are a very powerful reason for not having gone in in the first place?

Des Browne: I do not think that I would be able to assist our troops in the circumstances that they face in Basra in any way if I concentrated my time or resources, when making decisions, on assessing whether a decision that was made five years ago was right or not. I am much more interested in the decisions that we need to make now concerning the ambitions of the Iraqi people, their security forces and the troops there for whom I have responsibility.

Mr. Crispin Blunt (Reigate) (Con): Is the Secretary of State as dismayed and embarrassed as I am that a large number of the criminal forces against whom this operation has been directed consist of the police whom we were responsible for training? There is every possibility that we shall repeat this process in Afghanistan. When are we going to have an inquiry into the matter?

Des Browne: The early attempts to create a police force in Iraq had exactly the results that the hon. Gentleman describes, as criminal elements came out of the police forces and may, indeed, have deliberately gone into them in order to obtain training. Under the generalship of General Jalil, of whom the hon. Gentleman may be aware, we have dealt with that very problem during the past year or more: a significant number of police officers have been dismissed from the Iraqi police force, while others have been retrained to ensure that that situation does not occur again. We have learned significant lessons from those early days of police training, and we shall implement them in Afghanistan to ensure that we do not repeat the problem.

Mr. Bernard Jenkin (North Essex) (Con): May I remind the Secretary of State of what the Select Committee on Defence heard last time we were in Iraq? The military advice, to which he keeps referring, was that 5,000 was the minimum viable number for the base in Basra. Was it not therefore the height of folly to advertise a reduction in the number of troops in Basra in advance of withdrawal, even if that were the Government's intention? Does not that leave us more vulnerable than we would have been, having advertised weakness and invited the intervention of hostile forces?

Des Browne: With respect, the elements of the hon. Gentleman's question do not follow in the way that he suggests. The number of troops in the contingency operating base in Basra had no relevance to the behaviour of the militia in relation to the operation. The two matters are not related. I do not intend to swap military advice from the Dispatch Box with him. I know the military advice that I was given, and our decisions, plans and report to the House were entirely consistent with it.

Patrick Mercer (Newark) (Con): How much does the Secretary of State see the hand of Iran in the fighting of the past few days? What discussions has he held with the Iranian Government about it?

Des Browne: I have had no discussions with the Iranian Government in the past few days about that matter. I have no doubt that Iranian interference in Basra and in wider southern Iraq has had some influence on those whom the Iraqi security forces have been engaging in the past six days. I have no evidence of malign involvement by Iran, specifically in the past six days, but there is no question but that some of those people have been trained and equipped by Iran. I have made no bones about the strategic threat that Iran poses to that part of the region. Its involvement in southern Iraq is only part of its malign intentions for the region.

Offshore Oil and Gas Industries (Health and Safety)

4.26 pm

Mr. Frank Doran (Aberdeen, North) (Lab): I beg to move,

That leave be given to bring in a Bill to make further provision to secure the health, safety and welfare of persons at work in offshore oil and gas industries; and for connected purposes.

In July, we will mark the 20th anniversary of the Piper Alpha disaster, when 167 workers were killed in the world's worst offshore oil and gas accident. There is no doubt that, following the implementation of Lord Cullen's report, safety in the North sea has improved significantly, but recently there has been an increase in concerns. Much of the infrastructure offshore is old and requires high maintenance and investment to sustain it. There is concern that companies are cutting corners to save money or keep equipment operating.

In 2003, two workers were killed by a gas leak on the Brent Bravo platform. In the criminal and the fatal accident proceedings that followed, serious shortcomings in maintenance on the part of Shell, the operator, were highlighted. However, the problems are not limited to one company. Between 2004 and 2007, the Health and Safety Executive's offshore safety division carried out an asset integrity programme involving targeted inspections of nearly 100 platforms. The report, now known as the "Key Programme 3" report, had some worrying things to tell us about conditions in the North sea. It states:

"There is a poor understanding across the industry of the potential impact of degraded, non-safety critical plant and utility systems on safety critical elements in the event of a major accident. The role of asset integrity and concept of barriers is not well understood... In some companies the decline in integrity performance that started following the low oil price has not been effectively addressed and there appears to be an acceptance of this knowing that the asset is likely to be sold... Declining standards in hardware is having an adverse impact on morale in the workforce."

The offshore oil and gas industry is crucial to the economy of this country. It makes a massive contribution to the balance of payments and to Government tax revenue. It employs about 400,000 people—approximately 20,000 offshore—and accounts for 20 per cent. of the investment made in manufacturing industry in this country each year. It is also one of our most dangerous industries. It needs the highest standards of safety, but there are barriers to those high standards, which I can wrap up in one sentence. Oil companies are resistant to change, especially when it has an impact on their internal working arrangements and relationships. On most offshore facilities, only a small number of employees are employed by the operating oil companies. The majority are employed by contractors, which usually means one large offshore service company and a number of smaller contractors providing specialist services.

The senior person on a production platform is the offshore installation manager, who has all the powers of a ship's captain. One of the more unpleasant aspects of the offshore culture is the NRB or "not required back" system. Because of their unique status, OIMs can order anyone off the facility or insist that a person is "NRB-ed". The employer has no say in the matter. That means that unless an employer can find another job for the worker, onshore or on another platform, the

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employee will be dismissed. Employment tribunals have ruled that such dismissals are fair, because the contractor is obliged to accept the decision of the client.

That is a not a dark secret, hidden away by the oil industry employers. I am told by union officials that it is a standard part of offshore contracts that the contractor has to accept the situation. The industry body, Oil and Gas UK, publishes guidance for employers on NRB. That guidance is currently under review. Even at a time of serious skills shortages in the industry, the NRB culture remains. That culture leads to a sense of job insecurity offshore and, from there, to low morale among the work force.

In 2003, the Government introduced regulations to implement the working time directive offshore. For the past four and a half years, the oil industry has fought against implementation. The unions have won the legal argument twice, in the employment tribunal and at the employment appeal tribunal. After the expenditure of several hundred thousand pounds on legal fees by both sides, the major companies are finally accepting what was obvious to anyone who seriously studied the regulations in 2003—that those workers who do not receive the holiday entitlement set out in the regulations are entitled to extra holidays. The industry had serious issues on which it needed answers, but none that could not have been negotiated with the unions in the normal way.

In the meantime, a work force who had to suffer a long history of having a two-class employment system—first class for those who worked for an oil company, and second class for those who worked for a contractor—developed a real sense of grievance. They felt that they were being denied the holiday time to which they were entitled and which was already enjoyed by their first-class co-workers in the oil industry. The industry approach seemed a particularly insensitive and ham-fisted way of dealing with a human problem and one that took no account of the effect on the morale of the work force.

Then, there is the permit to work system. At the root of virtually every significant accident in the North sea oil and gas industry, including Piper Alpha, is a failure in the permit to work system. Every company insists on keeping its own individual system; yet the pattern of work offshore nowadays means that many workers, particularly those with special skills, work on a number of installations. In each different workplace, they have to deal with a different permit to work system.

It has been recognised for many years that safety would be improved if there were a common system that everyone could become familiar with. Experience suggests that there could also be economic savings in adopting such a system. The unions want it, the Health and Safety Executive wants it and many of the contracting companies want it. The Norwegians have it, as do, just recently, the Dutch. What we have is endless technical committees and companies trying to cling on to their special system. Again, that has a negative impact on the morale of the work force.

There is huge investment in safety in our oil and gas industry, but it is all meaningless unless the human aspects are addressed. I have raised three critical areas—maintenance, employment practices and working systems—where I believe the industry acts and has acted to protect narrow interests. It has ignored the wider impact of its decisions, particularly on the morale of its work force and therefore on the safety regime offshore.

In response to the issues that I have raised, my Bill would improve the safety system in the offshore oil and gas industry by doing two things. First, there are many areas of offshore work that require greater external scrutiny: consideration and perhaps intervention. The permit to work system is just one area where the industry collectively and individually has failed to take a wider view and recognise that the interests of safety override individual company preferences. My Bill would strengthen the powers of the HSE to make regulations in areas where there is evidence that common systems are necessary to improve safety.

Secondly, my Bill would bring the regulations dealing with safety committees and safety representatives in the offshore oil and gas industry into line with the regulations in onshore workplaces. The key difference between the two systems is that the onshore regulations have a statutory trade union involvement. The unions can appoint safety reps; they will support them and provide them with professional advice and support wherever necessary. They allow the safety reps to be much more independent of management, which strengthens the safety systems, gives workers confidence and encourages greater involvement and commitment to safety.

Those two measures, by giving the Health and Safety Executive the power to intervene to create common systems where appropriate and to bring a more independent element to the safety committee and representative systems, would, I believe, go a long way to improving the overall safety system in the North sea oil and gas industry. I commend the Bill to the House.

Question put and agreed to.

Bill ordered to be brought in by Mr. Frank Doran, Miss Anne Begg, Mr. Anthony Wright, Mr. Kevan Jones, Mr. Alistair Carmichael, Sir Robert Smith, Ms Dari Taylor, Andrew Miller, Mark Lazarowicz, Mr. Russell Brown and Jim Sheridan.

Offshore oil and Gas Industries (Health and Safety)

Mr. Frank Doran accordingly presented a Bill to make further provision to secure the health, safety and welfare of persons at work in offshore oil and gas industries; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 9 May, and to be printed [Bill 93].

Orders of the Day

Counter-Terrorism Bill

[Relevant documents: The Third Report from the Justice Committee on the Counter-Terrorism Bill, HC 405.

The First Report from the Home Affairs Committee on the Government's Counter-Terrorism Proposals, HC 43, and minutes of evidence taken on 11th December 2007 and 19th February 2008, on the Counter-Terrorism Bill, HC 180-i and -ii.

The Second Report from the Joint Committee on Human Rights on Counter-Terrorism Policy and Human Rights: 42 days, HC 156, the Ninth Report from the Committee on Counter-Terrorism Policy, and Human Rights: Counter-Terrorism Bill, HC 199 and the Government Response, Cm. 7344, and the Tenth Report from the Committee on Counter-Terrorism Policy and Human Rights: Annual Renewal of Control Orders Legislation 2008, HC 356.]

Order for Second Reading read.

3.45 pm

The Secretary of State for the Home Department (Jacqui Smith): I beg to move, That the Bill be now read a Second time.

The primary duty of any Government is to secure the safety of all their citizens. The threat we face from terrorism today is very different in scale and nature from any that we have faced in the past. It is more ruthless, very often aiming to cause mass civilian casualties, without warning, using suicide attacks and even chemical, biological or radiological weapons. It is international, drawing upon loosely affiliated networks across the globe that share not only an ideology, but also personnel, training and funds. It is more complex, exploiting new technology to plan and to perpetrate attacks; and it is on an unprecedented scale, with more than 200 groupings or networks and about 2,000 individuals being monitored by the police and the Security Service in the UK alone. That figure is the highest it has been, and represents a new and sustained level of activity by those who wish to kill and maim and to undermine the values that we all share in this country.

The threat we face is serious and urgent. As my right hon. Friend the Prime Minister set out in his statement on the national security strategy, the new threats we face demand new responses from us.

Mr. Simon Burns (West Chelmsford) (Con): The Home Secretary said in her opening comments that the threat to this country is unprecedented, rising and growing. Yet a mere two weeks ago, Lord West told the "Today" programme that Britain is a safer place today than it was a year ago. Is he right or wrong about that?

Jacqui Smith: In response to that intervention, I am about to come on to our response to the serious threat that we face. It is because of that response that my noble Friend Lord West was able to make those comments.

Bob Spink (Castle Point) (Con): My constituency in Essex supplies about 6,000 workers to the City of London and other parts of the city. Is the right hon. Lady aware that they will be extremely grateful to her for anything she can do to make their working lives in London safer?

Jacqui Smith: That is, of course, my responsibility as Home Secretary, and our responsibility as a Government—and I believe it is our broader responsibility as parliamentarians as well.

We have made far-reaching changes to our strategy to deal with terrorism, and created the Office for Security and Counter-Terrorism within Government to co-ordinate our response. We have significantly increased the resources available to deal with terrorism. We have redoubled our efforts to prevent violent extremism from taking hold, because our long-term challenge is to stop people becoming, or supporting, terrorists in the first place. With new funding to support communities and organisations tackling those who promote violent extremism, we will take on the ideologues and disrupt their efforts to radicalise individuals at risk in our society.

Mrs. Claire Curtis-Thomas (Crosby) (Lab): My right hon. Friend made a brief reference to increases in the numbers of facilities and individuals in counter-terrorism. What are we doing to ensure that information is shared effectively between the various agencies that now have responsibility in this area?

Jacqui Smith: My hon. Friend makes an important point, and in fact elements of the Bill will help to facilitate the sharing of information. We in this country can be proud that we have agencies and a police force who are able to work very closely together in sharing such information, and who are also willing to work with our international partners.

In the long term, we must find ways to prevent people from turning to terrorism in the first place, but in the short term we must pursue vigorously those who commit terrorist crimes and bring them to justice. Since the beginning of 2007 alone, 58 individuals have been convicted in terrorist cases, half of whom pleaded guilty to their charges. Police, prosecutors and others involved deserve our thanks for their efforts, but they deserve more than that. Just as the threat from terrorism evolves, so our laws must adapt to remain effective. We must ensure that those whom we ask to deter, to investigate and to prosecute these most serious crimes have the tools that they need to do the job.

Mr. David Burrowes (Enfield, Southgate) (Con): Given that prosecutors can use the lower threshold test of reasonable suspicion to charge a terrorist, why is it necessary for them to be able to charge now and then furnish evidence later? Why is it necessary to extend pre-charge detention when they can charge and then question post charge?

Jacqui Smith: The threshold test is undoubtedly important, and it has been used in terrorist cases. It was, of course, available at the point at which this House previously decided there were arguments for extending the period of pre-charge—*[Interruption.]* Well, it was available at that point, but the House still made the decision that it was necessary then to extend the period of pre-charge detention. The threshold test

[Jacqui Smith]

nevertheless requires the expectation that sufficient admissible evidence will become available within a reasonable period of time in order to reach the full code test for charging, and there may well be circumstances—although I hope fewer than would have been the case previously—when that might not be the case. Notwithstanding the important contribution that the threshold test can make, there might still be such scenarios, and I would certainly be willing to write to the hon. Gentleman on what they might be, and to copy that letter to others.

Mr. Jim Cunningham (Coventry, South) (Lab): Will my right hon. Friend say something to allay the fears of the Muslim community that it might be targeted under this proposed legislation?

Jacqui Smith: My hon. Friend makes an important point. In my opinion, the most dangerous threat to any of our communities, and particularly to our Muslim communities, comes from those who would perpetrate or support terrorism in the name of Islam and by doing so pervert what is an important and honourable faith and religion in this country. By protecting our communities against that threat by bringing to justice those who would choose to do that, we protect our Muslim communities in the most effective way possible.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): The Home Secretary rightly said that we owe the police and prosecutors gratitude for bringing these people to book. Has she taken any notice of the advice of the Director of Public Prosecutions? He does not believe that the extension to 42 days is required.

Jacqui Smith: The DPP has taken the same position that those who saw me in front of the Select Committee on Home Affairs heard me take. I, too, accepted that there has not been, up to this point, a requirement to hold somebody for longer than 28 days. The argument is about whether or not we can all be confident that that would not occur in the future.

Several hon. Members *rose*

Jacqui Smith: I have taken a flurry of interventions, so I shall make a little more progress and then take some more, particularly when I come to the issue of pre-charge detention.

Over the past two years we have comprehensively reviewed our existing legislation, identifying areas where we could do more to deal with the current and emerging threat. In particular we want to ensure, first, that full use can be made of all information when investigating and prosecuting terrorist crimes, and secondly that we have effective measures in place to deal with terrorist suspects after they have been charged and convicted.

On the first of those, the Bill contains measures to provide the proper statutory framework to retain and use DNA and other forensic material related to terrorism; to provide statutory gateways for the sharing of information with the security and intelligence agencies; and to make sure that all information can be used to defend challenges against asset-freezing decisions. The Bill will allow post-charge questioning of terrorist suspects, which many have called for. Taken together with the other measures in the Bill, that will help the police and prosecutors to ensure more successful terrorism prosecutions.

Post conviction, the Bill will ensure that those found guilty of terrorist-related offences receive a sentence that reflects the seriousness of their crimes. There will be a new requirement on convicted terrorists to provide the police with key personal information when they are released from custody, strengthening the arrangements for monitoring terrorist offenders in the community.

From the outset, my approach to this Bill has been to emphasise the importance of consultation and consensus-building. We have consulted widely, and at length, with hon. Members, the public, the police, civil liberties organisations, community groups and the judiciary. Our proposals have been scrutinised by relevant Committees here in Parliament, and by Lord Carlile, the independent reviewer of terrorism legislation. I believe that many measures in this Bill have already achieved broad support.

Rob Marris (Wolverhampton, South-West) (Lab): May I caution my right hon. Friend on consensus-building? It is important and I salute the efforts that she and her ministerial colleagues have made, but may I caution her that some in this House, including myself, who voted in favour of 90 days last time are a little concerned that the pendulum is going too far the other way on trying to build consensus? I caution her in that regard, because there is a balance to be struck, and my side of the pendulum does not get as much airtime.

Jacqui Smith: I hope that my hon. Friend's side of the pendulum gets a bit more airtime. He rightly says that we have worked very hard, as I have outlined, to build a consensus around measures in the Bill, and I believe that we have succeeded in doing that in the vast majority of those areas. He is right, because in the end it is the Government's responsibility, and mine as Home Secretary, to take advice—*[Interruption.]* It is also Parliament's responsibility. We must take seriously the threat from terrorism and respond to the calls of those whom we task with protecting us from it to provide them with the tools that they need.

Mr. Chris Mullin (Sunderland, South) (Lab): My right hon. Friend has made her case very well in the past few weeks, but is she not faced with the insurmountable obstacle that the DPP does not want the powers that she is determined to thrust upon him?

Jacqui Smith: I do not believe that the DPP said at any point that he does not want the powers. He is, of course, a public servant, as are the senior police officers who have also made representations to us on the way in which they think we need to furnish them with the tools to tackle terrorism. It is therefore of some reassurance to people that the DPP has a significant role in our proposals for determining whether, as regards pre-charge detention, an application is necessary in an individual case or whether the powers that we propose should be brought into operation. I would suggest that that should

at least act as a reassurance to people that we regard the provision as wholly exceptional and that we have placed significant safeguards around it.

Mr. Edward Garnier (Harborough) (Con): The Home Secretary says that the DPP is a public servant, but to some extent we are all public servants. We need to take advice and listen carefully to those who know the coal face of counter-terrorism. Did the Home Secretary hear the remarks of Lord Dear on the radio this morning? He said that the 42-day pre-charge extension would be counter-productive and would fuel extremism rather than, as we all hope, being calculated to reduce the chances of terrorism exploding. Will the Home Secretary not listen to Lord Dear?

Jacqui Smith: I am tempted to quote the words of a famous politician, who said that advisers advise, but Ministers—and, dare I say it, parliamentarians—decide. I hope that parliamentarians will decide on the basis of the wide range of advice, some of which I shall come to, that directly contradicts some of the other advice to which the hon. and learned Gentleman referred.

Several hon. Members *rose*—

Jacqui Smith: I shall make a little progress on the issue of pre-charge detention before I give way again.

I want to turn now to the issue of the period of time that the police have available to investigate and question a suspect before charge—the period of pre-charge detention. That issue has divided the House before, and today has seen that yet again. It is the issue in the Bill that has been the subject of the greatest debate. Indeed, some have questioned why the Government are returning to this thorny issue once again. Quite simply, the response of the law cannot remain frozen when the scale and the nature of the threat are growing.

Several hon. Members *rose*—

Jacqui Smith: I give way to my hon. Friend the Member for Walsall, North (Mr. Winnick).

Mr. David Winnick (Walsall, North) (Lab): I am grateful to my right hon. Friend, who is being very generous. Is it not the case that if the 90-day limit had been accepted in November 2005, she would not have come here today to ask for a shorter period of time? She has chosen—or the Government have chosen—42 days with a trigger mechanism because that is the number of days that they believe they can get through the House of Commons; but there is no evidence whatsoever to support such an extension.

Jacqui Smith: We listened to what Parliament said last time and to the results of the consultation and we have come back this time with a wholly different model, for which I am about to argue.

Mr. Michael Howard (Folkestone and Hythe) (Con): On 6 November last, when the Home Secretary was asked by how long the 28-day period should be extended, she said, "I don't know." When did she change her mind?

Jacqui Smith: As I shall say when I make my argument, in my view the maximum time period is not the most important issue. The most important issue is whether people feel that in all circumstances in the future there would never be a time when 28 days would be insufficient. If people believe that, the argument arises how and through what process it would be possible to extend beyond that.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): Like other hon. Members, I have participated in the police liaison scheme, and 18 months ago I had the opportunity to see the sheer scale and complexity of investigations undertaken by the West Midlands police that involved mobile phones and computers. Will the Home Secretary undertake, during the course of her speech, to demonstrate clearly just how necessary it is to have this extension so that such investigations can be undertaken thoroughly?

Jacqui Smith: My hon. Friend makes a very important point. The complexity of the investigations that he identifies is part of the argument that I shall make. In particular, senior police officers are clear that the combination of the changing nature of investigations to pre-empt and prevent potential terrorist actions and the scope and complexity of modern-day terrorist plots has the potential to impact on their ability to bring charges against terrorist suspects in the time currently available.

Chris Huhne (Eastleigh) (LD): I am grateful to the Home Secretary for finally giving way. She said that she was of the same view as the Director of Public Prosecutions. Is she aware of the record of the evidence of the Select Committee on Home Affairs? The right hon. Member for Leicester, East (Keith Vaz), the Chairman of the Committee, who is in his place, questioned Sir Ken Macdonald personally. The right hon. Gentleman said:

"But on the last occasion you were quite open about it, you did support it, you said you needed it, but on this occasion you think that the 28 days is sufficient?"

Sir Ken Macdonald said—it is absolutely clear from the record:

"We are satisfied with the position as it stands at the moment."

He is satisfied with the position, but the Home Secretary, bringing forward a new Bill, is clearly not. How can she say that she has the same position as him?

Jacqui Smith: The argument that I shall make is about the trend of the complexity of investigations and the fact that we, as parliamentarians, need to be in a position to respond to what happens in future. I shall make a bit of progress and make that argument.

Mr. Frank Field (Birkenhead) (Lab): Is not a division clearly appearing in the House, between those who believe that we should remain passive and see what the terrorists inflict on us, and then react accordingly, and those who believe that at some stage we may need these extra powers, and that we should have them ready for the police to use before atrocities are inflicted on us? Those of us who quite rightly worry about the police abusing powers can look at their use of the existing powers. Is it not right that only a very small minority

[Mr. Frank Field]

have been kept in detention for the maximum period? Most people have left. There is no evidence that if we extend the period, the police will automatically want to keep people for 42, 90 or 180 days, or whatever maximum we lay down.

Jacqui Smith: My right hon. Friend is completely right. The police, like prosecutors, want to bring people to charge and to court as quickly as possible if they believe that there is a case to answer. The idea that it would somehow serve the police to maintain people in detention, when they were able to bring a charge, is fallacious. Also, it is a condition of the close work between the police and the Crown Prosecution Service during these investigations that a charge must be brought as soon as possible.

My right hon. Friend also makes the important point that we have a decision to take in the House about whether to ignore the potential risk or act now. Later in my speech I shall explain how we do that.

Hugh Bayley (City of York) (Lab): Will my right hon. Friend give way?

Mr. Paul Goodman (Wycombe) (Con): Will the Home Secretary give way?

Patrick Mercer (Newark) (Con): Will the Home Secretary give way?

Jacqui Smith: I want to make a little progress.

In much police work, investigation necessarily follows the crime. The presence of a victim is the start point. Forensic material from a crime scene and the ability to gather evidence facilitate an investigation, and very often help to identify a suspect. Upon arrest, only a few days may be needed to question the suspect before a decision is taken on whether to charge them with an offence. Terrorism is different. Because of the severe consequences of an attack, the police and the Security Service often need to intervene before a planned crime takes place. Critically, they may need to intervene at a very early stage in an investigation, before they have had the opportunity to gather admissible evidence, and perhaps with very incomplete intelligence about who is involved.

Mr. Paul Goodman: I am very grateful to the Home Secretary for giving way. She will know that a major trial in connection with Operation Overt and the alleged aeroplane plot is to begin this week. Two people—one is a constituent of mine, and the other may be—were apparently charged on the 28th day, although it has been claimed that the police had sufficient evidence to charge them on the 21st day or before. Can the right hon. Lady definitively rule out the possibility of that occurrence?

Jacqui Smith: It is obviously difficult to talk about individual trials, especially ones that are due to start tomorrow, but the allegation to which the hon. Gentleman refers has been made on numerous occasions. I have sought assurances from the police that no such action has taken place, and they have frequently told me that none has. I have communicated that to some of the people who have made that allegation, but nevertheless it continues to be made—I know not for what purpose. However, I can reassure the hon. Gentleman that the occurrence to which he refers did not take place.

Mr. David Blunkett (Sheffield, Brightside) (Lab): I am very grateful for my right hon. Friend's generosity in giving way, and for the way in which she has presented her case, both now and over the past few weeks. Will she confirm that, in the incident that has just been drawn to the House's attention, and in the very few cases—six, I think—that have reached 28 days, there is an important question concerning what people are charged with? While further investigation and questioning are very welcome after a charge has been brought, they cannot rectify a perennial problem with the CPS. That is that a lower charge is often made

Madam Deputy Speaker (Sylvia Heal): Order. The matter of the charges is clearly a decision for the CPS.

Jacqui Smith: My right hon. Friend makes the very important point that, in our system, we should want and expect the most appropriate charge to be brought.

The gravity of the intended crime demands that our police and security forces act as soon as they can. Few would disagree with the need to pre-empt such attacks, but counter-terrorist investigations are challenging not only for the need to act swiftly and without detailed pre-emptive intelligence. There is a second challenge, and it has to do with the amount, and often the geographical location, of material that the police then seize and through which they may well need to search for evidence to make a charge.

Locating that material from countries overseas—such as Iraq, Pakistan and Afghanistan—and then combing through it can pose particular challenges.

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): Will my right hon. Friend give way?

Patrick Mercer: Will the Home Secretary give way?

Mr. John Baron (Billericay) (Con): Will the Home Secretary give way on that point?

Jacqui Smith: To understand the growth of that challenge, and how the nature and scale of terrorism have changed, I intend to make a simple comparison. However, the hon. Member for Billericay (Mr. Baron) wants to intervene on the specific point of challenging investigations, and I am sure that he will.

Mr. Baron: The Home Secretary will be aware that, although seven different countries and a total of 300 suspects were involved in the investigation into the Madrid bombings, the 29 suspects who were charged were charged within five days. In many democracies other than ours, the pre-charge period is less than eight days. Will she explain what makes it so difficult for police in this country to investigate cases, compared with forces in Spain and other countries?

Jacqui Smith: The example to which the hon. Gentleman refers involves charges made after the event, but he repeats a claim made by many people in the course of this argument—that, compared with other comparable democracies, this country takes a disproportionate approach to these matters. I ask hon. Members to consider what happens in France, where the investigative magistrates system means that people are often held for up to four years while terrorist cases are investigated. *[Interruption.]* The point is that it is actually quite difficult to make comparisons between the regime in the UK and that in other countries: only the other day, the Metropolitan Police Commissioner described it as like comparing apples and goats. There is a significant difference. People who make the case as some have done in putting forward their argument that we should look to regimes such as Russia or even Zimbabwe as examples of the way in which we should carry out *[Interruption.]* People have made the argument in terms of such international comparisons, so I have to ask Members whether they think that all things considered we have a fairer and better regime in the UK than in some other countries. Notwithstanding the difficulty of making comparisons, I think they will accept that we do.

Mr. Dominic Grieve (Beaconsfield) (Con): I accept that comparing common-law jurisdictions with non-common-law jurisdictions is not easy, but does the Home Secretary accept that in common-law jurisdictions, with which we certainly have equivalence, there will be, and is, no country that has 28 days' pre-charge detention, and that we have the longest period?

David Howarth (Cambridge) (LD): Zimbabwe.

Mr. Grieve: I am referring principally to respectable countries.

Will the Home Secretary also accept that whatever else she may say about the French system, it is a post-charge form of detention? Secondly, I rather hoped that she might acknowledge in the House that our common-law system has greater safeguards for the individual, and that she would wish to maintain them rather than move to a continental model.

Jacqui Smith: First, I do not accept that the charge period in France is equivalent to that in the UK. Secondly, the hon. and learned Gentleman is slightly closer to a fair comparison when he talks about common-law countries, but we should remember that in the UK nobody is held beyond 48 hours unless it is with the express permission of a judge. Sometimes, some of the discussion suggests that in some way or another the period of detention is unregulated and not judicially supervised. It is not. I return to my former argument.

Some of the people who make the argument about international comparisons need to answer this question: "Where would you, as a terrorist suspect, feel most confident about receiving justice?" I do not believe it would be in some of the countries that are being used as comparisons to the UK.

Keith Vaz (Leicester, East) (Lab): Although the Select Committee found that there was no evidence for going beyond 28 days, we said that there was a case, building on the Civil Contingencies Act 2004, for looking at emergency situations. My right hon. Friend's definition of an emergency situation in the Bill is quite different from our suggestion. Will she be prepared to look again at the definition during the passage of the Bill to see whether it can be changed?

Jacqui Smith: I am coming to the point that my right hon. Friend makes. Part of the reason for introducing the legislation as we did—for the process that we have gone through, and for the pleasure that I had of appearing before his Select Committee three times—was to ensure that we gave the most effective consideration to all the issues, including the one that he has raised. I can give him an undertaking that it is the sort of issue we need to examine carefully as the Bill progresses through Parliament.

To understand the growth of the challenge, and how the nature and scale of terrorism has changed, I offer a simple comparison. In 2001 the police investigated the last major IRA case, in which they had to analyse the content of one computer and a handful of floppy discs. The suspects used their own names, and their activities were confined to the Republic of Ireland and the UK.

In 2004 the police and the security services had to investigate Dhiren Barot, the key conspirator in an al-Qaeda operation in the UK. The case led to the seizure of 270 computers, 2,000 computer discs and a total of 8,224 exhibits.

Lynne Featherstone (Hornsey and Wood Green) (LD): Will the Home Secretary give way?

Patrick Mercer: Will the Home Secretary give way?

Jacqui Smith: No, not for a moment.

There were seven co-conspirators, and during the investigation police carried out inquiries in the USA, Pakistan, Malaysia, the Philippines, Indonesia, France, Spain and Sweden. In another very recent case, 30 addresses were searched within two hours of the start of the arrest phase of the operation; 400 computers and 8,000 computer discs were seized, and there were over 25,000 exhibits. That operation, too, involved significant international connections.

The trends are very clear. Terrorists, living and working in our society, have learned how to use technology to cover their tracks. They travel and network, sharing experiences and learning from mistakes.

Mr. George Howarth: I am grateful to my right hon. Friend, who is being generous in giving way. A good comparison is that of wearing a hard hat on a building society—*[Interruption.]* Not Northern Rock. On a building site, someone may hope that a brick will never fall on their head, but it is as well to be prepared for the possibility that that might happen.

Jacqui Smith: My right hon. Friend makes a point about what I would call a precautionary approach much more colourfully, and very effectively.

Margaret Moran (Luton, South) (Lab): With reference to the complexity of the technology, does my right hon. Friend not agree that we are dealing with ever more

[Margaret Moran]

complex encryption systems, which are more widely available and infinitely more complex than even two or three years ago, and will continue to become more complex in the future, and that we therefore need to plan to enable our forensic investigators to unencrypt very deeply encrypted material if we are to prevent further terrorist attacks?

Jacqui Smith: My hon. Friend has considerable expertise in information technology, and she is right of course—not just in the examples that I have given but in other ways—to say that technology is becoming more sophisticated. Notwithstanding the changes that we have made to the law to help investigators to crack encrypted information, it is becoming more complex, and terrorists are learning lessons and using that technology.

David Davis (Haltemprice and Howden) (Con): To deal with this problem, in 2000 a criminal offence of withholding passwords and encryption keys to hard drives was passed into law. The offence of using such things for terrorism has been increased recently. How often has that offence been used in terrorist cases?

Jacqui Smith: I do not know the answer to that question, but I will make sure that the right hon. Gentleman gets a response. However, what I was saying was that notwithstanding that change in the law, my hon. Friend the Member for Luton South (Margaret Moran) was making an important point about the development of technology. What we know about terrorists and their plots is that they are increasingly making use of those developments in technology.

David Davis: I thank the right hon. Lady for giving way a second time. Her argument is that the terrorists are using more and more complex techniques, which are difficult for the state to deal with, yet she cannot tell us whether the state has used the proper legal apparatus and criminal charges to overcome the problem. If she cannot make that judgment, how on earth can she judge how many days she needs?

Jacqui Smith: I am sorry that I gave way to the right hon. Gentleman again.

Terrorist plots in this country now almost invariably involve multiple connections to many countries overseas for the movement of money and people, for command and control, for the sharing of advice and instructions, and for training. The ferocity and the complexity of today's terrorist threat therefore means that there is a corresponding need for our law enforcement agencies to intervene early, and then to find and process what can be very large quantities of seized material.

Those factors, and the constant evolution of the threat, are the basis for the view that it may be necessary in future, in exceptional circumstances, for terrorist suspects to be held for more than the current limit of 28 days before charge. That view is shared by Lord Carlile, the independent reviewer of terrorism legislation. The view has the cross-party support of members of the Select Committee on Home Affairs, and it is a view shared by senior police officers. As Robert Quick, assistant commissioner specialist operations and the chair of the Association of Chief Police Officers terrorism and allied matters committee, set out in a letter to me of 28 March,

"a pragmatic inference can confidently be drawn from statistical and empirical evidence arising from recent investigations that circumstances could arise in the future which render existing pre-charge detention limits inadequate to ensure a full and expeditious investigation of detained persons."

I will ensure that a copy of that letter, which gives the clear and unequivocal advice of senior police officers, is available for Members in the House of Commons Library.

Mr. Grieve: The problem with the Home Secretary's utterances is that we have heard all this before. A member of the ACPO TAM committee has said one thing, but the Home Secretary glosses over the fact that other members of that committee disagree. Would she like to tell the House the names of the members of that committee, and which of them support this measure and which do not?

Jacqui Smith: The hon. and learned Gentleman asserts that members of ACPO are opposed to this. On that basis, he really needs to name them. *[Interruption.]*

Madam Deputy Speaker: Order.

Jacqui Smith: I find the distain with which the hon. and learned Member for Beaconsfield (Mr. Grieve) treats this country's most senior counter-terrorism policeman and his opinion somewhat disappointing. He might like to refer to the statement made yesterday by Ken Jones, the president of ACPO, in which he made clear his view and that of ACPO that the proposals in the Bill are necessary, proportionate and pragmatic. He was speaking on behalf of chief police officers. If the hon. and learned Gentleman would like to quote people who are against that view, he should stand up and give us their names.

A future risk has been identified, and there is consensus about the nature of that risk. The challenge for us, as law-makers, is how to take the necessary precautions to respond to it. There are three options open to the House. First, as was suggested, we could hope that the risk does not materialise—or think that if it did, we could rush through emergency legislation.

Secondly, some have argued that we could use the existing provisions of the Civil Contingencies Act 2004 if we needed to extend pre-charge detention. I agree with the Home Affairs Committee, the Joint Committee on Human Rights and Lord Carlile that that Act is not appropriate for these purposes. It is probably not even legally capable of fulfilling them, and it is certain that the use of that Act would be a draconian response compared with the proposals in the Bill. However, we have listened carefully to those who have raised that possibility.

Patrick Mercer: The Home Secretary is seeing how difficult it is to build consensus. Will she confirm that when giving evidence to the Home Affairs Committee, of which I am a member, the shadow Home Secretary did not accept an extension beyond 28 days at all?

Jacqui Smith: I have had numerous amicable conversations with the shadow Home Secretary. His proposal of using the Civil Contingencies Act as a response to the risk implies that he, quite responsibly, recognises that there is a risk to which we must determine a response. I argue that that Act is neither legally capable of providing that response, nor appropriate in such circumstances. Our proposals are more appropriate.

David Davis: I am very happy to speak for myself on this. Let me be crystal clear: there is not one shred of evidence for an extension beyond 28 days—full stop. When we deal with Ministers who conjure up nightmare scenarios—whether or not we agree with them, or believe that they are probable—we try to give them answers. As I shall explain in my speech, the answer to the nightmare scenario is the Civil Contingencies Act. I do not think that it will ever be needed, but that is the answer. There is no reason whatever to go beyond 28 days.

Jacqui Smith: The right hon. Gentleman has accepted in his proposition that even if we are talking about a nightmare scenario, as he describes it, it is nevertheless a scenario that exists, and he has proposed a way of dealing with it.

Throughout the process, I have tried to take a constructive approach. That is why we have listened, and have looked closely at the principles of the Civil Contingencies Act, as we were asked to do by the Home Affairs Committee. We have translated key elements of the Act into our proposals. They include provisions to limit any extension to pre-charge detention to exceptional circumstances, and provisions strictly limiting the time for which it is available. Following the consultation, we are not now proposing a permanent, automatic or immediate extension of pre-charge detention beyond the current maximum limit of 28 days. We have moved a considerable way from that option.

Keith Vaz: I am grateful to the Home Secretary for giving way to me a second time. She is absolutely right: we did consider the Civil Contingencies Act, but we dismissed it because we felt that legal difficulties would prevent it from doing what needed to be done in an emergency situation. That brings me back to my earlier intervention. Will she look at the definition of an emergency? We considered a situation in which there were multiple plots at a given time, which overwhelmed the police. We felt that that would be when an emergency would arise.

Jacqui Smith: I am sorry; perhaps I did not make myself clear enough to my right hon. Friend previously. The answer to his question is yes.

We will build on the principles of the Civil Contingencies Act, but we will come forward with our own proposals. First, we propose a reserve power, not to be used lightly, which would mean that a higher limit could become available only if there was a clear and exceptional operational need, and its use was supported by the police and the Crown Prosecution Service and approved by the Home Secretary. Secondly, even if brought into force, the higher limit could remain available only for a strictly limited period—up to 60 days—with no possibility of renewal. Thirdly, as in the Civil Contingencies Act, the bringing into force of the availability of the extended period would be subject to parliamentary approval by both Houses. Under our proposals, that would need to happen within 30 days. Fourthly, whether any individual is held under that power will be a decision for a senior judge, who can approve periods of detention of up to seven days. Individual decisions about any extension to a person's period of detention will rightly remain a matter for a judge.

Martin Salter (Reading, West) (Lab): On that point, critics of the Government have argued that Parliament is incapable of having a meaningful debate on the reserve powers mentioned in the Home Secretary's proposals, but has not the House for many years had meaningful debate on the extension of the prevention of terrorism Act powers? Does the Home Secretary not accept that her proposals would be substantially improved if the House, instead of having to wait 30 days, had the opportunity to vote on the reserve powers within a far shorter time—say, within 10 or even seven days? We could then have a meaningful impact on the process that she is setting out.

Jacqui Smith: First, I agree with my hon. Friend that I am not as dismissive of the House's ability to play a role in holding a Home Secretary to account as others appear to have been) in their opposition to the legislation. Secondly, of course the proposition of using the Civil Contingencies Act would involve a parliamentary decision on whether to bring the relevant order into operation. Thirdly, the issue that my hon. Friend raises is precisely the sort of issue on which I have no doubt that there will be discussion in Committee, where, I give him my assurance, we will continue with the consensus-building approach that we have taken up to now. Under our proposals—

Several hon. Members *rose*—

Madam Deputy Speaker: Order. It is obvious that at this moment the Home Secretary is not prepared to give way. I remind hon. Members who seek to intervene that there are further speeches from Front-Bench spokesmen and a time limit on Back-Bench contributions, so interventions should be brief.

Jacqui Smith: Under our proposals, in normal circumstances, no one will be able to be held as a terrorist suspect for more than 28 days—as now. Even in the exceptional circumstances that may trigger the new power becoming available—which we expect to be rare—no one could be held for more than 42 days at most. Other than in those exceptional circumstances, the pre-charge detention limit will remain exactly as it is now. Indeed, that limit will continue to be subject to annual renewal by Parliament. If not renewed, the limit would revert to 14 days.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): Will the Home Secretary give way?

Jacqui Smith: I will give way again, but I hope that no one will criticise me later for taking a long time.

Mr. Vara: The right hon. Lady has been very generous in giving way. The parliamentary scrutiny to which she refers is a sham, and it would be helpful if she would concede that point. If she wants to, she can get an extension to 42 days without any consideration by Parliament.

Jacqui Smith: I have previously expressed my surprise at the extent to which parliamentarians are willing to call their own activities a sham. The hon. Gentleman may shake his head, but the proposition put forward by the right hon. Member for Haltemprice and Howden (David Davis) to the use the Civil Contingencies Act itself requires parliamentary approval. I presume that he is not suggesting that his right hon. Friend is proposing a sham.

Mr. Grieve *rose*

Jacqui Smith: No. I am not giving way to the hon. and learned Gentleman again.

In bringing forward these proposals, I seek to give hon. Members the fullest possible opportunity for debate and scrutiny. The Bill is an important one that has already generated considerable interest both in Parliament and outside, and there are clearly issues of genuine concern to Members on both sides of the House. But from the outset we have tried to take a different approach to this legislation—to be open and consultative and to try to forge consensus where possible. I hope that that approach will carry over into the debate this afternoon—that it will be a positive and constructive one that demonstrates the seriousness and diligence with which the House deals with terrorism.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): Will the Home Secretary give way?

Jacqui Smith: For his effort, I will give way to the hon. Gentleman.

Mr. Carmichael: I am grateful to the right hon. Lady for giving way. All those whom she has prayed in aid in support of her Bill today are those whose jurisdiction extends only to England and Wales. Has she consulted the police in Scotland? Has she consulted Scotland's senior Law Officer and the head of the prosecution service, the Lord Advocate, and does she have the support of the Lord Advocate—an independent, non-political Law Officer—for the measures that she has brought before the House today?

Jacqui Smith: During the course of the Bill's development, there has been considerable discussion with representatives of the Scottish Executive, and that will continue during its consideration.

The measures in the Bill are precautionary, proportionate and necessary if we are to have in place protections to deal with the exceptional circumstances that none of us wants to see happen, but which all of us have a duty to prepare for, in case they do. I do not anticipate that even in these circumstances we shall often need to invoke the reserve power. Indeed, it is my sincere hope that we will never need to use these powers. But in view of the nature and scale of the terrorist threat that I have set out today, I would rather have the necessary powers on the statute book, there for use if we need them, than face the prospect of terrorist suspects walking free because the police have not been given the time that they need to gather evidence and charge them with an offence.

International terrorism presents one of the greatest threats to the UK. In this country we will always respond to terrorism through the rule of law and the criminal justice system. We task our police, our prosecutors and our courts with bringing to justice those who threaten British lives and our way of life through terrorism. They deserve our support as parliamentarians in providing the tools that they need to pursue, to investigate and to prosecute, and they need us to adapt those tools as circumstances change. I commend the Bill to the House.

5.30 pm

David Davis (Haltemprice and Howden) (Con): Where possible, the Conservative party will always strive for consensus on security matters. In this Bill, there is much that we can support, and we will work with the Government to improve and strengthen the Bill in those areas. However, there is a line that a free country cannot cross without convincing justification. I have always taken Benjamin Franklin's view:

"Those who would give up Essential Liberty to purchase a little Temporary Safety deserve neither Liberty nor Safety".

However, the proposal to extend detention without charge up to 42 days gives up essential liberties without delivering any additional, even temporary, safety. In fact, it is likely to make us less, not more, safe.

Last October, the Prime Minister said that

"the character of our country will be defined by how we write the next chapter of British liberty—by whether we do so responsibly and in a way that respects and builds on our traditions, and progressively adds to and enlarges rather then reduces the sphere of freedom."

The Prime Minister was right. Regrettably, some of what is proposed today does precisely the opposite.

The Bill contains many detailed provisions. We have called for some of the measures for years, such as post-charge questioning, and we welcome action at last in that area. There are measures that we can support in principle, such as making terrorism an aggravating factor in sentencing, notification requirements for those convicted of terrorist offences and travel restrictions on those convicted of terrorist offences. We may challenge the Government on other issues, depending on their case.

In her speech, the Home Secretary did not cover the proposal to appoint a coroner, to forbid the appointment of a jury and to hold an inquest in secret when terrorism is involved. Why can that not be achieved by having security-cleared coroners and juries similar to those used in secret espionage trials in the cold war? I want the Minister to answer that question when he replies to the debate.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): My right hon. Friend is being too generous to the Home Secretary. Clause 64 allows the appointment of specially appointed coroners and juries to be dispensed with in any cases where the Government

think it in the public interest to do so. Anything that might embarrass the Government could be deemed to be in the public interest.

David Davis: My right hon. and learned Friend has accused me of something that I have never been accused of before—being too generous to the Home Secretary. The simple truth is that the comments by the Secretary of State for Defence in the past couple of weeks on inquests and how coroners should not criticise the Government in any way adds strength to my right hon. and learned Friend's point. We will test that proposal in Committee and on Report to ensure that it is necessary, proportionate and cannot be provided in some other way. My right hon. and learned Friend has my word on that.

Mr. Henry Bellingham (North-West Norfolk) (Con): Does my right hon. Friend share my concern that bereaved families and their legal representatives could be excluded from the process? Does he agree that the Home Secretary should leave those important considerations on coroners to the draft coroners Bill, which should be introduced?

David Davis: I entirely agree with my hon. Friend. That is one route through the issue. The purpose of an inquest is to provide information to the public, as has been established in case law and statute over the century. I accept my hon. Friend's point, and, as I have said, we will test it in Committee and on Report.

I am also concerned about the proposal to make it a criminal offence to attempt to elicit information about members of the armed forces that is likely to be useful to a terrorist. Existing laws already cover that point, so I can see no benefit in introducing the provision—again, we will test that point.

We have pressed for a further range of measures, which are entirely absent from the Bill: lifting the ban on using intercept evidence in court to bring terrorists to justice; establishing a dedicated border police force to check for terrorist suspects and fugitives coming in and out of the UK; tightening the rules on extremists entering the UK to preach hatred; and banning radical groups, such as Hizb ut-Tahrir, that serve as an antechamber for terrorism. The Government can and should do much more to protect this country from the terrorist threat that we face, before resorting to draconian measures that sacrifice our fundamental freedoms. Frankly, it is nothing short of perverse that, in the same breath, the Government release guilty terrorists convicted in the proper way, such as Yassin Nassari, while asking for powers to lock up innocent people for six weeks at a time.

I put it to the Home Secretary that the Government are ignoring those very real threats to our security because they have allowed themselves to become fixated on two proposals, two great gestures, that have become the hallmarks of the Government's security strategy: identity cards—that great white elephant—and the extension of detention without charge. Today, we address the second: the proposal to extend pre-charge detention.

What is at stake? It is the principle of habeas corpus—an individual's right not to be held for prolonged periods without the state bringing criminal charges against him. That ancient right dates back to the Magna Carta of 1215; it is one of our most basic, fundamental freedoms that millions died defending in the last century. We Conservatives will not give it up lightly. It should be borne in mind that in five years the maximum period of detention has already quadrupled from seven days to 28—the current maximum limit that the House agreed at the time should be used only in the most exceptional circumstances. We heard that argument yet again today.

For non-terrorist cases, the limit is a mere four days. We have by far the longest period of detention without charge in the free world. Incidentally, before I talk about the other countries, I should say that I listened to the Home Secretary yet again confuse pre-charge detention with pre-trial detention. She compared the treatment on the continent with what is effectively remand, not pre-charge detention, in this country. However, putting that aside, which country has the longest period of detention without charge in the common law world? It is Australia, which allows 12 days' detention without charge. *[Interruption.]* We can talk about Zimbabwe in a second, if somebody wants me to; I shall come back to that. Canada allows one day. Even in the United States, which suffered the ultimate horror of 9/11, American citizens can be held for only two days before charge. If we were to extend the period still further, we would be in the same league as which countries? The first one, Zimbabwe, has been offered, and even China allows its police to hold suspects for only 37 days.

What is the evidence that might lead us to sacrifice even further this basic, fundamental freedom? There is none. Our senior law enforcement officers do not support an extension, whatever the Home Secretary says. Incidentally, on the question of naming people who have talked to us about the issue, I should say that, given the Government's track record on the treatment of public servants who in the public interest disagree with them, the last thing I would do is name for the Home Secretary those who have given us evidence on this matter.

The senior law enforcement officers do not support an extension—nor does the senior prosecutor, the Director of Public Prosecutions. I listened with fascination to the Home Secretary trying to square what he said with what she believes. The former Attorney-General does not support an extension, nor does the former head of counter-terrorism at the Crown Prosecution Service. Neither this Home Secretary, nor the previous one, nor the one before—nor anyone else—has provided a shred of evidence that we need longer than 28 days.

Mr. Quentin Davies (Grantham and Stamford) (Lab): Will the right hon. Gentleman give way?

Hon. Members: Oh!

David Davis: I give way to my honourable namesake.

Mr. Davies: I am grateful to the right hon. Gentleman for giving way. What would happen if—it is not an overwhelmingly likely contingency—he were Home Secretary and after the police had arrested a whole network of terrorists, perhaps after a terrible incident,

[Mr. Quentin Davies]

they said to him that there was simply no way in which they could get through all the evidence, decrypt all the data and so forth, within 28 days? What if they desperately needed more time if they were to bring charges? What would he do in the absence of the powers that the Bill will give the Government?

David Davis: In a minute, I shall come to exactly the hon. Gentleman's case and work through it for him; he is getting a bit ahead of himself.

Before he was nobbled by No. 10, even Lord West, the Government Security Minister, said when he was asked that he was not convinced of the need for the extension. I have spoken to the police—*[Interruption.]* The Home Secretary can choose to believe it or not. The police have coped perfectly well in every terrorist investigation that this country has faced to date. She organised some of the meetings, so she knows who they are. Lord Dear, the former chief constable for the west midlands, writing yesterday, said that an extension is unnecessary and that many chief constables agree privately with that assessment. She can challenge that, too, if she wishes.

Madam Deputy Speaker: Order. May I remind the right hon. Gentleman to use the usual forms of address when referring to other Members of Parliament?

David Davis: Of course I will, Madam Deputy Speaker.

The head of MI5 has not even mentioned pre-charge detention when setting out the security challenges that we face, whether briefing in public or in private on Privy Council terms. The most that the Home Secretary can cite is Sir Ian Blair, who offers no evidence at all but merely draws a "pragmatic inference"—her words—that we might at some unspecified point in the future, faced with some unspecified threat, require an unspecified extension of detention without charge. That cannot be a sufficient basis for giving up a fundamental, basic right enjoyed in this country for 800 years.

Jacqui Smith: Does the right hon. Gentleman accept that I actually cited the most senior counter-terrorism police officer in this country, as well as the Association of Chief Police Officers? Will he dissociate himself from the dismissive comments about those senior police officers made by his Front-Bench colleague?

David Davis: The Home Secretary cited Ken Jones, the ACPO chief, at one point. I remember that when he first raised this issue I asked him directly—this is a conversation that I can repeat to her, as can he—whether he had at that point checked with the TAM committee, because I had been told by a member of that committee that he had not, and he said that, honestly, no he had not. I am afraid that the raw truth is that the headline "Senior public official agrees with Government" is an unsurprising one, and that many chief officers are worried about this, for reasons on which I am about to elaborate.

Instead of presenting evidence, the Government have tried, unsuccessfully, to make two hypothetical cases, one of which was mentioned by the hon. Member for Grantham and Stamford (Mr. Davies). The first is the sort of case originally laid out by Andy Hayman, a previous senior terrorism officer, to justify 90 days. He described a scenario with more than 20 suspects, multiple locations, multiple targets, and multiple computers with encrypted files in different languages and dependent on foreign intelligence—a scenario posing an imminent threat and requiring early arrests. In fact, Operation Overt, the investigation into the alleged plot to attack 10 airliners at Heathrow in 2006, had every one of those characteristics; the court case is going to start this week. It was the biggest single terrorist plot that Britain has ever faced, yet the police were able to charge every suspect within 28 days, and those facing the most serious charge—conspiracy to murder—were charged within 21 days. Of the five held until the 27th or 28th day, two were charged with serious but lesser—significantly lesser—offences based on evidence that the police obtained before the 28 days, and three were innocent. Let us remember this point. Six people in total have gone the full 28 days; fully half those people were innocent. Apart from the natural justice aspect—

Mr. Frank Field: The right hon. Gentleman has cited a whole collection of people who, thank God, have not been affected by bombing outrages. How does he answer my constituent, Andy Brown, who came down to London when working for Liverpool airport to attend a conference to increase access to the airport for people with disabilities, whose body was blown asunder by the London bombing, and who, when he finally returned home, did so without either of his legs? The point that his wife, Jan, puts is that if it is at all possible, by detaining people longer, that we prevent one other family's life from being destroyed in this way, that is a price worth paying, in that those who have lost their liberty temporarily can be compensated, but there is no adequate compensation for my constituent.

David Davis: The first thing I would say to his constituent—everybody will have enormous sympathy with somebody in that position; of course they will—

Mr. Field: The crucial thing that we are being asked to do is not to exchange names; the electorate is looking at our judgment. None of us knows what terrible events may lie before us between now and the next election. That is what the Opposition will be judged on and what my party will be judged on.

David Davis: The right hon. Gentleman is exactly right. We will be judged on our judgments—the judgment that we bring to bear to improve, enhance and maximise the protection of the public. The argument that I shall continue to make is that the measures proposed will not do that. When the Select Committee on Home Affairs took evidence on the event to which the right hon. Gentleman refers, Rachel North appeared on behalf of the victims. When asked about 42 days, she effectively said, "Not in my name." I asked the right hon. Gentleman to intervene when he initially said that he objected to the word "innocent"—

Mr. Field *indicated dissent.*

David Davis: Whether the right hon. Gentleman likes it or not, I am going to answer the question. He objected to the word "innocent".

Mr. Field: I said "not charged".

David Davis: And I am going to give him the difference between the two. He objected to the word "innocent"—

Mr. Field: I did not. I said "not charged".

Madam Deputy Speaker: Order. Sedentary remarks should not be made.

Mr. Field: He won't give way—that's why.

Madam Deputy Speaker: I understand that people want to put the record straight, but there is a way of doing that.

David Davis: The right hon. Gentleman objected. He wanted to say, "Not charged", and the difference is as follows. I went to see the police who ran that operation, and I talked to them about the three people who were released uncharged. I said to them, "In that case, did you put them on control orders, where the level of proof is lower?" They said, "No." I asked, "Did you put them under surveillance?" They said, "No." I asked, "Have you got them under continuing investigation?" They said, "No." I asked, "Are you telling me they are innocent?" They said, "Yes." The Home Secretary arranged for me to see those gentlemen and the man who ran Operation Overt. "Innocent" is the word, and the right hon. Gentleman will have to live with it, whether he likes it or not.

Mr. Bailey: Will the right hon. Gentleman give way?

David Davis: No, not for the moment. I have to make a little progress. I shall give way shortly.

I have one other point that relates directly to the constituent of the right hon. Member for Birkenhead (Mr. Field). What does he think that putting three innocent people in prison, in effect, for a month does to community relations and to intelligence? Does it not reinforce the recruiting sergeant for terrorism argument? I shall come back to that point, but how does he think that such action affects the risk to the public at large? The effect would not be what he tries to claim.

What if there were someone, as referred to by the Home Secretary, whom the police felt was guilty, but in circumstances where all the evidence was not available? We have heard in the past few days from the Director of Public Prosecutions. He said that in a terrorist case it is not necessary to have a 50 per cent. probability of conviction before charge—a very important issue. He said that in such cases the criterion is reasonable suspicion. That is the criterion for charging, so what is the criterion for holding beyond 28 days? Presumably it must be less than reasonable suspicion. So what is it? Is it unreasonable suspicion? It simply does not stand up. Reasonable suspicion is a very low criterion, but on that basis we still get 92 per cent. conviction rates.

Jacqui Smith: The right hon. Gentleman is wrong. The threshold test requires reasonable suspicion, and it requires that it is likely in the foreseeable future that sufficient admissible evidence will be gained in order to meet the criteria for the full code test, which does require that a conviction is more likely than not. It is not true that the Director of Public Prosecutions has said that one would need less than a 50 per cent. chance in order to charge.

David Davis: The right hon. Lady should look again—that is exactly what he said. The simple truth is that a likelihood of finding evidence in the next couple of weeks gives the police their 42 days. The simple truth is that if the 28-day point is reached, and a policeman has a reasonable suspicion and expects to find the evidence in the 42-day period that the right hon. Lady wants, he can charge. That is why the Director of Public Prosecutions does not agree with her—the right hon. Lady, I beg her pardon. [HON. MEMBERS: "What's wrong with "her"?] I will be careful.

Beyond that, there are still control orders and the option of surveillance. We are talking about one, two or three cases, and we have not even talked about the ability to use intercept evidence, post-charge questioning or the other measures that we have proposed to alleviate the pressure on the police. Faced with that evidence, the Home Secretary's predecessor changed ground and put a different hypothetical case. He conjured up a worst case, nightmare, doomsday scenario. "What if there were five Heathrow plots, with five gangs of terrorists acting in a co-ordinated way, aiming to bring down 50 aircraft? We could be overwhelmed," he said. More recently, the Minister for Security, Counter-Terrorism, Crime and Policing coined the idea of three simultaneous 9/11 attacks. I will leave the House to make its judgment on the probability of that hypothetical scenario.

Rob Marris: There were three simultaneous 9/11 attacks—two on the World Trade Centre and one on the Pentagon.

David Davis: And the Americans take the view that they need 48 hours to deal with that, not 28 days—let us be clear about that. I believe that the Minister meant attacks three times as large as 9/11, but let us move on.

Even in those circumstances, we could be in a position to trigger the Civil Contingencies Act 2004, which allows detention for a maximum of 58 days. I remind hon. Members that we are not proposing an alternative, but saying that the Government already have the requisite powers. We do not say that we believe that such matters will arise and that the Government should therefore put the measure in place. If they believe that such events might happen, they already have the power to deal with them and they do not need others. They have not understood that straightforward case. The Civil Contingencies Act is rightly capable of being challenged and overruled by judicial review if the emergency does not exist. That provision is rightly subject to approval in the House as soon as possible, but within a maximum of seven days. It is rightly available only in a case of genuine emergency. The Home Secretary tried to intimate that, without actually saying it, throughout her speech.

Before the Government say that the Civil Contingencies Act will not work, we have a formal legal opinion from the Government's lawyer of choice, David Pannick QC. He says, in terms, that it will.

Mr. Robert Marshall-Andrews (Medway) (Lab): Before the right hon. Gentleman leaves alternative periods of imprisonment, I remind him that he mentioned in an intervention the Regulation of Investigatory Powers Act 2000 and its provisions to charge people with refusing to give up encryption. That power also exists under the Police and Criminal Evidence Act 1984 and the Prevention of Terrorism Act 2005. In so far as the refusal constitutes contempt of court, RIPA allows for incarceration, until the encryption is given up and the encrypted material translated, indefinitely—never mind 58 days, but indefinitely. In those circumstances, does he understand the Government's argument on encryption?

David Davis: The answer is, "Patently not." The point of my intervention on the Home Secretary was that, to make a judgment on how long one needs—famously, she has had some trouble with that—one has to assess one's technical capacity. If one does not even know whether one has used one's full capacity, how on earth can one make a judgment about how long one needs? It is not possible. The judgment is flawed and based simply on a political, not a security, calculation.

The Government have failed to demonstrate that an extension of detention without charge is necessary either on the basis of the evidence or in relation to the nightmare hypothetical scenarios that Ministers have dreamed up. The danger is that extending pre-charge detention—yet again—would make Britain less safe. I am now dealing directly with the point that the right hon. Member for Birkenhead made.

First, such extension risks serving as a recruiting sergeant for terror because it is a disproportionate response, which will drive young Muslim men into the arms of extremists. Let us be clear: that is not a human rights point, but a security warning.

Mr. Bailey: Will the right hon. Gentleman give way?

David Davis: Not at the moment.

Lord Condon—another name for the Home Secretary to play with—the former Metropolitan Police Commissioner, has warned against the proposal:

"I fear that it will play into the... hands of the propagandists, who will encourage young men and women to be misguided, brainwashed and induced into acts of martyrdom."

The second risk is that extended detention without charge alienates the local community. That cuts off the vital local intelligence, which is crucial to our counter-terrorism effort. Peter Clarke, who was, until his recent retirement, probably the most highly regarded counter-terrorism officer in the country said:

"We must increase the flow of intelligence coming from communities. Almost all our prosecutions have their origins in intelligence that came from overseas, the intelligence agencies or from technical means. Few have yet originated from... 'community intelligence'".

Will another extension of pre-charge detention increase the flow of community intelligence? We can read the Home Office's impact assessment, which was published with the Bill:

"Muslim groups said that pre charge detention may risk information being forthcoming from members of the community in the future."

Those are the Home Office's words about the Bill. The evidence available shows that extending detention without charge will hinder, not help, our counter-terrorism efforts.

Perhaps the greatest risk of all is that prolonged detention without charge does the terrorists' job for them. Lord Dear describes 42 days as a "propaganda coup for al-Qaeda". Al-Qaeda wants to undermine our freedoms and way of life. Extended detention is the first step on the road towards its ultimate objective of undermining our democracy. That is why, for all the tough talk, this draconian measure is a sign of weakness, not strength.

The Home Secretary says that her proposals will be activated only when both the police and the Crown Prosecution Service request it. That is supposed to be the first check on the process.

Mr. Burrowes: On tough talk, as the Government pursue gesture politics through the Bill, in the name of being tough on terror, the irony will not be lost on the public that, on the one hand, the Government want to pursue detention of suspected terrorists, yet, on the other, they have released convicted terrorists early.

David Davis: My hon. Friend is right.

Mr. Bailey *rose*—

David Davis: I will give way to the hon. Gentleman now. I beg his pardon for missing him earlier.

Mr. Bailey: I thank the right hon. Gentleman for giving way at last. I heard the argument that he presented when the matter was previously debated in the Chamber. Will he answer now the question that he could not answer then? How many more terrorists will be recruited as a result of the extension and how many more were recruited as a result of the previous extension?

David Davis: That is a foolish question for a variety of reasons. The hon. Gentleman will remember, if he was paying attention, that the head of MI5 said not long ago that there were at least 2,000 known supporters of terrorist cells in the country. There could be another 2,000. If he cannot assess how many there are now, how can anybody assess the number in a year or two?

One of the great failures of Government policy, by their own admission—the Prime Minister's strategy unit recognised it—is that the first, prevention part of Project Contest does not work. That part must be got right. If all the elements at the end of the process, such as catching and convicting the terrorists, act to increase the number of terrorists, we will have failed from the beginning. The hon. Gentleman must understand that important logical point. If he thinks that the only way to make the strategy work is to put a number on it, his judgment is not worth hearing.

Mr. George Howarth: The right hon. Gentleman said that the Contest part of the strategy is not working. How, then, does he explain the Crevice trial?

David Davis: If the right hon. Gentleman had listened carefully, he would know that I said that the "prevent" part—the first stage—is not working. The evidence is that, approximately a year and a half or two years ago, the head of MI5 said that 1,200 people posed a risk to the state. That figure is now 2,000. That does not sound like a success in preventing the growth of radicalisation.

Mr. Paul Goodman: Will my right hon. Friend reflect on the fact that the Bill contains nothing about the "prevent" strand at a time when that strand's flagship scheme—preventing violent extremism—faces considerable scepticism and inquiry from local authorities of all political parties?

David Davis: My hon. Friend, who is well informed and has a strong and direct constituency interest in the matter, is right. *[Interruption.]* I say to the Home Secretary, who speaks from a sedentary position, that the Prime Minister's strategy unit found pretty much the same thing some time ago and there is not much sign of improvement.

Mr. Bailey: Will the right hon. Gentleman give way?

David Davis: No, I will not.

That issue is important to the Bill, because it sets the context in which it is supposed to be drafted. If the Bill does not intend to deal with terrorism, what does it intend to do?

I want to return to the Home Secretary's first check on this exceptional power that is proposed—this reserve power, as she calls it. I do not know why it is a reserve power, because she can exercise it virtually by the stroke of a pen. She said that the first check on the power is the police and the Crown Prosecution Service request. Let us consider how strong a check that is.

I want to take the House through one personal example that highlights how things can go wrong in a way that all the statistics in the world cannot. Let us take the case of Lotfi Raissi, which will be familiar to the Home Secretary. He was an Algerian pilot living in London. A few weeks after 9/11, he was arrested by British police and accused of training the 9/11 bombers to fly—he attended the same flying school. The FBI, which, to be fair, had made the first request, knew within weeks that he was unlikely to have been involved. The British authorities had no evidence that he was involved in any terrorist activity. Nevertheless, they held him in pre-charge detention for nearly five months.

Lotfi Raissi was eventually released without charge, exonerated of every accusation levelled against him and left to pick up the pieces of his shattered life. During his prolonged detention, he was stabbed twice by prisoners who thought he was a terrorist, suffered two nervous breakdowns, and lost his job and was blacklisted, so he cannot find a new one. So much for the argument that those with nothing to hide have nothing to fear from extended detention without charge. Lord Justice Hooper, in the Court of Appeal, completely exonerated Mr. Raissi.

Jacqui Smith: I am sure that the right hon. Gentleman will want to correct the record: in the case he is talking about, the individual concerned was not held in pre-charge detention; he was held in extradition detention. It does not help the House for the right hon. Gentleman to conflate the two.

David Davis: I did not say that he was held in pre-charge detention; what I said was—

Jacqui Smith: You did.

David Davis: No, I did not. The right hon. Lady can check the record, because I have it here. What I am saying is that that is an example. She set up the idea of the Crown Prosecution Service and the police making an application as a check on the system. The Crown Prosecution Service and the police had to approve what happened in that case under—she is quite right—extradition proposals. But after a few weeks, the FBI, which had sought the extradition, knew that the evidence it thought it had was without substance.

The best way to deal with this issue is to quote from Lord Justice Hooper in the Court of Appeal, who completely exonerated Mr. Raissi. He called Mr. Raissi's continued detention without charge

"an abuse of process...a device to circumvent the rule of English law...brought for an ulterior motive...based on unsubstantiated assertions".

That is not what I say; it is what Lord Justice Hooper said in the court records.

I am not suggesting—I do not think that anyone has suggested this—that British authorities deliberately detained an innocent man out of malice. Nobody is suggesting that. However, the risk of miscarriages of justice, with such devastating and counter-productive consequences, is magnified when we give the police excessive powers, which they will inevitably exercise under conditions of high public, political and media pressure, as will happen after a terrorist event. We should remember that injustice and repression are not always meted out by hard-faced men in jackboots. They can be the result of grey bureaucracies acting in haste under enormous pressure.

Rob Marris: Will the right hon. Gentleman give way?

David Davis: No.

The police and prosecutors who protect us are human, like everyone else; they make mistakes, like everyone else. Protecting fundamental liberties provides a critical check on those mistakes and a vital safeguard to prevent the abuse of state power at the expense of the individual.

We will work with the Government to strengthen the Bill. We will press them to take the measures that they have left out of the Bill. But we will not sacrifice our fundamental freedoms without the most compelling justification. That would do the terrorists' job for them. This country does not buckle, bend or bow to terror. It is not in our history, it is not in our character and it is certainly not written in what the Prime Minister calls the

"next chapter of British liberty".

Several hon. Members *rose*—

Mr. Deputy Speaker (Sir Michael Lord): Order. Before I call the next speaker, may I remind the House that Mr. Speaker has put an eight-minute limit on Back-Bench speeches, which applies from now?

6.4 pm

Mark Durkan (Foyle) (SDLP): The Bill is called a counter-terrorism Bill, but many of us have fundamental concerns that some of its provisions could be counter-productive. We do not dispute that a real terrorist threat exists or underestimate that threat. We do not pretend that Parliament or the police or other security agencies do not have to be alert to how that threat might develop in the future. However, coming from the experience in Northern Ireland, I do not accept that the answer to the challenges we face is simply to extend the period of pre-charge detention.

We have been told by Ministers and others that the period of pre-charge detention is not simply being extended and that various safeguards and protections will be in place first. Frankly, however, some of those measures are somewhere between fig leaves and figments of procedure, rather than credible and realistic protections. We are told that having extensions signed by the Home Secretary is a safeguard. The experience in Northern Ireland, where we were told that the safeguard was the Secretary of State's powers and the need for the Secretary of State's signature, was that each Secretary of State signed anything that was put in front of them. Indeed, Secretaries of State said that they were in no position to refuse or to do anything other than sign what was put in front of them, if it came from a Chief Constable.

Mo Mowlam, as Secretary of State for Northern Ireland, was in exactly that position when the then Chief Constable Ronnie Flanagan came to her about the parades in July 1997. She had to breach all the promises that she had made and agree, under pressure from the Chief Constable, to allow the parade down Garvaghy road under cover of darkness. Mo Mowlam said afterwards, to us and others, that she would ensure that she was not put in that position again. The only way that she could do that was to ensure that neither she nor any future Secretary of State had the power to sign things at the behest of a Chief Constable, which is why we ended up with the Parades Commission, under different legislation. Mo Mowlam saw that as the only way a Secretary of State could be protected from that pressure, because as she said, no Secretary of State could do other than to sign what was put in front of them in such circumstances. The Home Secretary's power in the Bill is therefore a hollow protection. I look forward to hearing examples—perhaps hon. Members know of some—of where Home Secretaries have refused or would be likely to refuse to sign what might be put in front of them under the Bill.

We have also heard the bizarre references to the parliamentary procedure that might be involved. If the Home Secretary comes to tell Parliament that the extension has been triggered, what is Parliament to do? Can we seriously question that? We face the scenario of the judicial process potentially being corrupted, with the cross-linking of the judicial process and the parliamentary process in a way that is dangerous. Although hon. Members might be able to control what they say on those occasions—no doubt the Government will control what is asked, too—who will control what the media say?

Mr. Grieve: Does the hon. Gentleman not agree that it is strange that the Government cannot see the distinction between Parliament pronouncing on the generality of a state of emergency under the Civil Contingencies Act 2004 and Parliament attempting to pronounce on the detention of an individual when the facts will not be capable of being laid before Parliament at all?

Mark Durkan: I fully accept the hon. and learned Gentleman's point. Parliament will almost be in the position of a gameshow audience. It will have to pronounce somebody eligible for conviction—as opposed to eviction—on the basis of some statement or comment made about a particular suspect. That is a dangerous position for Parliament to be in. In fact, it fundamentally compromises Parliament and would compromise the judicial process, too. Such a procedure would also be a recipe for all sorts of media comment, which would be uncontrolled. We do not know in what direction that speculation could go, and it could fundamentally prejudice any subsequent trial. We will be asking that to happen if we let the Bill go through in its current form.

Given the experience of Northern Ireland—and, indeed, the experience of the Irish community in Britain—this House needs to be very vigilant when it comes to counter-terrorism legislation. The House cannot be like the Bourbons, who "learned nothing, forgot nothing". The fact remains that counter-terrorism legislation alienated lawful people; law-abiding and decent communities were made to feel like suspect communities and were fundamentally alienated. That meant that good people could not do good, following Edmund Burke's maxim that bad counter-terrorism law actually creates a situation where good people cannot do good.

In her opening comments, the Secretary of State mentioned some of the soft measures that the Government are adopting to ensure that no ground is provided for the terrorist threat or terrorist sympathies to grow in this country. However, if the Government continue to emphasise the soft measures at community level and the outreach and engagement activities in which they are involved at the same time as they present hard and offensive measures such as this Bill, they will compromise the very people in the Muslim community whom they want to work with, promote and champion. Those people will not be able to touch any of those soft schemes without feeling fundamentally compromised, and they are likely to be resented in their own communities. They in particular will feel the heat. Their emotions will be mixed, but they will feel a sense of guilt whenever the power in the Bill is triggered and becomes a matter of controversy in their communities. That is why I ask Ministers to stop talking about the various soft measures—even though they are important and necessary to national cohesion and positive community building—as though they were some sort of compensating side dish that the Government are serving up with this hard and unpalatable legislation. That is not the way to move forward.

Stephen Pound (Ealing, North) (Lab): Does not my hon. Friend find it ironic that when the Conservatives

took the prevention of terrorism Act through the House and were repeatedly told that they were alienating the Irish community, the expression we heard was that they did not believe in appeasement? Is it not ironic that today we have heard such a liberal speech from a Conservative shadow Home Secretary?

Mark Durkan: Perhaps some people have learned from that experience. I will allow Conservative Members to make it clear if that is where they stand today. Many people have learned and many have changed their views. It was not only the Conservative party that put those sorts of measure through; it was done by Labour, too. With hindsight, perhaps everyone has realised their mistake.

Mr. Ben Wallace (Lancaster and Wyre) (Con): Does the hon. Gentleman agree that, in its severity, the legislation before us today is light years in advance of the prevention of terrorism Acts that he may well have disagreed with in the past? Is not this Bill far more draconian than any other legislation that we have seen in the past 30 years, with the possible exception of the internment legislation introduced in Northern Ireland?

Mark Durkan: Large parts of this Bill are worse, but other aspects of Northern Ireland legislation were worse still. I accept the hon. Gentleman's general point and ask Members to reflect on whether, if the counter-terrorism legislation in Northern Ireland and the prevention of terrorism legislation here had incorporated the measures in the Bill, the situation would have been made much worse. It would have made it easier for people to say, "This is great. We do not need to subvert the state; the state is subverting itself by virtue of the fact that no due process worth talking about stands." They may have said that it created what amounted to a police state, where police powers rule over everything else and are more significant than any other consideration. That is what we need to guard against in the Bill.

Let us learn the lessons from the mistakes of the past and address the key issues before us now. Yes, there are threats, and they will continue to be tracked and monitored; all parties have made that clear in previous debates. Do we need to take this step of introducing a measure that the Secretary of State has told us may well not be used? On the one hand, we are told that the threat is live and real; on the other hand, we are told that we can rest assured that invoking these powers is a very remote possibility. Which is it to be? They cannot both be true.

6.14 pm

Chris Huhne (Eastleigh) (LD): I am pleased to follow the hon. Member for Foyle (Mark Durkan), who has, I think, injected an important note of realism and passion, drawing on his experience in Northern Ireland and, indeed, this House's experiences and the mistakes of previous Governments. I will return to some of those issues as I develop my speech.

I shall set out what we welcome in the Bill, as well as what we deplore in it. There are good and bad things in what Ministers have brought forward. The good things include the use of intercept evidence in limited cases—in our view, too limited—and the ability to question people after charge, again in a limited and incipient form. Those are innovations with the potential to help substantially the attack on terrorism, particularly if combined with the benefits of greater flexibility in the decision to charge already being exercised by the Director of Public Prosecutions, as we have heard. It is the innovations in law, together with the innovations in practice through the variation in the test applied by the DPP, which make the bad elements of the Bill both redundant and harder to understand.

Most of my speech will be taken up with attempting to meet the various arguments advanced by the Home Secretary to justify the further extension of the period of detention without charge. We on the Liberal Benches will fight tooth and nail against these provisions, which we believe will prove to be a serious erosion of hard-won freedoms. Just as crucially, the measures will prove to be counter-productive, as we have heard from the hon. Member for Foyle. Effective policing depends on intelligence, and successful conviction depends on evidence and witnesses. These provisions will ineluctably undermine both.

Nor are we persuaded of the need to abandon juries in coroners' courts or to give the Secretary of State extraordinary powers to appoint special coroners. That may seem a minor matter, but it is far from being so. Coroners' courts were one of the first and most fundamental bulwarks against the abuse by the state of its monopoly of the legal use of force.

Mr. Hogg: I support the hon. Gentleman's point. The Bill confers on the Secretary of State the power not only to appoint a special coroner, but to sack any particular special coroner and then appoint another one who is more suited to his or her taste.

Chris Huhne: The right hon. and learned Gentleman reinforces my point. Frankly, this part of the Bill is an outrage against the traditions of this House and our constitutional traditions.

Only if the cause of death could be independently established—this is the history of coroners' courts—could citizens be sure that there was a whistleblower who would be alert to the corruption of state power. That is precisely why the Secretary of State should not have the right directly to appoint or dismiss a special coroner, and why juries are an essential part of the process of reaching judgments of fact, particularly in cases of death in custody.

We will seek to amend the Bill in Committee before we agree to sacrifice the good elements to get rid of the ugly ones, but there should be no doubt that if we on the Liberal Benches fail to exclude in Committee the provisions for an extension of detention without charge, we will vote against the Bill as a whole. The ugly parts, in their impact and their risks, substantially overwhelm the welcome parts.

Mr. William Cash (Stone) (Con): On the question of tooth-and-nail opposition, will one of the Liberal amendments be to reduce the number of days from 28 to, say, 14 or even fewer days, as was originally intended? What was it that led to this miraculous conversion to the acceptance of 28 days, compared with 14?

Chris Huhne: The hon. Gentleman well knows that, sadly, my party is not yet in a position to carry the House on its own. We look forward to that day, but the reality was that his party was the one that wanted to compromise on 28 days. That is precisely why, to avert the greater harm, we fell in with that proposal. However, I think we should discuss whether it might be desirable to consider regularly, perhaps annually, as we have for other elements of terrorism legislation, whether it is necessary to extend up to the 28 days. My current judgment is that such an extension is justifiable.

It is already possible for someone to be held for four weeks without their knowing what they are charged with or being able to prepare any defence. To extend that to six weeks—a 50 per cent. increase—is deeply intrusive into hard-won civil liberties. Anyone present could, as a result of mistaken identity—there are many such cases on record—be held for six weeks in such a way. Any innocent citizen going about their normal life could be subject to a police and security services mistake.

That has already happened, with three people held for nearly the maximum period under existing law and then released without charge. It was also the case with 23-year-old Mohammed Abdul Kahar and 20-year-old Abul Koyair, after a raid on their home in Forest Gate, London, during which Mr. Kahar was shot in the shoulder. Both were later released without charge. Six Pakistani men were arrested at Gatwick on suspicion of terrorism in January this year, but were later released when it emerged they were all relatives of a key aide of General Musharraf. Mistakes are human. As we have heard from Opposition Members, it is certainly possible for the security services to make serious errors. I make no assumption that the errors are malicious; it is simply in the nature of being human that mistakes are made.

As the right hon. Member for Haltemprice and Howden (David Davis) pointed out, a mistake with terrible consequences was made in the extradition case of Lotfi Raissi, who spent five months in Belmarsh, accused of being a ringleader in the 9/11 attacks on the twin towers. The Algerian pilot suffered extraordinary stress, the loss of his job, blacklisting which denied him his right to fly, and the breakdown of his marriage. The only question now is whether he is entitled to compensation. An even more serious mistake was made by the police in the case of Jean Charles de Menezes. I make this point again merely to remind the House that the law exists to protect the weak, and mistakes can and do happen that can prove devastating for those involved. The incarceration of an innocent person for six weeks is not a matter to be taken lightly.

The Home Secretary argued that the extension may be necessary because of the complexity of information technology, and the sheer scale of evidence and encryption. The point on encryption was devastatingly dealt with by the hon. and learned Member for Medway (Mr. Marshall-Andrews), when he pointed out that someone can be charged on this count alone under part III of the Regulation of Investigatory Powers Act 2000, section 49 of which makes it an offence not to disclose a key to protected information. The maximum penalty—even if we do not go down the contempt of court road that he suggested—is two years' imprisonment, during which time other offences could certainly be investigated.

For the sake of the argument, however, let us assume that the material can be read. The Home Secretary has also argued that cases are becoming extraordinarily complex. In one recent case that she mentioned, there were three terabytes of evidence on computer—the equivalent of a library a third the size of the US Library of Congress or more than 10 million books. This point is a boomerang for the Government, because an extension of a mere two weeks would be entirely useless if each bit of evidence had to be waded through and assessed as the Home Secretary implies. Indeed, if it were necessary to read material equivalent to a third of the US Library of Congress within the proposed legal limit of 42 days, I calculate that that would require 238,095 police officers working eight-hour shifts. That is all the police officers in this country, plus 100,000 on loan from a friendly neighbour. *[Interruption.]* If the Government really believe that this is a cogent point—*[Interruption.]* Would the Home Secretary like to intervene? If the Government really believe that this is a cogent point, they would need to propose a period of detention far longer *[Interruption.]*

Mr. Deputy Speaker: Order. We cannot have sedentary interventions from either the Front Benches or the Back Benches. If the Home Secretary is seeking to make an intervention, perhaps she would do so in the normal way.

Chris Huhne: Thank you, Mr. Deputy Speaker. As I was saying, if the Government really believe that the point about complexity is cogent, they will need to propose a far longer period of detention than 42 days, or even 90 days. Of course, the Government are not proposing such an extension because that argument is entirely spurious. No one searches every document. The police and the security services will have to go on using search engines for key terms as all the rest of us do.

Curiously, even though other countries are faced with similar threats, none of those whose system of law is most directly comparable with ours has chosen to extend the period of detention to anything like the current 28 days, let alone 42. It is true that Canada alone clings to the traditional habeas corpus, with a period of detention without charge of just one day—due, no doubt, to the influence of our sister party over many years.

Pete Wishart (Perth and North Perthshire) (SNP): Why does the hon. Gentleman believe that the Government have this obsession with 42 days? Does he, like me, suspect that it is all about posturing to make them look tough on terrorism and us look soft, and if that is the case, is that not the most ridiculous way to try to take forward this very important issue?

Chris Huhne: I do not know what goes on inside the minds of Government Front-Bench Members; as the hon. Gentleman points out, reading their motives is quite a mystery. Therefore, I will try to deal with the arguments as they are put forward in the Bill and the House, rather than make any assumptions about ulterior motives the Government might have. However, as the hon. Gentleman suggests, playing the numbers game is certainly easier than addressing some of the other means of tackling terrorism.

Mr. Cash: The hon. Gentleman mentioned the crucial question of habeas corpus. Is he implying that the Bill's proposals somehow exclude habeas corpus? I am sure he is aware that nothing can exclude habeas corpus. Does he not accept that?

Chris Huhne: I was merely referring to the traditional period of one day, and I shall now continue that point by observing that the United States and two other common law jurisdictions—South Africa and New Zealand—have extended the period to two days. Ireland has seven days—as, indeed, we had in extremis when we were fighting the more deadly threat in sheer numbers of republican terrorism. Only in Australia has the period of detention been extended to 12 days, but it is still less than half the period under our own current legislation, let alone under what is proposed. Also, there are specific reasons for doing that in Australia, as the law has significant restrictions on questioning, including time restrictions.

Are all these countries that are so comparable to our own country in their legal traditions so wrong? Are the threats that we face so unique that they require us to abandon our historical safeguards against the abuse of state power? The Liberal Democrats are not persuaded.

Moreover, there is a real risk that these provisions will prove to be wholly counter-productive in the prosecution of terror. Effective policing always requires the co-operation of the policed, without which intelligence is almost impossible to glean. Where will the willing informers be if the British state is seen to have declared war on a minority community? Prosecution requires witnesses to give evidence, but will the witnesses be forthcoming if their families and friends feel that they are aiding and abetting a state that is using disproportionate and discriminatory powers?

These are not idle worries. The Home Affairs Committee has stated:

> "Extended pre-charge detention carries the danger, which should not be underestimated, of antagonising many who currently recognise the need for cooperating with the police".

The Equality and Human Rights Commission astonishingly warned yesterday that if this legislation went through, it might take the Government to court. It also stated:

> "In relation to the principle of non-discrimination, the Commission is concerned as to the potentially adverse impact the proposals will have on Muslim and other ethnic minority communities and on community relations more generally."

It continued:

> "The Commission believes, if the Bill becomes law, this will present difficulties for policing 'with consent' and for the prevention and detection of terrorist offences where co-operation and public confidence in the police service is an important consideration."

Having heard what the hon. Member for Foyle has had to say, I do not seek to draw an exact parallel between the proposals in the Bill and what happened when internment was imposed in Northern Ireland on 9 August 1971. Internment is still the most dreadful warning of what can happen when a civilised and democratic state is seen by a large part of its own community to have stooped to the methods it abhors. Internment triggered a deluge of violence, leading to 25 deaths within the month. The remaining trust, eroded as it had been, between the Catholic community in Northern Ireland and the security services was destroyed, and the chance of winning hearts and minds had gone for ever. It was arguably the point at which the British state could no longer win the peace. That was ultimately recognised with the end of internment in December 1975.

I should say something at this point about the much-vaunted parliamentary safeguards suggested by the Home Secretary. We are told that this would not be an automatic extension of the period of detention without charge, because Parliament would have to debate the matter. However, the proposals only guarantee that any parliamentary debate would be held 16 days after the maximum length of time that a suspect could be held. By that time, either the suspect would be charged, in which case any debate would be dealing with a matter that was sub judice, or they would have been released without charge, in which case the debate would be academic.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): Those of us who were in Parliament in the 1990s were asked to vote year after year on the prevention of terrorism legislation, and we know that on a whipped vote parliamentary scrutiny is not as valuable as my Front-Bench team suggests.

Chris Huhne: I am grateful to the hon. Lady for making that point and giving us a timely reminder of what can happen when enormous public pressures are involved. Other hon. Members have made that point; the hon. Member for Foyle gave a telling example about a former Secretary of State for Northern Ireland.

Mr. Garnier: Further to the point made by the hon. Member for Hackney, North and Stoke Newington (Ms Abbott), what practical consequence does the hon. Gentleman think paragraph 41 and the paragraphs following it in schedule 1 will have on the decision that the Government or the prosecutors have taken to detain someone?

Chris Huhne: The hon. and learned Gentleman is far more versed in these matters than I am, and I would not like to speculate on that point.

I wish to finish discussing this issue by pointing out that, in effect, it would be parliamentary scrutiny of an Executive decision undertaken entirely after the event and without any capacity to influence that decision. If we vote for these provisions, let no-one here pretend that we have done other than extend the period of detention without charge. There will be no vote before the fact—we will not even have the ability to oppose a statutory instrument.

Some have suggested that the period before parliamentary approval should be shortened, perhaps to a week or 10 days. That would improve the provision's appearance, but the reality would remain fatally flawed. Why? Because we are dealing with a fatal mixing of the legislative and the judicial. If there is to be a debate on whether to extend detention while someone is being so detained, it is surely dangerous for us to look at the matter. What are the Government to say? They are bound to want to give details of the case in a prejudicial manner, noting the extreme seriousness

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of the circumstances and so forth. Alternatively, Ministers will clam up and say, "Trust us, but we cannot tell you anything." Debate will either be constitutionally outrageous or a pointless impossibility. Parliament should make the law, and not get involved in individual cases.

Ministers are entitled to ask what alternatives we would suggest in the face of a heightened threat. The Bill itself makes a good start on doing that, and I hope that we can build on that in Committee. First, the Bill contains the suggestion that intercept evidence would be used only in cases of asset freezing, but it does not go far enough. Such evidence should be admissible in all cases. That would give the prosecution the option to use it, even if it does not want to go ahead for reasons of avoiding disclosure and compromising techniques and sources.

Mr. Carmichael: I am a former prosecutor. Those who suggest that lawyers working in our prosecution service, be they procurators fiscal or those working for the Crown Prosecution Service, are not capable of making those decisions and are not sufficiently well motivated to do so, and that they would want to put our security services at risk when making these decisions do them a grave disservice.

Chris Huhne: I agree with my hon. Friend's point.

I reiterate that the Chilcot report pointed out various options. Some sort of judicial intervention has proved to be the way forward in both the United States and Australia, and if those jurisdictions can handle the matter, I am sure that we can.

Mr. Hogg: The hon. Gentleman has rightly referred to intercept evidence being available for use, for example with regard to the asset-freezing procedures. Will he also bear in mind the fact that the Bill provides that such material can be excluded from the knowledge of the citizen and that the citizen's interest be represented only by a special advocate? Does he agree that such an arrangement would be profoundly unsatisfactory?

Chris Huhne: I am open to the possibility—I am sure the right hon. and learned Gentleman has thought this through—that there must be a screening procedure in matters of national security. I understand that that is the case in the jurisdictions of both the United States and Australia. The details of these matters need to be gone through in Committee. I agree with him that we must ensure that proper and adequate safeguards are put in place for the defendant.

It should be possible to continue questioning someone after they have been charged with an offence and not merely, as the Bill proposes, on that particular offence or on terrorist offences, but potentially on others related to it. That would allow an escalation of charges as evidence is assessed and accumulated. Equally, proper safeguards of the sort set out by the Joint Committee on Human Rights must be in place, and those are not contained in this Bill as they should be. I am thinking about video recording, the presence of legal advisers, a prohibition on repeated and harassing questioning, and so forth. The prosecuting authorities should be able to give assurances to key witnesses, not just about witness protection but about immunity from prosecution.

Perhaps the most important change since this House last discussed these matters has already happened. I am talking about the reduction in the threshold applied by the Director of Public Prosecutions from the 50 per cent. likelihood of a conviction before proceeding with a charge. I heard the debate between the Front-Bench spokespeople for the Government and the official Opposition. When one examines Sir Ken Macdonald's evidence to the Home Affairs Committee, one clearly sees that the official Opposition have the matter when it comes to the points that the DPP was making. It has never been the case that the CPS has to have a court-ready case at the point of charge, and there is inevitably flexibility in making that decision. That flexibility is precisely what has persuaded some of the foremost advocates of 90 days' detention two years ago now to oppose an extension even to 42 days. Lord Falconer, the former Lord Chancellor, has said:

"If it is not necessary because you don't need it to fight terrorism effectively, then you shouldn't do it. I strongly believe that the debate about should it be 28 days, 42 days or 90 days has moved on because of the threshold standard. We should recognise that we have addressed effectively the question of the time it takes to investigate".

We also have this on the authority of Sir Ken Macdonald, the DPP. In his evidence to the Home Affairs Committee, to which I referred when I intervened on the Home Secretary, he stated that

"if the prosecutor is considering a case in which, if there was a charge, bail would not be appropriate, and that would cover all terrorist cases, I am sure, the prosecutor can charge on the basis of reasonable suspicion, as long as the case is kept under review and the full code test can be applied as soon as practically possible."

The full code test is that the prospect of conviction is more likely than not. Sir Ken went on:

"I think an analysis might lead you to conclude that, if after 25 or 26 days you could not find a reasonable suspicion to justify a charging decision, it might be quite difficult for a prosecutor to persuade a court that, even though there is not presently reasonable suspicion to justify the threshold charge, a man or a woman should be kept in custody for a longer period".

Sir Ken made it clear that he was satisfied with the position as it stands in respect of detention without charge. The Government's attempt to pray him in aid of their position is quite wrong.

Moreover, Sir Ken's approach is working. He makes that clear in an interview with *The Times* today, which has appeared with felicitous timing. The figures suggest that the DPP and the CPS have more room to amend their judgments about charging beyond the flexibility that they have already described. If the charging decision were broadly in line with the policy as it has been declared to the Home Affairs Committee—that is, that a prosecution would be more likely than not—we would expect a broadly equal balance of convictions and acquittals at the end of the trial. However, the CPS special counter-terrorism unit has enjoyed a 92 per cent. conviction rate against 77 per cent. in other trials. Since the beginning of last year, Sir Ken's figures show an extraordinary consistency. The conviction rate, including those who plead guilty, is 92 per cent. for cases that concluded last year and 92 per cent. for the

cases so far this year. There is clearly a lot of room left, in his judgment, to continue to apply flexibility.

The Liberal Democrats accept that our society faces a serious threat from al-Qaeda and from terrorism. In certain respects, the threat is greater than it was during the long fight against republican terrorism. These terrorists are not afraid to die, they do not give warnings and they want to cause mass casualties. We do not deny the need to reinforce our defences against such a threat or to ensure that we have the legislative powers to deal with it. However, the argument is a debate about means, not ends. The means that the Government have proposed are not proportionate to the threat and are not grounded in the reality of the response from many ethnic minority communities. They run a terrible risk of being counter-productive.

Some elements of the Bill are struggling to emerge as an alternative approach to the prosecution of terrorists: the use of intercept evidence and post-charge questioning. There is emerging consensus on an approach that does not play the numbers game with the days of detention but would implement practical measures that are consistent with our traditions. We will not vote against the Bill on Second Reading because we aim to nurture that approach and to delete the destructive positions for increased detention without charge that could in our view prove injurious to civil liberties and the successful prosecution of terrorism. Whatever else, we must never become what we are fighting.

Let me end with an appeal to the Home Secretary. We are in favour of consensus. We strive for it. Yes, there is new consensus. It encompasses the Liberal Democrats, the Conservatives, many Labour rebels, Justice, Liberty, Sir Ken Macdonald, Lord Goldsmith, Lord Falconer, former chief constables such as Lord Dear, the Joint Committee on Human Rights, the Home Affairs Committee and the Equality and Human Rights Commission—the list goes on. If the Government were serious about consensus, they would realise that public and expert opinion does not want a further extension of pre-charge detention. They should join the consensus now and amend the Bill.

6.45 pm

Keith Vaz (Leicester, East) (Lab): The Home Secretary, the shadow Home Secretary and the hon. Member for Eastleigh (Chris Huhne) have reminded the House of the importance of the debate. The Home Affairs Committee concluded last year:

"It is clear both from the evidence given to us and from other sources...that the terrorist threat facing the UK is real, acute and growing."

The common cause among all parties, regardless of their views on the extension of the period of detention, is the acknowledgement that terrorists want to destroy our way of life, our liberty and our democracy. We know this from the country's leading authority on security, the MI5 director general, Jonathan Evans. Last November, in a speech to the Society of Editors, he estimated that at least 2,000 individuals posed a direct threat to our security and added:

"There remains a steady flow of new recruits to the extremist cause".

That is the highest number ever, and there is no sign of its reducing.

An important role of a Government, if not the most important, is the protection of their citizens. In the aftermath of the 7/7 attacks in 2005, the Government and Parliament have been engaged in a constant debate, most notably on the power to detain individuals suspected of terrorist offences without charge, and on the fine judgment that has to be made on the balance between individual liberty and collective security. There is now a new world order, with new dangers and a need for new ways to deal with them.

I want to welcome the conciliatory and open-minded approach of the Prime Minister and the Home Secretary in developing the Bill. Its provision on pre-charge detention has moved significantly from the proposals that we first heard last July. Since the Government's bid for 90 days, the rhetoric has been abandoned. In fact, they have accepted most of the Select Committee's recommendations. The Home Secretary has appeared before the Committee twice and answered more than 149 questions. She has met many right hon. and hon. Members.

During the Committee's inquiry, which we extended, we took evidence from a wide range of people and groups. Many of them have been referred to already: the Director of Public Prosecutions, Sir Ken Macdonald; Lord Goldsmith; Shami Chakrabarti from Liberty; the Metropolitan police; the Forest Gate Two, Mohammed Abdul Kahar and Abul Koyair; and the Opposition spokespersons, the right hon. Member for Haltemprice and Howden (David Davis) and the right hon. Member for Sheffield, Hallam (Mr. Clegg).

Mr. Carmichael: Given that the Bill has UK-wide application, did the right hon. Gentleman consider requesting evidence from the Scottish Law Officers?

Keith Vaz: Scotland has its own Committee structure and its own Ministers, so we did not seek evidence from those Law Officers.

In our report published in December, we concluded that neither the police nor the Government had made a convincing case that the limit of 28 days was inadequate. The DPP told us that

"our day-to-day experience as prosecutors has been that the 28-day period has been useful and effective."

He repeated that view, as the hon. Member for Eastleigh said, in *The Times* this morning. That is the view of the man who has to agree that there is enough evidence to prosecute.

In a report produced under my predecessor in 2006, the Committee stated that

"the current limit may prove inadequate in future owing to the growing number of cases and the increase in suspects monitored by the police and security services make it entirely possible, and perhaps increasingly likely."

Sir Ian Blair, the Metropolitan Police Commissioner, agreed with that proposition. Others who gave evidence to the Committee from all parties accepted the notion of very exceptional circumstances. Indeed, Liberty, which counts among its former officers two leading members of this Government over the past 10 years, proposed the use of the Civil Contingencies Act 2004 in such circumstances. However, the majority of the Committee deemed that that would be unworkable in

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such exceptional circumstances—such as a national emergency—and it was felt that there were significant legal problems.

Ms Abbott: Does my right hon. Friend accept that, contrary to the suggestion that we sometimes hear from the Treasury Bench, at no time has Liberty said that it will accept an extension beyond 28 days?

Keith Vaz: I agree with my hon. Friend. She is absolutely right that Liberty has never accepted that there should be an extension. However, the Committee concluded by a vote of 11 to one, with my hon. Friend the Member for Walsall, North (Mr. Winnick) opposing, that:

"If, in...exceptional circumstances, a temporary extension of the pre-charge detention period is deemed essential to secure successful prosecutions of terrorist suspects, the Government should consider building support for proposals that effectively reform the powers of the CCA, secure Parliamentary scrutiny and judicial oversight, but stop short of the requirement to declare a full-scale state of emergency."

I am grateful to all the members of the Committee who took part in our deliberations, particularly the hon. Members for Newark (Patrick Mercer) and for Reading, East (Mr. Wilson), who did a special amount of work to try to reach the compromise that the Committee finally accepted.

I am pleased that our recommendations have assisted the Government in formulating their proposals. The Bill contains many of the safeguards that we recommended. I also welcome their reliance on the consent of the Director of Public Prosecutions. However, there are three imperatives that I want the Home Secretary to deal with vigorously over the next two months.

First, I remain concerned about the length of time that may elapse before Parliament has to approve the reserve power of extended detention, because 30 days is too long and too late for effective parliamentary scrutiny. Involving Parliament earlier would allow for more transparency, better scrutiny and better accountability. Secondly, there must be a genuine national emergency. That was envisaged by the Committee as the discovery of multiple and complex plots aimed at causing massive loss of life, the extent of which would

"overwhelm the capacity and resources of the police and security services."

That definition is different from what the Government have in the Bill. I was pleased to hear from the Home Secretary that she was prepared to think about the definition of an emergency.

Thirdly, this place is the last place that should do anything that would act disproportionately against the Muslim and wider south Asian communities. It is a matter of record—some of the studies were referred to by the Front-Bench spokesmen of both Opposition parties—that members of the Muslim community are disproportionately affected. We should bear in mind the words and experience of the hon. Member for Foyle (Mark Durkan). I do not understand the Northern Ireland issue as well as I ought to, but I listened with great care to what he said about the impact that detention powers had not just on his community in Northern Ireland but on the Irish community in this country. That is why we have to tread very carefully. I want to see positive engagement by the Government with the communities affected. Without their co-operation and engagement with decision makers, I am afraid that we cannot win this fight.

I welcome a number of other aspects of the Bill that the Government have accepted further to our report. We concluded that the possibility of post-charge questioning would be an important tool in securing prosecutions. I am very pleased that that recommendation has been accepted and features in the Bill, along with the codes of practice that were also recommended. The Committee was also clear that it was ridiculous that British prosecutors could not use intercept evidence in court. The Prime Minister has accepted that in principle in his statements to the House on security issues, although of course there are issues that need to be considered.

I am therefore happy to support the Bill on Second Reading. It contains valuable and worthwhile proposals in the fight against terrorism. I accept the need for reserve powers, but in very exceptional circumstances, which I believe still need to be defined in the Bill. I hope that in Committee, the Home Secretary will work to build the consensus necessary to convince the House that the safeguards that she has proposed will meet the concerns that have rightly been raised and deal with the three imperatives that I have mentioned. As I said earlier, I am pleased that she is prepared to consider at least one of those points. We know that in the current climate some of our precious liberties have to be sacrificed for the protection of the public. None the less, although terrorists do not stop and question the rights and wrongs of what they do, we must—or we will become what we seek to destroy.

6.54 pm

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): It is a pleasure to follow the right hon. Member for Leicester, East (Keith Vaz). He is entirely right to say that there is always a difficult balance to be struck between individual liberty and collective security. Speaking for myself, my presumptions always favour the former. Save in exceptional circumstances, I do not ever favour the latter. It is from that perspective that I approach the Bill, which I think favours the state too much at the expense of the individual. Left to my own devices, were there to be a Division, I would vote against the Bill in the Lobby. I regret that our fire will, I think, have to be postponed until later stages.

Before I say anything about the Bill in detail, I have three preliminary points that are relevant to the totality of what I want to say. First, we need to keep in mind the fact that there have been four substantial pieces of legislation since 2000 that have touched on terrorism. Indeed, a whole host of other powers and offences are relevant. When there is an argument for change, a compelling case for it has to be made.

Secondly, and differently, we need to keep in mind the fact that when we give powers to officials, those powers are always capable of being abused, and almost certainly will be. When we consider the implementation of powers, we should never do so from the perspective of the ideal implementation, but always from the perspective of abusive implementation.

My last point, too, is related to that. We must remember that when the House surrenders powers to the Executive, we never get them back. The effect is cumulative. Whenever we examine a Bill that surrenders powers, we must keep in mind not just the present but the past and the prospective. The overall weight is what ultimately matters.

The Bill is important, and I had hoped to have more ample time to concentrate on five matters: pre-charge detention, inquests, restrictions on the press and whistleblowers, asset-freezing proceedings and post-charge questioning. I recognise that in the five minutes and 40 seconds remaining to me, I will not have an opportunity to do that. In any event, right hon. and hon. Members who have spoken about pre-charge detention, particularly my right hon. Friend the Member for Haltemprice and Howden (David Davis), the shadow Home Secretary, have said all that I could sensibly say about that. I shall therefore concentrate on matters that have, perhaps unfairly, received less attention.

Oddly enough, the first such matter is inquests. The changes with regard to inquests are very important, and it is indicative that the Home Secretary did not refer to them at all. I suspect that she had a good reason not to do so, as I am about to outline. Let us keep in mind the fact that the changes to inquest law are being made against the background of the Defence Secretary going to the High Court to try to restrict a coroner's ability to reach unflattering verdicts. I acknowledge at once that jury trials in inquests are relatively rare, but they can be very important, especially when there is a need to secure public acceptance of the verdict. That was the motive behind the decision of Lord Justice Scott-Baker in the Princess Diana inquest—and quite right, too.

The Bill does two things with regard to inquests. First, it gives the Secretary of State an unappealable right to dispense with juries in circumstances set out in clause 64. Those circumstances are if the Secretary of State thinks that it is in the national interest, or that having a jury would imperil the relationship between the United Kingdom and another country, or that it is

"otherwise in the public interest"

an all-embracing phrase. Such a decision will be unappealable, subject to judicial review. I can well understand that a Government faced with defaults on the part of its agents would conclude that it was not in the public interest for society as a whole to know about those faults.

The second limb has to do with the relationship between the UK and another country. Let us say that one of the people on the special rendition planes died, and that the person had been dead when the aircraft was on British soil. I can see that this Government would say, "Oh, no, no, we don't want a jury-based inquest into that; it might imperil our relationship with the US." This is very dangerous stuff.

Mr. Garnier: My right hon. and learned Friend has experience as a Minister and as a senior member of the Bar. From his experience, can he recall any espionage case that was tried with a jury at the central criminal court, say, from which national security information has leaked to the detriment of the state?

Mr. Hogg: I do not think that I would go as far as that. I am not sure that I could agree with that proposition.

My other point about inquests has to do with coroners. In clause 65, the Government are taking unto themselves a very interesting power. For reasons of the public interest, the Government can sack an ordinary coroner and replace him or her with a specially appointed coroner. If the latter does not come up to snuff either, he or she can be sacked too, and another appointed instead. Those are the hallmarks of an authoritarian Government, and we should have no part of it.

Another part of the Bill has received no attention at all, save glancingly from my right hon. Friend the shadow Home Secretary. Clause 69 deals with whistleblowers and the press, and on the face of it, it is a wonderfully innocuous provision. It makes it a criminal offence to elicit or publish

"information about a person...which is of a kind likely to be"

helpful to a terrorist. That seems entirely innocuous, but on reflection, one sees that it prevents investigative journalism and restricts free speech. It stops the whistleblower because it enables the Government to prevent the press from, for example, identifying security lapses at airports. If such legislation is required, there should be a public interest defence, but no such defence is provided for in the Bill.

The asset-freezing provisions in the Bill are in part to be welcomed, as they enable the citizen to challenge Treasury decisions. However, the rule-making powers in the Bill have been drawn in such a way that they will enable the Treasury to conceal an awful lot of information that should be available to the citizen.

For example, the rule-making powers enable proceedings to take place in the absence of the citizen or his representative. They also enable the Treasury to withhold relevant information from the citizen or his representative. The list goes on, but whoever drafted those rules had at heart not the interests of the citizen, but the interests of the Treasury. It would have been much better if draft rules had been published when the Bill was introduced, as we would then have known what we would be dealing with.

Finally, I come back to the centre of this debate—the length of pre-charge detention. The hon. Members for Eastleigh (Chris Huhne) and for Hackney, North and Stoke Newington (Ms Abbott) were entirely right in what they said, and as my time is running out, I shall make only two points about the proposal. First, it has jolly few friends. No one knows much about it, and no one supports it—especially not the Director of Public Prosecutions.

Secondly, the hon. Member for Hackney, North and Stoke Newington was entirely right when she spoke about the weakness of parliamentary control in these matters. A whipped vote in a short debate with scanty information about the liberties of the person involved is no way for the House to proceed: the hon. Lady is right, and I entirely agree with her.

7.4 pm

Mr. John Heppell (Nottingham, East) (Lab): I have been a little disappointed with the debate so far, although my right hon. Friend the Member for Leicester, East

[Mr. John Heppell]

(Keith Vaz) gave a very good summary of what the Select Committee said, as opposed to what people might prefer it to have said.

I was pleased by the contribution from the hon. Member for Eastleigh (Chris Huhne), as it helped to remind me of what was in the briefing from Liberty. In fact, the hon. Gentleman could simply have read that briefing, and it is a little worrying that both he and the Conservatives appear to have entered into a consensus about what might be called the new Liberty party. We left off the debate about 90 days in November 2005, but we seem to have carried on with the same debate today, even though a great deal has happened in the meantime.

We have a new Home Secretary, who has tried to achieve some consensus in the House. She has tried to get people to come along with different proposals, and she has accepted that there will not be a power that comes in automatically. Instead, she has asked for reserve powers—

Ms Abbott: Will my hon. Friend give way?

Mr. Heppell: I see that my hon. Friend is getting itchy. I give way to her.

Ms Abbott: I am grateful to my hon. Friend. I was surprised at his dismissive reference to Liberty. Is he aware that he is talking about an organisation for which at least two Cabinet Ministers, and many distinguished Labour Members of this House, have worked? It is a very distinguished organisation, and it was an excellent briefing.

Mr. Heppell: I was not meaning to be dismissive of Liberty. Both it and Justice protect our human rights, and the price of liberty is constant—

Stephen Pound: Eternal vigilance.

Mr. Heppell: I am glad that someone is better read than I am. The bottom line is that those organisations exist to protect human rights. That is their raison d'être, but I remind the House that we have a duty to make sure that we protect the human rights of all our citizens. If we do not fulfil that duty, we are failing as Members of Parliament.

Unlike Liberty, however, we also have a duty to protect people's lives. I do not say that that organisation goes out of its way to threaten people's lives, but the decisions that we make in this House must strike the right balance between those duties, and we have to recognise that there are two sides to this argument.

From reading the papers, people outside the House might feel that the debate is only about pre-trial detention, but the Bill is about much more than that. The Government are not obsessed with 28 days, although everyone else is. The problem is that people have made that their cause célèbre: they have drawn a line in the sand and said, "We will go no further, this is it. We're not going to change our minds about 28 days." In fact, it is clear from the debate that some hon. Members would prefer 14 days to 28, or even fewer than 14. Unfortunately, the contention that the Government will not be able to change people's minds on this issue was made long before the Home Secretary talked about trying to get some consensus together.

Mr. Grieve: The hon. Gentleman says that everyone in the House has settled views, but it has been said again and again in the debate that a state of emergency might warrant going beyond 28 days. It was suggested to the Government and those on the Treasury Bench—I note that they are all absent at the moment—that the Civil Contingencies Act 2004 could be beefed up in those circumstances, but the Home Secretary has decided not to do that.

The hon. Gentleman suggests that some people have got caught in a rut on this matter of pre-charge detention, whereas I believe that it is the Home Secretary who has got caught. The principal difficulty is that she has not been able to show any proper flexibility at all.

Mr. Heppell: I do not think that that is so. I can see the difference between the positions adopted by the Home Secretary now and a couple of years ago. For example, one change is that in this Bill the Government are asking for a reserve power, where formerly they were asking for a full power. I can also see the safeguards that have been put into the Bill, but I cannot see any change at all in the position adopted by the Conservative and Liberal Democrat parties. I can see no willingness on their part even to think about extending pre-charge detention—

Mr. Graham Stuart (Beverley and Holderness) (Con): Will the hon. Gentleman give way?

Mr. Heppell: No, I will not give way any more, as I do not have time.

What I do see is a willingness to look at almost everything else apart from pre-charge detention. Liberty, the Liberals and, I think, the Conservatives would be happy to allow intercept evidence to be used. I agree but, although it might reduce pre-charge detention, it is not a reason for not having the extra insurance that the Government seek. They have talked about allowing questioning without charge. I agree that it may be a way of reducing the need for pre-charge detention, but it does not remove the reason for extra insurance. They have even talked about using the Civil Contingencies Act, which would allow even longer periods of pre-charge detention if my reading of it is right, but my right hon. Friend the Member for Leicester, East pointed out that the Select Committee considered that proposal impractical. The Home Secretary has used the Act's provisions to draw up something similar in the Bill, which is why the reserve power was proposed.

There is no logical reason why we should not have a reserve power. Everybody accepts that there is a real terrorist threat. As the Opposition spokesman said, we accept that there could be exceptional circumstances when we would need to go beyond 28 days.

Sir Peter Soulsby (Leicester, South) (Lab): Will my hon. Friend give way?

Mr. Heppell: No, I cannot give way as I have no more time.

There may be a need to go beyond 28 days. If so, the sensible thing would be to work out how to do so coolly and calmly in proper debate rather than waiting until we need to do it and have to pass knee-jerk legislation to deal with the situation. I cannot understand the logic of waiting until we have passed the trap before we do anything. My right hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth) mentioned hard hats. I would put it much more simply: would anybody wait until after the fire to discuss what insurance policy to take out? No, they want the insurance policy first.

What annoys me about some of the debate is that Parliament is being dismissed—as a sham, one hon. Member said. Some of the briefings say that the reserve power would be exactly the same as a power without reserve judgment because we could not have the legislation in place all the time. What would that mean in practical terms? To make sure that the power was on the statute book and could be used at all times, the Home Secretary would need to make eight or nine statements every year telling us that the Government were proposing to invoke the power. There would have to be eight or nine debates about the power every year to ensure that the Home Secretary could keep it in place. There would have to be eight or nine votes on the power every year. Come on—that will not happen. No Home Secretary from my party or any other party would risk that many hostile debates—and they would always be hostile.

Some people go further and say that use of the power could stop before the 30 days were up and then start again a bit later. I am not sure whether that would be possible technically, but what would happen in the House? Members on the Opposition Benches would be on their feet screaming and shouting. Members on the Labour Benches would be on their feet screaming and shouting. The media and the whole country would be screaming and shouting. In those circumstances, does the House believe that such an abuse could hold? The Government would not be defending 42 days; they would have to defend even 28 days, because we would still have to vote on that every year. If everybody saw that there was abuse of the system, they would vote against the 28 days and the whole pack of cards would fall.

I do not know the Civil Contingencies Act well but I cannot believe that its provisions can be so easily adapted. If that were possible, I should be looking forward to lobbying from Liberty about why we were taking such draconian measures—that is how the provisions of the Counter-Terrorism Bill are being described. In that case, why are the same provisions in the Civil Contingencies Act not considered draconian? There have been more red herrings in this debate than even Agatha Christie could stand.

The proposal is balanced; it says, "We recognise that there is a problem. We are not asking for powers. We are asking for a reserve capacity to invoke powers in exceptional circumstances." The Director of Public Prosecutions and the chief police officer would have to go to the Home Secretary. A statement would have to be made to the House within two days. A debate, with a vote, would have to be held in the House within 30 days. That is a measured approach.

I would rather make sure that we protect not just people's human rights, but their lives too. We are talking about life and death matters and we cannot take them lightly. We carry their weight on our shoulders. My right hon. Friend the Member for Birkenhead (Mr. Field) talked about one of his constituents who had been seriously injured. That could be any of our constituents—we need to guard against it.

7.15 pm

Mr. George Galloway (Bethnal Green and Bow) (Respect): Not since Rocky Marciano fought Don Cockell has there been a more one-sided contest than we have witnessed this afternoon and this evening in the debate. Indeed, if the House will forgive my saying so, the hon. Member for Nottingham, East (Mr. Heppell) personified Don Cockell in the debate, as the only supporter of the measures to speak so far—it is now 7.15 in the evening. It is such a rout that it almost feels like a liberty to join in. It is such a rout that if the measure passes with those provisions intact—if not tonight, later—it will be a triumph for party management but a serious defeat for democratic politics in this country.

It is a funny old world, Mr. Deputy Speaker—as a former Prime Minister once said. We heard a brilliant, bristling defence of liberty from the Tory Front Bench, backed by a brace of former Ministers in Mrs. Thatcher's Government, while Labour Members—with honourable exceptions, I grant—will be asked by their Whips to vote the measure through, yet year after year after year, as my friend, the hon. Member for Hackney, North and Stoke Newington (Ms Abbott), pointed out, Labour Members voted against the prevention of terrorism Acts on precisely the grounds that have been best adduced by the Opposition against the measure today: namely, that such laws sacrifice our liberties but guarantee us no extra securities. On the contrary, they act as a recruiting sergeant for those who want to destroy our liberties still further.

The Home Secretary was wrong when she described the threat that Britain faces as being on an unprecedented scale. The IRA campaign in Britain was far deadlier than the campaign of Islamist extremists nowadays. The Prime Minister came within an inch of losing her life in a hotel in Brighton. Members of Parliament were killed in Brighton, in this building and in their homes. A rocket was fired through the Cabinet window and the Cabinet had to take cover under the Cabinet table. There were bombs in Parliament, bombs in the Tower of London and bombs on the underground: there were bombs everywhere in this country but—at least on this side of the water—we never sacrificed the essential liberties that we are being asked to sacrifice in this flawed strategy, which will be my point in the four minutes remaining for my speech.

Yes, the Bill is an egregious measure and, yes, if it goes ahead it will make things that little bit more difficult, but it is part of a flawed strategy. If I may quote myself, when the House was recalled after the atrocities of 9/11, I said—sitting on the Labour Benches as I did at the time—that if we handled things in the wrong way we would create 10,000 new bin

[Mr. George Galloway]

Ladens. That is exactly what will happen if we pursue policies such as these proposals, which act as a recruiting sergeant for extremism.

I know that extremist Islamist organisations are preying on the fringes of the Muslim community. I have been a victim of them myself, and much more deadly was what happened to the victims in Aldgate East underground station in my constituency whom I watched being carried by the tube workers and the emergency services on 7/7, or those being carried into the Royal London hospital in my constituency. I know that there is a problem. There are extremists, trying to lure young Muslims—boys mainly, but girls, too—on to the rocks of separatism, extremism and violence. But our point in opposing this measure is that those who support it are assisting those people. It is not, to quote the shadow Home Secretary, a human rights point; it is actually a security point.

We are making our avowed purpose more difficult to achieve by telling people in the Muslim community, who already feel beleaguered and besieged and who are told constantly in the yellow press and by some politicians, that they are somehow an enemy within. We are telling them that we are ready to suspend and abolish the liberties and the democracy that we say we hold dear—so dear that we are ready to invade other countries to impose them—at the first whiff of grapeshot. The 55 dead on 7/7 was far more than a whiff of grapeshot—that is true—but if we by this measure recruit new allies for bin Ladenism and for the mediaeval obscurantist mindset that he represents, we will, as has been said many times here, do the terrorists' work for them.

Mr. Baron: Does the hon. Gentleman accept that there are similarities between internment in Northern Ireland during the 1980s and the proposed measures in acting as a recruiting sergeant for terrorists?

Mr. Galloway: Indeed. I was about to turn to that very point. If Ministers listen to no one else in the debate, let them read the speech—still better, watch the video—of the hon. Member for Foyle (Mark Durkan). It was the most important speech made in the House today. He is here to tell us from the streets of the north of Ireland that the securocratic approach—the approach of the suspension and abandonment of liberty in defence of liberty—was fundamentally flawed and recruited thousands of new soldiers for the IRA campaign, to which I previously referred.

I represent tens of thousands of Muslims. Even my worst enemy in the House—there are a few—would concede that I have more interface with Muslims in Britain, especially young Muslims, than virtually anyone else all over this country. In the past week, as a candidate in the London assembly elections, I have been to three major Muslim events—in Barking, in Newham and in Tower Hamlets—and I will attend many more. I must tell Members—I ask them to believe this—that young Muslims in Britain are feeling besieged and unfairly put upon, and they do not need a radical cleric to make them feel that way. The idea that there are ideologues out there who are responsible for the radicalisation of Muslim youth is fundamentally flawed. It is not the imams or the ideologues who are radicalising young Muslims in Britain and, indeed, around the world.

All young Muslims have to do to be radicalised is to switch on the television news and look at the pictures from Palestine, look at the pictures from Iraq and look at the double standards being employed by western statesmen in relation to those kinds of conflict. That is what is radicalising the young Muslims here and abroad, and it will not be solved by this measure; it will be made worse. That is the truth of it. So I beg the Government, who have already got so many problems that even I am feeling sorry for them—notwithstanding what I said earlier, I do not want the Opposition to be sitting on the Government side in the next Parliament—to turn back from this folly. Folly enough there has been. Turn back from this folly before it is too late.

7.24 pm

Frank Dobson (Holborn and St. Pancras) (Lab): Today's debate has been about not whether to counter terrorism, but how best to counter terrorism. Whenever we do that, we have to address the unavoidable ethical and practical dilemmas faced by any open democratic society that is subject to the threat of terrorism. Much of the Bill is on the right lines, but the proposal to extend detention without charge beyond 28 days is not.

I understand why Ministers have come forward with that proposal, and I do not question their motives. I know that Ministers feel that they will be responsible if things go wrong and people are killed. I know that that is why they want to err on the side of what they see as security, set against civil liberty. But I think that what they propose is wrong—wrong in principle and likely to be counter-productive in practice.

In recent times, a lot of attention has been paid to what it means to be British. Well, one thing it means is that we do not allow the police or politicians to lock people up for a long time without charge. That is not some trendy, fashionable bit of political correctness; it was laid down in Magna Carta in 1215 AD, and it has been followed in the English-speaking, common-law democracies ever since. In Canada, the maximum is just one day. In the USA, South Africa and New Zealand, it is two days; in Ireland, seven days; and in Australia, 12.

Here in Britain, we already have a maximum of 28 days—more than twice as long as anyone else—yet the Government are saying that a further extension is necessary because anti-terrorist investigations can take a long time. However, as has been made clear today, other people equally involved and equally well informed believe that the current limit is quite long enough. In any case, there are alternative and better ways to deal with the problem of protracted investigations.

The Government have accepted the proposal, which I made some years ago, that the law should be changed to permit suspects to be questioned after they have been charged. So suspects could be charged with lesser offences related to terrorism and, if appropriate, charged with greater offences later. That has also been made easier by the lowering of the threshold for deciding that a suspect should be charged, and we have to remember that all this is set against the background

that no one can be arrested unless there are grounds for suspecting them in the first place. Yet the Government now propose on top of all those changes, which would strengthen the hands of the police, to allow the Home Secretary—not in a crisis, but in individual cases—to hold suspects for longer than 28 days without charge on the say-so of the police and the Director of Public Prosecutions.

It has been suggested that that power would be constrained if it were subject to a parliamentary debate. It certainly would be a constitutional novelty: Parliament being recommended by the Government to deprive an individual citizen of their liberty, presumably on a whipped vote. To describe that as a kangaroo court would be an insult to kangaroos. Such a change would not be a defeat for terrorism; it would be a win for the terrorists.

Whatever the motives of the misguided zealots who become suicide bombers, the evil people promoting terrorism know that no democracy has ever been overthrown by terrorism. That is not what they are after. What they aim to do is intimidate us into closing down our open society. They want to provoke us into setting aside the libertarian principles that form the basis of our parliamentary and judicial systems. They want to be able to portray us as hypocrites who preach one thing and practise another. They want to be able to say that, when the going gets tough, we are just as reckless with human rights as they are.

Those people also want us, by our response to terrorist outrages, to take actions that alienate sections of our own law-abiding population and attract sympathy for their cause by getting us to lock up innocent people. So how we respond to the threat of terrorism needs to be considered very carefully. We want to thwart the murderous intentions of the bombers and assassins. We also need to thwart their propaganda. That is why I believe the Government's proposal is likely to prove counter-productive in practice, as well as wrong in principle.

The Government say that they want these powers in case the police and security services are overwhelmed by demands on their time, but the law already provides for that through the Civil Contingencies Act, which specifically lists terrorism as one of the types of emergency that it covers. The procedure laid down in that Act, which was passed by the House as recently as 2004, could be triggered in such a crisis, and Parliament could have a sensible debate about whether it would be appropriate to respond by resorting to the emergency provisions. That would not require the declaration of a state of emergency, and the use of such emergency powers could be subject to challenge in the courts. None of that applies to what the Government propose.

I hope that the Government will not proceed with their proposal to extend detention without charge beyond 28 days. Surely it would be better to develop a consensus in the face of the terrorist threat and to develop policies that were likely to thwart terrorist outrages while denying any propaganda advantage to the terrorists. I say that as Member for Holborn and St. Pancras, which is where two of the four 7 July outrages took place, and which was also the location of one of the attempted outrages on 21 July, so I yield to no one in my opposition to terrorism and my loathing of terrorists. However, I also want to protect our ancient liberties, because they are at the heart of our open democracy and because, by sticking to our civil liberties, we give the lie to the terrorists' claims that we are no better than they are.

7.31 pm

Mr. Paul Goodman (Wycombe) (Con): It is a pleasure to follow the right hon. Member for Holborn and St. Pancras (Frank Dobson). I agree in large measure with many of his points and, like him, I have a constituency interest—both broad and narrow—in the Bill.

My broad interest is that, as some hon. Members know, I represent the largest number of Muslims of any Conservative Member. The vast majority of mosque-going Muslims in Wycombe are of the mainstream Barelwi school, as is often the case elsewhere in Britain. They are peaceful, moderate and broadly Sufi. They condemn terror unequivocally and oppose extremism, viewing both as fundamentally anti-Islamic. They make a huge contribution to our town.

Of course, I am not suggesting that Barelwis are the only Muslims who have such an outlook or make such a contribution. The pirs, or spiritual teachers, whom they follow are strongly anti-extremist. I am thinking of men I have met such as Shaykh Muhammad Imdad Hussein Pirzada, a former High Wycombe imam, whose al-Karam school, which is in the constituency of my hon. Friend the Member for Newark (Patrick Mercer), has obtained the best GCSE results in Nottinghamshire for three consecutive years, and Pir Syed Abdul Qadir Jilani, a scholar of formidable erudition whose Mawlid procession in London last Sunday I was honoured to attend.

Barelwis and other mainstream Muslims recognise that terrorists and separatists are ultimately seeking to extinguish their mainstream version of Islam by targeting and grooming their children for conversion to an extreme ideology. I perhaps take a more serious view of the weight of ideology than the hon. Member for Bethnal Green and Bow (Mr. Galloway), although he acknowledged that it was a factor. The House will agree that we should not lightly legislate in any way that makes the position of such mainstream Muslims more difficult. I thus turn to the proposal to hold people without charge for up to 42 days, which leads me to my narrower constituency interest in the Bill.

As the House has heard, an Operation Overt trial begins this week. One of my constituents and a former inhabitant of High Wycombe face serious charges. I am told that one of these men was held for 28 days—

Mr. Deputy Speaker: Order. The hon. Gentleman looks as though he knows what I am about to say. He must be careful about legal cases that are taking place, or are about to take place. I urge him to be extremely careful with his remarks.

Mr. Goodman: Mr. Deputy Speaker, I was not in any sense going to comment on the trial. I was simply going to make the point that two of my constituents were held under Overt and not charged. I know that one of those men was held for 28 days.

[Mr. Paul Goodman]

Of course, I am not a Minister. Those of us who are not and have never been Ministers should be mindful of the responsibility that they carry and of the fact that Ministers often have access to information that the rest of us do not have. Given that, it would be irresponsible to oppose in principle an extension to 42 days. However, the harm that such an extension would undoubtedly do to winning Muslim hearts and minds, and to civil liberties more broadly, must be justified in practice by any good that it might do by preventing and deterring terror attacks.

A central difficulty for the Government—the Home Secretary could not avoid this today—is that by Ministers' own admissions it has not been necessary in any case to date to hold any suspect for longer than 28 days to charge them. If Ministers had broad and deep support for their claim that an extension to 42 days—apparently, that is a completely arbitrary figure in itself—was necessary, we would have to weigh it carefully. However, as we have heard, the broad and deep support is for not going beyond the status quo. We read today that that support is shared in private by the Attorney-General and the Solicitor-General.

The complex manoeuvres in the Bill to give the Commons a say in the holding of suspects beyond 28 days is a move by Ministers to break up that broad and deep support and to shore up their position with their Back Benchers. If that is the case, the first part of the manoeuvre has clearly failed. We wait to see whether Ministers have more success with the second.

I have at least one constituent who was charged within the 28-day limit—that suggests that the current limit is sufficient—and I must not forget that one of my constituents was held for that period and not charged. Whatever a man's character or history, it is no small matter for him to be held without charge for the best part of a month. That can have no small effect on his family, and perhaps on his employment and health.

The Government's case is not helped by the persistent suggestion that Ministers are less concerned with security than they are with spin. As recently as this morning, a Government spin doctor—I am using a newspaper's phrase, not mine—was quoted thus:

"We may have a parliamentary challenge on our hands...but in the end the public will see that"

the Leader of the Opposition

"has out-sourced counter-terrorism to...Liberty".

It would be risible if Ministers who recently failed to prevent a convicted terrorist from leaving prison early and to ban Ibrahim Moussawi from entering Britain were to try to portray others as soft on extremism and terror, but that might well be the game. If so, the House can conclude only that Ministers are prepared to risk the position of Britain's mainstream Islamic leadership in the quest for a quick political win as the grim opinion polls stack up for the Prime Minister. Whatever the motive, the House must ask itself whether that risk is worth taking.

Al-Qaeda is seeking to lure young, vulnerable Muslims away from their traditional religious faith. It is trying to drive a wedge between them and their families, and to open up a chasm between them and the prospect of a happier, better and more fulfilled life that is no less authentically Islamic for being completely British. It is trying to set Muslims against non-Muslims. Those of us in the House who are not Muslims have perhaps a particular responsibility not to make that strategy easier to accomplish.

I have tried to warn consistently in the House of the dangers of separatism and extremism. That has not invariably been a popular course to follow in all quarters of my constituency. If it were proved to me that it was necessary to extend from 28 days to 42, I would vote to do so, but the House should not be willing to compromise good relations between Muslims and non-Muslims, increase the heavy burden that Britain's mainstream Muslim leadership bears, make more difficult the flow of information to the police and contradict key elements in the Government's Contest anti-terror policy for no tangible security gain in perhaps the greatest struggle of our time, in which all Muslims and non-Muslims should be, and yet can be, united.

7.39 pm

Ms Dari Taylor (Stockton, South) (Lab): I will concentrate my comments on reserve powers, the need to extend pre-charge detention and the use of intercept as evidence.

I place on the record my cautious and probably critical views on using intercept as evidence. I am clear the Bill is an attempt to say that if we used intercept evidence, we could convict people more easily; I understand the intention. However, the fact is that the technology that is used is fast-changing, and it will ultimately prevent effective tracing. That should be acknowledged. My second problem with using intercept as evidence is that the tracing and publicising of intercept evidence, even if it is used only by an advocate, could result in security agents being identified, which puts them and their families at risk. Both those factors should be considered, and I hope that they will be when the Bill is in Committee.

The Bill clearly outlines the many and varied challenges that we face. It attempts to put in place a legal and democratic process that will, in an emergency, support the security services, giving them adequate time to detect, detain and charge so that they can prevent further successful acts of terrorism. The process outlined in the Bill carefully attempts to do that, but it also protects individual liberties. The Bill acknowledges that the security agencies and police who work in the realm of coping with and reducing terrorism face enormous difficulties in gathering evidence effectively. The process is often slow and difficult, and it is regularly dangerous.

The Bill makes overwhelmingly clear the scale of the activity that we have to get our heads around. Potential terrorist activity is on a growth curve that is frightening for all. I believe that it was the previous director general of MI5 who said that there are today more than 2,000—perhaps as many as 4,000—potential terrorists who are being watched and about whom intelligence is being gathered. Many of them—perhaps all of them—have multiple identities. We have a serious problem, the scale of which we are beginning to understand. In addition, those people use thousands of CDs, mobile phones and computers. It is on record that it took special branch

60 days to put together one particular video, but when it did, it found the evidence that it was looking for: it was a video to encourage, persuade and ratchet up terrorism. These are difficult times. Gaining factual, evidential intelligence is problematic, and that more than anything else makes me sympathetic to supporting reserve powers to extend the period of detention without charge—with one, absolute caveat: that the powers be used in exceptional cases only.

I am reasonably satisfied with the process through which an extension to pre-charge detention may be granted, and I will later outline why. I am keen to hear the Government say who initiated the debate. We have heard that it was, in part, the Association of Chief Police Officers. I would like to know what evidence has been produced by the security agencies and special branch to persuade us that an extension of pre-charge detention limits is essential. I believe that that information should be placed in the Library.

Mr. Grieve: The hon. Lady asks a rather pertinent question. I do not think that there is any material to be placed in the Library, because the security services never requested the extension. The extension was dreamed up by her hon. Friends on the Government Front Bench; that is the reality. They did so at a time when there was consensus on 28 days, and they departed from that consensus for reasons that remain a complete mystery.

Ms Taylor: I listened carefully, as I believe the whole House did, to the Home Secretary's speech, in which there were references to ACPO and other organisations, so I repeat my request. That information—I believe that it does exist—should be placed in the Library for all of us to read.

David T.C. Davies (Monmouth) (Con): May I point out to the hon. Lady that I and other Members of the Home Affairs Committee met very senior members of the security services? I am not prepared to say exactly what went on in that meeting, but she is certainly misrepresenting their views.

Ms Taylor: I did not believe that I was misrepresenting anybody's views. I was simply quoting what I heard today at the Dispatch Box. If the information exists—and I accept the caveats put forward by the Opposition—it is that information, more than anything else, that will persuade the majority of people to accept that reserve powers should be used.

As I say, the process outlined in the Bill that would allow reserve powers to be enacted is valuable. As we can see, the Director of Public Prosecutions and the chief officer of a police force would be involved. They would have to make a report and they would have to be absolutely satisfied that there were reasonable grounds for accessing the reserve powers. The Bill states quite clearly that all relevant evidence must be tabled, and that if an examination or analysis of evidence is appropriate, that must be clearly identified. All that persuades me that people outside the House who have the law in their hands are looking carefully at why any of our security agencies would feel the need to use the reserve powers.

We are told that in the third stage of the process, a statement will be laid before Parliament. That statement will outline the Home Secretary's belief, based on evidence given, either that there is to be an investigation into the commission, preparation or instigation of an act of terrorism, or that what appears to be an act of terrorism has taken place and has given rise to an exceptional operational need. The Government are clearly attempting to say that the facts of a situation must be investigated and statements must be laid before Parliament. I am not as cynical as many people who have spoken tonight; I believe that Parliament is more than capable of considering, digesting and, if appropriate, throwing out any argument advanced by the Government. People claim that the whipping system is too persuasive to allow that, but that suggests that they ought to look in the mirror, and not at some of us on the Labour Benches.

Mr. Graham Stuart: Will the hon. Lady give way?

Ms Taylor: The Bill states that if Parliament does not support the reason for the enactment of legislation permitting the use of reserve powers, the person or persons in custody will be released immediately. It also states that there will be an independent review of and report on why the process was undertaken and whether it was appropriate to the application. All that persuades us that the process is clear and factual.

Mr. Stuart: Will the hon. Lady give way?

Ms Taylor: Of course, sorry. I should explain that I am slightly deaf tonight. I think that I have the flu, so I do not always hear people shouting.

Mr. Stuart: I am extremely grateful to the hon. Lady for giving way. Does she seriously believe that in August, when the House is not sitting, Members will return to Parliament to discuss a case—or rather, as has emerged, not discuss a case, as it may not be possible to do so if it becomes sub judice? Can the House really rely on that possibility, given that people's liberty is being threatened?

Ms Taylor: I believe that this is a very responsible House, and if it is deemed appropriate, Members will return to Parliament. I have no doubts about that.

To conclude, the process set out in the Bill is effective and clear. It carefully leads us to a point at which, if we use reserve powers, it is because we believe that it is appropriate to do so. The Bill outlines the fact that we face challenging times. It carefully states that there is a serious, significant minority who hold extremist views. These are complex times; it is crucial that we acknowledge that, and that we ensure that before another 7/7 happens, we have powers that we can move in with, and with which we can hopefully control and stop such events. That is the intention behind the Bill. I hope that the attempts to find consensus between those of us with different views will continue, and that the Front Benchers will pursue consensus. The strong point

[Ms Dari Taylor]

to make about the debate and what is to be achieved is that we could do so much more if we took a common approach and had a common understanding.

7.49 pm

Mr. Ben Wallace (Lancaster and Wyre) (Con): When the Bill was introduced, the Home Secretary said that it was partly the result of lessons learned from previous legislation, such as the Regulation of Investigatory Powers Act 2000, so that those working at the coal face who every day face the threat that we talk about from our comfort zones would be able to put things right. The hope was that it would bring the lessons learned from the past into the present day, but I see no evidence of that in the Bill. Rather it seems to have come off the top of the head of some special adviser or focus group in response to public opinion. The Government have not learned the lesson from the last debate about detention without trial and have decided to reintroduce the measure, despite all the inevitable consequences.

The Bill's justification is that terrorism is different, that it has severe consequences, and that often the resulting trials are very complicated. But organised crime has severe consequences, too: evidence trails from drug running or any other type of organised crime are incredibly complicated, and the perpetrators of such crime take advantage of technology like anybody else. Paedophiles make exactly the same efforts to cover their tracks. The Government are not introducing proposals today to include those types of crime. Try telling the victims of paedophiles and organised crime that they are not as important as the victims of terrorists. In fact, there are more victims of organised crime and paedophiles than there are of terrorists.

Another justification is that today's terrorists are different from the previous lot, but that is not the case. Terrorism is always countered in the same way. A number of my Conservative colleagues have personal experience of facing down and combating terrorism. I myself have had many experiences in Northern Ireland and here in countering terrorism when some Government Members were doing their best to prevent us from doing that job. Good counter-terrorism is intelligence-led; it needs community support and informers. Failure means that we all face serious consequences, but failures there are. There is no such thing as a 100 per cent. successful counter-terrorism policy, because counter-terrorism is a premeditated activity, often relying on the coverage given by communities.

I am sure that the Home Secretary did not mean to mislead the House, but one cannot simply compare a straightforward IRA case with a complex al-Qaeda case. Many IRA plots were incredibly sophisticated, extending to countries such as Libya, France and America, involving many people and using technology to avoid detection, and often—much more regularly than the present-day terrorists—they hit their targets, causing 3,000 deaths. The IRA came into this House and blew up one of its Members and bombed the Cabinet. As the hon. Member for Bethnal Green and Bow (Mr. Galloway) said, the IRA used real bombs that worked every time. We should not pretend that because today's terrorists are different, we should compromise more of our liberties. They are the same. They may have more ambitions, but most IRA bombs in the centre of London went off; they were not towed to the car pound by an overzealous car-parking attendant. The IRA were more and more successful, and we should not forget that.

The hon. Member for Foyle (Mark Durkan) is right. He and I would never have seen eye to eye in Northern Ireland. Members of his communities may have been the victims of some of my activities. We would have debated what level of security was right for living with the threat, although we may not have agreed. I am sure that, in my time, we did things that may not have been received sympathetically, but we ensured that we underpook other counter-terrorist activities. Counter-terrorism is not just about convicting; it is often about disrupting terrorist organisations or operations. One day one is sure there will be a conviction, but one needs the political courage to recognise that one cannot always get it right. One has to admit that sometimes mistakes are made in counter-terrorism.

Counter-terrorism is about a balance between extremes. We could do nothing or we could do everything. We could have internment and Guantanamo Bay. We could even put the pressures on police forces that may have led to the Birmingham Six and the Guildford Four convictions. Getting the balance right so that we protect our liberties while ensuring that we catch the criminals is the important part of the debate. It is an act of political cowardice to go quickly to the extreme. One Labour Member said that one should wear a hard hat in case part of a building falls on one's head; I can understand that if one is working on a building site, but out in a field one would look ridiculous wearing a hard hat as some form of risk coverage. We must strike the right balance.

The Bill is a missed opportunity. Not one of the 20 recommendations in the report to Ministers from ACPO on RIPA about how to make our surveillance more efficient has been included in the Bill. Instead, there has been an attempt on spurious grounds to lock people up without trial for 42 days—an arbitrary figure if ever there was one.

The Home Secretary likes to say that technology allows terrorists to co-ordinate and hide their activities, but we have huge amounts of technology on our side. We have GCHQ at Cheltenham and the police, and often such technology means that we do not need 42 days, or even one hour, but the Home Secretary will not tell us about the weapons that we have at our disposal—perhaps rightly, for the sake of security. She would rather let it be thought that the advantage is one-sided—that only the terrorists can use technology. The challenge in modern crime-fighting is to stay one step ahead, but that must not be at the expense of our civil liberties. When we do that, we fail not only the victims, but the whole of society. The challenge to the Government is to have the political courage to say to victims of terrorist incidents, that, unfortunately, sometimes we cannot do it all, but we act in the best interests of the whole nation and to defend all our liberties.

7.58 pm

Mr. Andrew Dismore (Hendon) (Lab): The Joint Committee on Human Rights, which I chair, has produced 10 reports on counter-terrorism policy in this Parliament alone, and three are tagged for today's

debate. They all start from the same basic premise in human rights law: the state's positive obligation to protect us all from terrorism and violence, and the state's duty to prosecute those who are guilty and to make that prosecution more effective.

I agreed with the Home Secretary when she set out her principle that the strongest level of public protection to both secure prosecution and protect hard-won liberties should be the aim. The Bill brings forward improvements such as post-charge questioning, but the debate has rightly focused on pre-charge detention, and I do not agree with the Government on their approach.

Two and a half years ago I voted for 90 days maximum, and at that time I saw no alternative, but now I have changed my view. I cannot support going beyond 28 days for four reasons. First, there is now a coherent, alternative, human rights-compliant package of measures. Secondly, we have active experience of operating the 28-day maximum rule. Thirdly, the Government have not yet made their case for the need to go beyond 28 days. Fourthly, even if the 42-day proposal could be justified, the safeguards are woefully inadequate.

Many of the items in the alternative package were first advocated in our report of July 2006—an alternative system that would enable prosecution to take place more easily and avoid unnecessary detention. We have heard a lot tonight about threshold charging and the ability to charge people on reasonable suspicion of commission of an offence looking forward to what evidence may or may not emerge. We were told by the chief Crown prosecutor that 50 per cent. of terrorist cases are now charged on the threshold basis. We have the new offence of acts preparatory to terrorism, which is very broadly drawn. The combination of the very broad offence and the very low threshold is important. Frankly, if someone cannot be charged after 28 days on a threshold basis with acts preparatory to terrorism, they will not be caught on anything.

On post-charge questioning and the drawing of adverse inferences, I am concerned that we may sleepwalk into that position by consensus, and we need to make sure that we have proper safeguards. We are concerned about the Government response that it will ultimately be for prison governors to decide whether questioning should be allowed.

Mr. Grieve: I want to reassure the hon. Gentleman that while we want to see post-charge questioning, systems need to be implemented to make it effective and fair. Indeed, our judgment is that unless such systems are implemented, the danger to the Government is that post-charge questioning will be successfully challenged and the intention behind the changes will be negated.

Mr. Dismore: I will not go through the particular safeguards, because the hon. Member for Eastleigh (Chris Huhne) has outlined them.

In his evidence to the Committee, the Director of Public Prosecutions said that intercept evidence would be useful along with the acceptance of the Chilcot review. My Committee recommended more specialisation within the Crown Prosecution Service drawing on experience overseas of the examining magistrates system, which has actually happened.

My Committee called for more active case management in judicial intervention in 2006. In part, that was an attempt to deal with defence tactics such as the suspects all choosing the same lawyer, which makes it difficult to conduct inquiries. In 2006, the DPP suggested that incentives should be introduced for people to give evidence, which might involve appropriate safeguards, lower sentences and witness protection.

When we visited Paddington Green, the lack of availability of police bail was mentioned—of course, police bail would not apply to major suspects, flight risks or key players. It was stated that there are often people on the fringes who are not flight risks—perhaps they were involved in funding—whose computers could be broken down while they are on police bail, subject to strenuous conditions such as those used with control orders. That recommendation came from the police who deal with such cases. So far, the Government response to that package has been to pick holes in each individual suggestion, and they have not been prepared to consider the package in its entirety. However, they have accepted that some parts of the package would reduce the pressure to go beyond 28 days.

We have experience of the 28-day limit with regard to the airline plot. Six people were held beyond 14 days. Three of them, as we have heard, were released just before 28 days and were innocent, and two of them were charged just before 28 days with acts preparatory to terrorism on the threshold charge basis. So far, because those cases have not come to trial yet, there has been no qualitative analysis of what went on in the police stations—there has been speculation—and we need to see that. The DPP has said that it has managed reasonably comfortably with 28 days, and chief prosecutor Sue Hemmings told my Committee that 28 days has proved to be sufficient.

The Government have not made their case. The consensus approach has been commendable, but my Committee produced a 101-paragraph report on the 42-day issue to which the Government responded in a mere four paragraphs without answering any of our arguments.

MI5 refused to appear before my Committee. It is happy to appear before a committee of editors, but it will not answer questions about the level of threat. MI5 has said that there are a lot more plots and suspects. If there are in fact more plots, it is, of course, worrying, but it could be that MI5 is more aware of the plots that already exist, which is safer. Unless we can probe that point with MI5, we do not know the answer to that question. It seems to my Committee that the level of threat is more or less the same as it was when we dealt with 28 days in this House.

We have heard the arguments about a doomsday scenario—three 9/11s on one day—which would be a civil emergency. My Committee criticised the argument about the Civil Contingencies Act 2004, because the 2004 Act does not provide for pre-charge detention. However, it would not be impossible to amend the 2004 Act, if necessary, to deal with that particular issue.

[Mr. Dismore]

There is, of course, an impact on the communities affected. The Government response to our point on threshold charging stated:

> "Communities most likely to be affected may react adversely if they perceive that terrorist cases are uniquely charged on a lower evidence threshold."

That is precisely the point in relation to the problems that would follow the introduction of 42-day detention. The key point is not whether the power is actually used, because the decision in principle would have that effect.

No additional judicial safeguards have been proposed, and the existing safeguards on 28 days are already inadequate. A statement to Parliament and approval by Parliament are not good enough, and we cannot debate those issues properly without prejudicing a trial. Consider how many times in this debate already we have been reminded of the sub judice rule. How on earth can we actually discuss in any meaningful way on a whipped vote the question of somebody's liberty or continued detention? It is simply not possible to go into the level of detail necessary to consider whether a time limit should be extended for the purposes of a particular investigation. That approach confuses parliamentary and judicial functions.

My Committee wants to see additional safeguards on 28 days. At the moment, the judge is not even allowed to question the basis of the arrest and whether there were reasonable grounds for the arrest. The judicial procedure is not a fully adversarial hearing, and we think that there should be special advocates for the closed part of the hearing and that restrictions on disclosure should be at least subject to an overriding requirement that the hearing be fair.

On habeas corpus, my Committee believes that this Bill and previous legislation exclude habeas corpus. The Government say that there has been no legal challenge, but in fact there was in the case of Nabeel Hussain. The High Court said that it could not review a decision by a High Court judge, and it also found that the warrant of further detention hearing was a judicial hearing. An application for habeas corpus would therefore be struck out as an abuse of process, because of that very judicial hearing.

Many other aspects of the Bill need improvement: post-charge questioning requires further consideration; threshold charging needs more safeguards; the control order regime needs to be looked at; and special advocates are also important. My Committee is extremely concerned about inquests, but I have insufficient time to discuss that matter, except to say that public interest immunity law could provide the answer, because it can apply to inquests.

My Committee will table amendments to give effect to the sort of things that we think should be implemented, based on our previous reports, and I will support the Second Reading of the Bill tonight in order to have that opportunity.

8.7 pm

Patrick Mercer (Newark) (Con): It is a pleasure to follow the hon. Member for Hendon (Mr. Dismore). I am delighted to hear that he has changed his view from supporting the 90-day limit, which we discussed some time ago, to supporting a limit that in my view is still far too overblown.

I want to discuss two things—consensus and history. I was extremely pleased to hear my hon. Friend the Member for Wycombe (Mr. Goodman) discuss the al-Karam school in my constituency, which has achieved such notable results not only in terms of a reasoned and thinking approach to the problems that we have discussed today, but in terms of academic results. I have listened to those Sufi gentlemen at length, and I hope that I have absorbed a great deal of what they have to say.

On consensus, the threat that we are discussing today will certainly become a reality. Every day that passes, I think that the clock is running down before we experience a serious, concerted and lethal attack against this country. When that happens, I hope that Labour Members will not engage in cheap political point scoring about the views expressed by Conservative Members and some other Labour Members. It concerns me that there is a huge amount of cynicism over a subject that should be well above party politics.

I want to pick up the points that the hon. Member for Foyle (Mark Durkan) has made so eloquently. I think that I am the only Member in the Chamber at the moment who has experienced internment—at least, it was internment from my side of the equation. I know that the hon. Member for Foyle has clear views on internment, but I want to use it as a yardstick of history to talk to the Government, without in any way trying to patronise them, about the problems that I saw as a young officer through 11 tours in Northern Ireland in the '70s, '80s and '90s.

I joined my battalion in 1975. Internment had come and gone, but I and many others had to try to pick up the pieces of that deeply flawed policy, which aided and abetted terrorism. Personally, I think that if we had not gone into that particular cul de sac, we would certainly have brought the IRA to its knees—perhaps temporarily—by about 1980. We had another two decades of trouble. Many of my friends were killed and injured in Northern Ireland, and I salute their memories. I very much hope that the Government look at the lessons of history and do not make the same mistakes and errors that were perpetrated all those years ago in Ulster.

To pick up the point made by the hon. Member for Bethnal Green and Bow (Mr. Galloway), I should say that I fully acknowledge that this terrorism is not of the same nature. The IRA was visible and it killed and injured almost daily, despite the fact that big mouths such as me reckoned that we had them taped—of course we had not. The fact remains that in summer 2006, our enemies intended to bring down up to nine aircraft and kill in the region of 3,000 passengers and as many people as possible on the ground when the aircraft crashed. On top of that, our enemies intended to fracture both the international relationship between the United States and the United Kingdom and a coalition that—rightly or wrongly—was pursuing war on two fronts and carrying out the so-called "war on terror", which is not a phrase that I like to use.

Those grand strategic aims put the IRA's campaign into a completely different light. Yes, the IRA killed, yes it was visible—but it killed dozens rather than

hundreds or thousands. It is against that latter eventuality that we have to prepare ourselves. In my view, 14 days is quite enough. I operated in Ulster with seven days, and we made that work. However, we are where we are; to me, 28 days is more than we need, and that is underlined by the fact that nobody—with one possible exception—has had to be detained for that length of time.

My next point is that, as Lord Dear said, our enemies will use the issue as a propaganda coup if we take it any further. Our enemies are not amateurs; they are not just ignorant gunmen or bombers. They do not wish to throw away their lives unnecessarily. They fully understand that they hurt us not just with bombs and bullets; a liberal democratic society is probably hurt more by propaganda. If we hand them this tool, they will use it mercilessly. First and foremost, they will use it in exactly the same way as the IRA did—to suggest that this is a racist or anti-religious Act directed purely and simply at the Muslim community. In the same way, the IRA suggested that internment was directed purely at Roman Catholics. That was not true, but it was enough that the IRA managed to persuade the international media that it was.

On the "Today" programme this week, that precise point has been made—that if the Act goes through, it is likely to conflict with race relations legislation. Whatever the truth and reality and no matter how lawyers argue, the Act will be perceived as anti-Muslim. It will act as the most perfect recruiter. I do not wish to labour the point, but let us remember those who were improperly detained in Northern Ireland under internment. They were completely innocent. They may have been republicans, but they were innocent of violent acts. When they returned to their communities, they became magnets—the most powerful advocates of the twisted version of the republican cause. I believe that we have already seen something similar in the operations at Forest Gate and the like, as a result of which recruitment for jihadists who would wish us ill has leapt ahead.

Sammy Wilson (East Antrim) (DUP): The hon. Gentleman is making a powerful point that resonates with many of us from Northern Ireland. However, does he not also accept that almost any piece of terrorist legislation will be interpreted in exactly the way he has described by those who wish to use it as a propaganda tool?

Patrick Mercer: I take the hon. Gentleman's point entirely, but I would say this: we have gone far enough. We have legislation that takes us to 28 days; to my mind, we are lucky to have got away with that as much as we have. If we go any further, I suggest that we will hand a perfect victory to our enemies.

My last point has already been made. The one effect that we noticed when internment finished was that intelligence sources across the political divide dried up. The "carefully nurtured" touts, to use an Ulster phrase, whom we had turned, deployed and made to flourish—whom we were paying, frankly—suddenly ceased to provide the crucial golden flow of intelligence and information.

Having talked to members of the Security Service and highly placed police officers, I believe that the same phenomenon has been noticed already. The only way in which we will win this battle is through a concerted, orchestrated and thoughtful approach to, and use of, intelligence. If we get that wrong, we might as well give up—we can deploy as many gunmen, riflemen, policemen, soldiers or cameras as we like, but unless we have human intelligence sources, we will take casualties. We will. We must not allow that to happen.

In my last few seconds, I say this to the Government. The Minister, I know, is an extremely reasonable and sensible man. Please do not make the mistake again. We got it horribly wrong. Many people perished on both sides of the divide—security forces, terrorists and non-sympathetic civilians in Northern Ireland. Let us not get it wrong again. Let us understand that our liberties and freedoms are more important than anything else. Above and beyond anything else, the Government should study history and not pass the most powerful possible stick to our enemies.

8.16 pm

Mr. David Winnick (Walsall, North) (Lab): I am pleased to follow a fellow member of the Home Affairs Committee.

Let us at least agree on one thing: no one in this House is soft on terrorism or has any desire to be passive in the face of an ongoing and acute terrorist danger. The atrocities of 7/7 came as no surprise. Of course, the four mass murderers were not under suspicion and had not been detained in any way. Outside the Government, there is a consensus on pre-charge detention—namely, 28 days. It is unfortunate that this issue has been brought forward. If there were a free vote, the Bill would undoubtedly be defeated by an overwhelming majority in the House of Commons.

I am disappointed that, having been defeated in November 2005 over the 90-day question, the Government decided to bring the issue back—without, as I will go on to say and as has been emphasised in the debate, any evidence to justify that. Why 42 days? Of course, the idea of 56 days was bandied about for some time. The only explanation for the period being 42 days is that the Government believe that with a trigger mechanism and the rest, that is the proposal that they have the best chance of getting through Parliament. Otherwise it would be 90 days again—or 60 days, or 56 days. They have picked the figure without any evidence.

Let me make my position clear. The hon. Member for Newark (Patrick Mercer) said that as far as he was concerned, 14 days was sufficient. If that were my view, I would not have proposed doubling the figure. I believe not that 14 days is sufficient, but that 28 days is necessary in view of the terrorist danger. Let me make another point that may come as a surprise to some. If there were compelling evidence, which could hardly be challenged, that it was necessary to go beyond 28 days, I would support it, because I believe that a country's security and safety must always come first.

However, there is no such evidence. I am pleased that my hon. Friend the Member for Hendon (Mr. Dismore) has decided not to support any extension beyond 28 days. When Sue Hemming, head of counter-terrorism at the Crown Prosecution Service, gave evidence to the Joint Committee on Human Rights on 5 December, she was asked on more than one occasion about her views on the number of days for which a suspect should be held. She said:

[Mr. David Winnick]

"We have no evidence to support that we need beyond 28 days. We certainly have not needed it in any case until now."

As a member of the Home Affairs Committee, I was present when the Director of Public Prosecutions gave evidence and said that he was satisfied with 28 days. The piece in *The Times* today means that that goes to a wider audience. Those two very important people, who are much involved in the prosecution of terrorists, are not asking to go beyond 28 days, and it is difficult to take the view that they are somehow soft, or passive, on terrorism.

Let us not forget that in non-terrorist cases the absolute maximum period for which a person can be held is 96 hours—four days. To those who say that we do not sufficiently understand the complexity of terrorist cases, with all the evidence that needs to be dealt with, my response would be that 28 days is already seven times the period for which a non-terrorist suspect can be held. Surely that demonstrates that we have an understanding of the work that the police undertake.

Sir Peter Soulsby: My hon. Friend has referred to the overwhelming evidence given to the Home Affairs Committee and others. As a member of that Committee, can he confirm that its fundamental conclusion was that no case had been made that 28 days was inadequate, and that the subsequent discussion about special circumstances is little more than an attempt to provide a fig leaf, and an inadequate one at that, to enable the Government to attempt to justify, unsuccessfully—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. That intervention is too long, especially as we are in a very tight time-limited situation.

Mr. Winnick: It may have been long, Mr. Deputy Speaker, but I fully agree with every word that my hon. Friend said.

For terror suspects we have increased the period to seven days, to 14 days and, less than three years ago, to 28 days. This is not the first time that Parliament has faced the challenge of how to bring about the necessary legislation to protect the country and at the same time defend our traditional liberties. One of the most important of those has been mentioned by Opposition Members, but let there be no doubt that it is important to Labour Members as well—the right that has been built up over centuries whereby a person should not be held for a lengthy period without being either charged or set free. We should not undermine that right any more than is absolutely essential. That is why I believe that, having gone as far as 28 days, and without any evidence to justify an extension, we should leave it at that.

Mention has been made of the police. Sir Ian Blair wants an extension from 28 days. However, it is interesting that former senior police officers, including Lord Condon and Geoffrey Dear—a former chief constable of the West Midlands—are clear in their own minds that an extension is not necessary, and, moreover, that one would be counter-productive. Are they soft on terrorism? Are they unaware of the acute terrorist danger that this country faces?

In an interview over the weekend, the Home Secretary said that we had to be careful because if we rejected what was being proposed, there could be a backlash. Well, there may be a backlash—I hope not—but it would be a poor day in the House of Commons if we made a decision not on the basis of the evidence and the facts, but because of some fear that what the Home Secretary described might happen.

I understand that we are not going to vote tonight. However, I hope that those of my hon. Friends who believe that what is intended is wrong, and that there is no justification for it, will decide to vote against it at the appropriate time on Report. It would be wrong—I would go further and say that it would be disgraceful—if the House of Commons decided to go beyond 28 days' detention without the evidence that is absolutely essential to justify a longer period. I can only hope that despite the Whips and all the pressures that all Governments—not just this one, by any means—apply, this proposal will be defeated in due course.

Several hon. Members *rose*—

Mr. Deputy Speaker: Order. We are not going to get everyone in if we stick at eight minutes, so to try to help the participation rate, after the next eight-minute speech I will reduce the limit to six minutes in an effort to get more hon. Members in.

8.25 pm

Mr. Alistair Carmichael (Orkney and Shetland) (LD): It is a pleasure to follow the hon. Member for Walsall, North (Mr. Winnick). I remember his speech in the debate last time round, when we were discussing 90 days' detention, and I was struck by the similarity of many of the points that he has made tonight. I think that that is because what we have in the Bill is not so much a strategy as a rather loose and disparate collection of tactics. That lack of overall strategy is the cause of the Government's problems, and it is why these days we seem to have almost a Bill a Session on this subject.

I feel very uneasy about several of the ways in which the Bill seeks to blur very important divisions within our constitution, especially in relation to the position of Scots law and the way in which that produces some exceptionally convoluted procedures. The position of Scots law has been subject to a particular lack of regard in the preparation of the Bill. That causes me great concern, and given the limited time, I want to concentrate most of my comments on that.

The right hon. Member for Leicester, East (Keith Vaz) made a good and well-reasoned speech in which, as Chairman of the Home Affairs Committee, he listed a whole range of people whose views have been sought. When I asked whether he had sought the views of the Scottish Law Officers—the Lord Advocate and the Solicitor-General—he said no, because the Scottish Parliament has its own Committees. It does indeed, but they will not consider the Bill because it is of UK-wide application, and is to be debated and voted on in this House alone. It will ultimately then be applied, one would hope, by the Scottish Law Officers. I would say gently to the right hon. Gentleman that if the views of the Director of Public Prosecutions are worthy of consideration, surely the views of the Solicitor-General

and the Lord Advocate, as head of the prosecution service in Scotland, must also be worthy of consideration. That is a point that not only the Home Affairs Committee but the Government should take on board—and one of which all Scottish Members should be particularly mindful.

The House may recall that when we discussed 90 days' detention, it was a matter of some controversy that the Lord Advocate and the Scottish Executive had not been consulted at all. I was eventually able to intervene on the Home Secretary today to ask her whether the Lord Advocate was in favour of an extension to 42 days. It is remarkable that she did not answer the question. I was mildly concerned that the Minister for Security, Counter-Terrorism, Crime and Policing was sitting there mouthing and nodding his head as the Home Secretary was speaking, saying, "Yes, she is," suggesting that the Lord Advocate did support the proposal. I hope that when he responds to the debate he is able to make clear what representations the Home Office has received from the Lord Advocate, because there is nothing on the record so far, and that is a matter of significant concern for Scottish Members.

One of the most worrying aspects of the convoluted way in which the Government have sought to introduce 42-day pre-charge detention is the blurring of the roles of this place, as a legislature, and the judiciary, as supervisor of the individual liberties of the citizen. I consider myself to be exceptionally ill-equipped, as an elected politician, to play the role that the Government seek to give, particularly if we were in the highly febrile atmosphere following a terrorist outrage. People who hope to be due for re-election in two years' time are not the best people trust with the liberty of the individual.

Mr. David Heath (Somerton and Frome) (LD): My hon. Friend is absolutely right to concentrate on that point. The Government seem to be attempting to empanel this House as some sort of grand jury, but one that will not possess any of the facts of the case.

Mr. Carmichael: The creation of a grand jury would be a novel concept for any jurisdiction in the United Kingdom, and it is not one that we should enter into lightly or unadvisedly.

I am particularly concerned about clause 27, which relates to the jurisdiction to try offences committed in the United Kingdom. In short, it allows a criminal offence committed in Scotland to be tried in England. I put it in those terms, and although it could operate the other way round, it is, however, virtually unthinkable that an offence committed in London would ever be tried in the High Court of Justiciary in Edinburgh. I ask myself why on earth the provision is necessary. The law already provides for cross-border elements to be taken into account, and that is often a feature of drug-trafficking cases. If an offence is mostly or wholly committed in Scotland, the case should be investigated and tried there. Anything less—and the clause represents a lot less—is an insult and disrespectful to Scots law.

Pete Wishart: The hon. Gentleman will note, as I did, that the Glasgow bombers will return to England under English jurisdiction for trial in courts there, but does he share my suspicion about the fact that this clause arrived late? It arrived at the same time as the Labour party was talking about transferring powers from Holyrood to Westminster. The top of the list in any agenda is terrorism.

Mr. Carmichael: The hon. Gentleman, with his contacts in Edinburgh, probably knows more about that than I do.

The clause has fundamental procedural and constitutional implications. The Lord Advocate has absolute prosecutorial discretion over crimes committed in Scotland, and I see no good reason for changing that. The constitutional position of the High Court of Justiciary is protected by article 19 of the treaty of Union. Clause 27 undermines it in an unwarranted and unjustified way.

Mr. Grieve: Will the hon. Gentleman give way?

Mr. Carmichael: I would love to give way to the hon. and learned Gentleman, but I have already taken a couple of interventions, and it would be unfair to others who are seeking to speak.

The questions that the Government have to ask are manifold. Under which rules of procedure will admissibility of evidence be judged? Will it be judged under the rules of the jurisdiction through which it is obtained or those of the jurisdiction in which the trial will take place? The Bill is absolutely silent on that. I have no doubt that co-operation between Scotland and the rest of the UK could be improved, but it is not necessary to drive a coach and horses through the constitutional settlement and the position of Scots law in Scotland in order to do so. I hope that that point will be considered carefully when the Bill goes into Committee.

8.34 pm

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): Like most Londoners, I can remember exactly where I was when I heard about the 7/7 bombings, and, like thousands of Londoners, even though I did not have a friend or relative caught up in the bombings, I had friends and relatives on their way to school, college or work who, had their journey been 10 minutes earlier or later, would have been caught up in them. Those of us on mainland Britain who lived through the IRA terrorist bombing campaigns of the 1980s and 1990s, and now through 7/7, do not want to be told by Ministers that if we query some of the provisions of the Bill, it is because we take terrorism lightly.

The other thing that I remember about 7/7, apart from the fear and concern I had about people close to me in the 40 minutes it took to understand where the bombings were and who had been hurt, was the calm, courage and resolution of ordinary Londoners in the days following. This arbitrary proposal to push pre-charge detention beyond 28 days does not do justice to the calm, courage and resolution of ordinary people.

The problem with the Government's proposal, as speaker after speaker has set out, is that there is no solid public policy reason for it. I have followed the debate closely. I confess to the House that I have in my time worked for Liberty, which has become a bête noire

[Ms Diane Abbott]

of Ministers, but I share that honour in common with Cabinet Ministers and others. I have followed the debate with great interest, therefore, and I believe that the reason behind the resurrection of this proposal, it having been blocked in this House not so long ago, is political positioning. It relates to focus groups, polls and putting the Opposition in the wrong position on terrorism. It is a matter of manoeuvring and positioning—there is no solid public policy basis for it at all.

When pressed, the Home Secretary talks about needing the Bill just in case. I have heard of just-in-time deliveries, but never of just-in-case legislation. The Home Secretary puts herself in the position of a prudent, west midlands housewife who keeps tins of salmon in her larder just in case someone should drop by. She has to have ludicrously draconian legislation, just in case something should happen. I put it to those on the Treasury Bench that we should not drive a coach and horses through civil liberties just in case. That is no basis for introducing proposals that this House emphatically rejected not so long ago.

It is clear that there is no solid public policy reason for the proposal because of the way in which the figure has bounced around randomly, like balls on a billiard table—90 days, 56 days and now 42 days. I began to feel as if someone would put their hand into a hat and come out with a figure. The random nature of the figure gives the lie to the idea that there is a considered public policy basis for the proposals. We have heard every law officer, past and present, who has spoken out publicly on the legislation reject the need for it. We have heard that the encryption argument—that we need all this time to deal with encryption on computers—is nonsense. A law exists to deal with people who refuse to allow that process to go forward.

Ministers are not talking about what I and others would like to hear them talk about, which is the effect of the proposal on our communities, particularly the Muslim community and the wider Asian community. The best speech in the debate was the one by the hon. Member for Foyle (Mark Durkan), who described so vividly the effect of draconian, ill-thought-out, anti-terror legislation on the law-abiding Catholic communities in Ireland and in mainstream Britain at the height of the troubles.

I believe that we will experience a parallel problem here with our Muslim and wider Asian community. It is no accident that the Government's Equality and Human Rights Commission is threatening to take them to court if the provision is accepted. Everyone knows that it will have a disproportionate effect on the Muslim and wider Asian community. Ministers cannot claim that imposing such draconian internment on that community can aid community cohesion and the flow of solid intelligence. As was said earlier, it is not a human rights, but a security argument.

Like other hon. Members, I was a Member of Parliament in the 1990s when we voted on the prevention of terrorism Acts, and the notion that a short debate, late at night, with a whipped vote and all the media pressure to vote one way constitutes acceptable parliamentary scrutiny—not to mention the idea of our becoming some sort of grand jury—is laughable. I am embarrassed that some hon. Friends think that that is a sustainable argument. I will not vote against Second Reading, but unless something is done about the proposal to push pre-charge detention beyond 28 days, I and many others will vote against that specific provision on Report.

We are not considering, as some hon. Members have suggested, a choice between protecting lives and protecting human rights. To protect lives, we must block the ill-conceived, unnecessary proposal to push pre-charge detention beyond 28 days. That is the way to make ourselves secure, protect lives and fight terrorism most effectively.

8.40 pm

Pete Wishart (Perth and North Perthshire) (SNP): It is a pleasure to follow the hon. Member for Hackney, North and Stoke Newington (Ms Abbott), with her long years of experience on such matters.

I start by echoing the Home Secretary's opening remarks. I agree absolutely that the House and the Government are responsible for ensuring the maximum protection of our citizens against international terrorism.

We have been targeted in Scotland. We have felt the icy touch on our shoulders of those who would destroy our way of life and maim and kill indiscriminately for their warped and perverted agenda. We will not, therefore, take lectures from anybody about protecting and ensuring the safety and security of our citizens.

Scotland was targeted. Scotland was violated the day that burning jeep crashed into the airport terminal in Glasgow, and I suppose that our attitude to terrorism has changed for ever and a day because of that. Some people believed that Scotland would not be targeted because we had not fully bought into the worst aspects of the Government's belligerent and aggressive foreign policy. Some of us believed that we might have been spared, but 30 June last year changed everything.

I know the seriousness with which my colleagues in the Scottish Government take such issues. Their first priority is ensuring the safety of Scottish citizens. However, they also have obligations and responsibilities for ensuring Scottish civil liberties. They are responsible for making sure that nothing compromises or threatens the good community relations that we have in Scotland. We will therefore not allow any half-cocked proposals or half-baked suggestions such as the extension to 42 days to threaten that. We have seen no evidence that anything beyond 28 days is required. We agree with all the campaign groups, Opposition parties and the new voices that contribute to the overwhelming chorus that says that nothing beyond 28 days is required.

To legislate on the basis of hypothesis is the most ridiculous way of running the country. If we follow that route, where will it end? There is an undignified tangle between Labour Front Benchers and Back Benchers to stave off some sort of rebellion. Half-measures were proposed to try to buy off a Back-Bench revolt. I suggest to the Under-Secretary of State for the Home Department, the hon. Member for Gedling (Mr. Coaker), that he has not done enough to achieve that.

To revert to Scotland, one of the reasons that are sometimes cited for an extension beyond 28 days is the case of Kafeel Ahmed, one of the Glasgow bombers. It is contended that his case proves that more than

28 days is required. However, after ramming that jeep into Glasgow airport, Kafeel Ahmed fell into a coma and died in hospital. He was filmed driving a blazing jeep into the terminal building. What more evidence is required to bring a charge? The claim that that proves the case for an extension beyond 28 days is absurd. If that is the best the Government can do, it is not good enough.

Let me consider Scotland and clause 27, about which I have great concerns. The provision was introduced late and at about the time we heard about the transfer of powers from Holyrood to Westminster. When pressed, from the Prime Minister down, the only powers that the Government could come up with were those on terrorism, which are almost 99 per cent. reserved in any case. We have only the right to try terrorist suspects in Scotland under Scots law. That made me wonder whether clause 27 is part of the agenda to transfer powers from Holyrood to Westminster and the commission that the Secretary of State for Scotland has proposed.

We accept that, of course, co-operation is needed across jurisdictions and all law enforcement agencies and courts should work together to try to secure that. However, we need to establish the priority of the Lord Advocate's role.

I want to see a clause in the Bill that makes it clear that any transfer of terror suspects out of Scotland's jurisdiction to the jurisdiction south of the border has to be made with the full consent of the Lord Advocate and that the Lord Advocate has the right to say no. We transferred the terror suspects last year because the case was made that they would be better prosecuted with the involvement of the Metropolitan police in the London courts. However, there will be times when that will not be necessary or appropriate, and when such suspects should be tried in Scotland. I want to see that in the Bill.

The other issue for Scots law is post-charge questioning. We remain relatively happy with what has been suggested in general, but what has been suggested for post-charge questioning flies in the face of a principle of Scots common law that ensures that once a person is charged he or she comes under the protection of the court and that it is the court's duty to see that nothing is done to prejudice his or her trial. Quite simply, in Scotland, any answers provided after charge are not admissible. The clause on post-charge questioning runs a coach and horses through that principle in Scots law, so I seek reassurances that members of the Crown Office and the Lord Advocate have been fully consulted on that issue, too.

Of course we believe that new powers are required to tackle terrorism. We will not oppose the Bill tonight, either, although we will return to it in future. We also believe that long-established human rights and community relationships should not—

Mr. Deputy Speaker: Order. I call Mr. Cook.

8.46 pm

Frank Cook (Stockton, North) (Lab): A large chunk of my education was received at the hands of the Jesuits. They always taught us that open confession is good for the soul and that we should tell the truth and shame the devil; so I have to tell the House that the last time we debated these issues, way back in 2005, I did not speak in the debates, nor did I vote. I was giving the then Home Secretary a very hard time over police reorganisation and I felt rather sorry for him, so I was rather reticent about pushing on the business of 90 days.

In any case, I could not see why there was such trouble then. There was a judicial review every seven days, which I thought was a pretty good safeguard, so I wondered what on earth my hon. Friend the Member for Walsall, North (Mr. Winnick) was getting all het up about. "He's almost demented, shouting for his 28 days," I thought. But he stuck by his guns and got 28 days, and he deserves every credit for that. The reason I did not speak or vote at the time was that I had accepted the responsibility of chairing the Committee stage of the Bill. Indeed, I moderated portions of the debate on it in the Chamber, too.

When I saw this Bill's proposals for 42 days, I thought, "Well, there's some easement or relenting here." I was summoned to a meeting with the Home Secretary and went along wondering what it was all about. I was surprised to find that she was anxious to discuss, on a one-to-one basis, the 42-day element. As she was questioning me, I thumbed through the card index of my brain box and remembered that 90 days had been no great problem for me. I said, "There's no problem"—I used her first name—"you can be assured of my vote on that." She was reassured and that was that.

But some time later I had another one-to-one discussion, with Shami Chakrabarti, the director of Liberty. She simply asked me, "Have you ever put yourself in the position of the person being detained?" That stopped me dead in my tracks. I thought, "Well, okay, what would it be like? Forty-two days—God, that's six weeks." I would be in custody, without charge, under suspicion—suspicion of what?—for one week, and then another and another, at the end of which someone would come to me and say, "All right, Mr. Cook, we believe that you're innocent—off you go." What would I feel like?

I immediately felt angry, but then I thought, "Just a minute—what if Frank Cook was a Muslim and that happened?" What would I do then? I would be likely to go back to South Shields, the south bank or Southampton and play merry hell, providing evidence of the residual reservoir of resentment that had built up over those 42 days of not knowing what they wanted to detain me for. It would not only eat like acid into the individual soul, but provide justification for others within the community to feel the same levels of resentment and seek a similar kind of retribution. They would feel justified in doing that. This is the second time that I have made this confession in a week, but I felt ashamed of my own failure to recognise all that, so I picked up the phone, rang the Home Secretary's private office and asked them to tell the Home Secretary that I had changed my mind. She was not very pleased!

We have heard many good speeches today and a couple of mediocre ones, but most have been quite brilliant. The one that stands out in my mind as providing something that we should try to hang on to was the contribution of my hon. Friend the Member

[Frank Cook]

for Foyle (Mark Durkan). Why? He reminded me of the famous words of Nye Bevan, when he said:

"Why look into the crystal ball, when you can read the book?"

My hon. Friend the Member for Foyle opened the book for us tonight. We cannot go on ignoring history. Will we never learn? We have to open our eyes, open our ears and use the bit of grey matter that God, thank heavens, gave us and make sure that we do not make the same mistakes of the past.

I will support the Bill as a whole this evening as it has some good elements—intercepts, DNA and other aspects—but on Report, when it comes to the provisions on pre-charge detention, I am afraid that I must warn the Government that they will not be able to count on my support. I shall oppose the provisions on that occasion.

8.52 pm

Mr. Jonathan Djanogly (Huntingdon) (Con): I shall first address the issue of increased detention-without-trial periods. I certainly support my right hon. Friends and others who have spoken so strongly on that issue today. I thought that the speech of the hon. Member for Stockton, North (Frank Cook) was indeed powerful. The current period of 28 days is already the longest for detention without trial in the western world, and I do not believe that it should be extended unless clear evidence is submitted to show that it would improve national security. No such evidence, to my satisfaction, has been provided today.

As the hon. Member for Walsall, North (Mr. Winnick) pointed out very well, after a speech from the Home Secretary that lasted almost an hour, we had still not heard why the specific period of 42 days, rather than any other number of days, is necessary. The Home Secretary should come back to the House and explain why she needs 42 days. Accordingly, I find it hard to see any good reason for increasing terms of detention without trial—except as a way of chipping away at our citizens' civil liberties. Like the Government's little-supported ID cards and their control orders, this proposal will undermine our fundamental freedoms while doing little to bolster our security.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): Will the hon. Gentleman cast his mind back two years to when the Government were getting into a big frenzy about 90 days? They did not get that, and time has shown that they did not need it, either. They have not even needed to use 28 days. All that shows the red herring of the case for 42 days, as he is rightly arguing.

Mr. Djanogly: Yes, indeed. The Government did not provide any evidence then, and they have not provided any now. They would be better advised to concentrate on keeping convicted terrorists locked up. Instead, we hear that two men convicted of terrorism, who present a real danger to the security of our country, have been let out under the Government's early-release scheme.

In dealing with sentences for offences with a terrorist connection, I find it hard to justify the proposal that such a "terrorist connection" should be an aggravating factor in the sentencing of an individual, as proposed in clauses 29 to 31. A crime is a crime and should be punishable as such. Militant groups draw great propaganda mileage from the "martyrdom" of suicide bombers, promising recruits that paradise lies on the other side of the detonator. Why should there be any differentiation in the sentencing of a so-called "terrorist" nail bomber who acts alone on behalf of no particular neo-Nazi cause and a gunman who murders, but whose motive is unclear? Both are murderers and should be punished as such.

We should treat terrorists as the criminals that they are, and the Minister should recognise that there are dangers here. The question is whether the offence should be aggravated for plotting or causing multiple murders, rather than terrorism.

On forfeiture, the Bill makes several amendments to previous legislation, but they are loosely drafted and might have unintended repercussions. The somewhat vague wording in proposed new section 23 of the Terrorism Act 2000 that forfeiture can be applied to property that an individual

"intended should be used, or had reasonable cause to suspect might be used, for"

the purpose of terrorism has the potential to undermine the rights of a person completely unconnected with the terrorist offence. For example, it may result in the forfeiture of a home shared by a terrorist suspect with his family, despite the fact that the family was entirely unaware of the terrorist activities being carried out in, let us say, the suspect's bedroom.

Peter Clarke, the Metropolitan police senior counter-terrorism officer, has warned against destroying the trust that

"fundamentally affects the level of support, and of course intelligence that we receive from communities"

Members have spoken about the need to maintain intelligence. This provision has the potential to perpetuate the erosion of trust, and I would be interested to hear the Minister's views on how that could be prevented.

The Government sometimes seem to take the standpoint that to legislate is to police. That is as wrong here as it has been with many other of the 3,500 or so new criminal offences that they have delighted in creating in the mistaken belief that they are thereby being tough on crime. The hon. Member for Hackney, North and Stoke Newington (Ms Abbott) called it the just-in-case principle. Heavy-handed use of provisions such as proposed new section 23 could make ethnic minority groups feel persecuted.

We need to catch and punish the wrongdoers without alienating the innocent community within which they live. I support the concept of allowing post-charge questioning, which I also feel would significantly lessen the need for an increased detention-without-trial period. It is sensible for police officers to have the opportunity to question further a terrorist suspect on the same terrorism-related offence for which they have been charged. I have a concern, however, that these provisions do not seem to allow for any judicial scrutiny of the process. Would it not be wise to implement a process whereby judges had some say as to when and how such procedures were applied? That could help to ensure that the provisions were used consistently, and only where necessary.

There is one area on which the Government have often uttered strong words but failed to deliver, and they fail again in this Bill: the effective banning of extremist organisations that preach hatred and violence. There is no doubt that our police and security forces have been doing a magnificent job in protecting our country. The number of foiled terrorist attacks in the past few years is testament to that. However, they can do only so much, and it is our job to suggest measures that will help to protect our country. Banning extremist groups such as Hizb ut-Tahrir and Hezbollah, which incite violence, radicalise our children and encourage mass murder, will help to achieve that.

The Government must take another careful look at the potentially very dangerous groups that they are allowing to exist and grow within our country. I appreciate, however, that while banning such groups is technically easy, undertaking that in the context of building trust with the relevant communities in our country will be a much harder feat to achieve than passing the Bill.

8.58 pm

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): With great pleasure. I rise to follow the many well-informed and passionate speeches that have been made in this important debate. I shall concentrate on part 6 of the Bill, as I believe that it is inappropriate to the overall purpose. The issue it addresses would be far better discussed in the context of the reform of the inquest system set out in the draft coroners Bill.

I am chair of the all-party group on Army deaths, which seeks to draw attention to the tragic circumstances of non-combat-related deaths of service personnel, both in the UK and overseas. The Deepcut and Beyond families group, with whom my colleagues and I work closely, has won broad support in the House and among the public at large for a public inquiry on deaths at Deepcut barracks and elsewhere.

Each of the families involved has its own unique sense of loss, and the grief of many has been compounded by the failure of those in authority to treat bereaved families with sensitivity and the respect they deserve. The families' distress has been heightened by the belief that they have not been told the truth and that those who were responsible for a death or who could have prevented one will never be held to account. Bereaved families know that it is not possible to bring back the son or daughter they loved, but they want to ensure that lessons are learned and that no one else mourns as a result of a death that could have been prevented.

The Deepcut and Beyond families, although focusing on non-combat deaths, have discovered wide areas of common experience with those who have lost loved ones in the fog of war, whether through so-called friendly-fire incidents, systemic shortcomings or other failures. Their objectives of truth, justice and change where necessary to avoid future deaths have become common cause.

When more than 200 Members of the House called for a public inquiry on non-combat deaths, we were told that the coroner's inquest was the appropriate vehicle to satisfy the requirements of openness and transparency and to meet the criteria for adequate redress. Lord Bingham, in his judicial review ruling on the investigation of the death in prison of Zahid Mubarek, summarised the purposes of an inquest under article 2 of the European convention on human rights as follows:

> "The purposes of such an investigation are clear: to ensure as far as possible that the full facts are brought to light; that culpable and discreditable conduct is exposed and brought to public notice; that suspicion of deliberate wrongdoing (if unjustified) is allayed; that dangerous practices and procedures are rectified; and that those who have lost their relative may at least have the satisfaction of knowing that lessons learned from his death may save the lives of others."

The process of change in the inquest system, particularly where it has been driven by rulings of the European Court of Human Rights, has all been in the direction of stronger safeguards for independence of the courts, greater public scrutiny and more involvement of the family of the deceased, particularly where the death involves a person in custody or a person to whom the state owes a duty of care.

Ministers from the Ministry of Defence and the Ministry of Justice have worked hard to reach out to bereaved families and build confidence in the Government's commitment to ensure that investigations of controversial deaths are prompt, thorough and fair. I believe that measures before the House today could undermine public confidence and confirm the fears of many bereaved families that investigations of the deaths of their loved ones may be subject to interference from on high and cover up that is incapable of challenge.

Mr. Marshall-Andrews: May I say how much I applaud what my hon. Friend is saying about clause 64, which is an awful clause, and how she is saying it? Does she agree that the clause contains no provision for appeal against the Secretary of State's decision effectively to turn a coroner's inquest into a secret inquiry, and that that in itself is cause for considerable concern?

Mrs. Humble: I share my hon. and learned Friend's concerns.

Clause 64 proposes that the Secretary of State be given an astonishingly wide-ranging power to remove a jury from an inquest if he or she believes that evidence will be heard that should not be made public. Rule 17 of the Coroners Rules 1984 already gives the coroner powers to direct that the public be removed from an inquest if sensitive matters of national security are raised. If inquests take place behind closed doors, it will be hard for bereaved families and the public at large to allay any suspicions of unlawful conduct.

Clause 65 will create a new class of specially appointed coroner and thus give rise to the appearance, as has been noted by the Joint Committee on Human Rights, of political interference with the proper functioning of the inquest. The Government believe that the Committee's fears are misplaced because the measure will allow the specially appointed coroner to examine materials not disclosable to his or her coroner colleagues, the jury, the family of the deceased or their legal representatives. I find it hard to believe that that defence of clause 65 will prove persuasive for bereaved families or their representatives, let alone the European

[Mrs. Humble]

courts. Instead, it risks undermining public confidence in the Government's commitment to strengthen the independence of the judiciary.

Investigations of the deaths of service personnel in times of war and conflict pose many new challenges for an inquest system in urgent need of reform. The coroners of Oxfordshire and Wiltshire in particular bear a heavy burden in overseeing the determination of the causes of death in exceptional circumstances. With limited resources, the courts have sought to involve families who are distressed and sometimes very angry. Officials have provided first-class support and advice. Legal representatives of the families have battled to secure exceptional funding and fought for an open, transparent process. Juries have been diligent in performing their functions.

All those involved are conscious of the vulnerability of the armed services to unfounded accusations and of their sensitivity to unwarranted criticism. In such circumstances, it is even more important that the independence of the inquest system should be safeguarded and the integrity of its procedures protected.

Concerns about these controversial proposals have been expressed by the Chairs of the Joint Committee on Human Rights and of the Justice Committee. I can only concur with their opinion that the Bill is not the appropriate vehicle for introducing the proposals. If such proposals are to be introduced, the proper vehicle for their consideration is the coroners Bill.

9.6 pm

Mr. Edward Garnier (Harborough) (Con): I agree with what the hon. Member for Blackpool, North and Fleetwood (Mrs. Humble) said about part 6 of the Bill, and with what the hon. and learned Member for Medway (Mr. Marshall-Andrews) said in his intervention. However, I want to deal with an earlier and a later part of the Bill.

A great number of participants this evening have drawn attention to the speech made by the hon. Member for Foyle (Mark Durkan), and they were right to do so. I also pay tribute to the speech made by my hon. Friend the Member for Wycombe (Mr. Goodman). The vast majority of the speeches have been contrary to the Government's position, and a feeling is emerging that terrorism will be broken and deterred or inhibited only with the co-operation of the minority to whom it is designed to appeal. To seek a battle over the number 42 as opposed to 90, as the Government appear to be doing, will not reassure the majority and will simply feed the sense of victimhood of the minority. In short, it is merely a branch of gesture politics.

I say that in the context of a Bill that includes clause 59, which deals with the appointment of special advocates in matters to do with the seizing of the assets of those who have been convicted of terrorist offences. The clause provides for a relevant Law Officer to appoint a person to represent the interests of the party to the asset-freezing proceedings. I am staggered that in clause 59(2) the Government are pleased to announce that a person who is appointed as a special advocate is not responsible to the party to the proceedings whose interests this person is appointed to represent. If we are to consider the rights of the individual in that context, there is not much hope for any of us.

Sammy Wilson: I wanted to intervene on an earlier point made by the hon. and learned Gentleman. Much has been made of the parallel that has been drawn between the limit of 42 days and the lessons learned from internment in Northern Ireland. Does he not accept that internment in Northern Ireland in the 1970s was totally different from the focused 42-day detention of particular individuals who might have been caught carrying out terrorist offences? The lessons that can be learned are therefore very limited.

Mr. Garnier: The hon. Gentleman is right to point out that there is a huge difference between the facts and the history of Northern Ireland and the facts and the history of the fundamentalist Islamic terrorism that we have to deal with today. But the general point is a good one, and I do not resile from it and nor should anyone else.

In the few minutes remaining of my speech, I shall concentrate on schedule 1 and the paragraphs that deal with the alleged parliamentary and judicial oversight of the powers to extend the maximum period of detention. The Government's approach is particularly hard to understand because the prosecution can use their threshold test, which has been mentioned several times, to decide whether to charge a terrorist suspect and finish collecting the evidence afterwards. That requires simply reasonable suspicion of the commission of an offence and is lower than what is called the full code test, which requires a reasonable prospect of conviction. In the absence of reasonable suspicion, it would be difficult to justify arrest, let alone detention. If post-charge questioning is allowed in such cases, as many of us hope it will be, the practical prejudice of a 28-day limit to the prosecution begins to look pretty speculative.

I shall say a little about parliamentary and judicial oversight. As I have mentioned, schedule 1, from paragraph 41 onwards, sets out the regime under which the Government think they will buy us off. What is the use of the information referred to in paragraph 41, which will be presented to Parliament by the Secretary of State? What is the use of telling us the material that exists? What is the use of the provision in relation to the administration of justice both generally and in the particular case of any given detained individual? What is the use of it so far as the rights and interests of the police, the prosecuting authorities and the defendant are concerned? I suggest that it is no more than pretended parliamentary oversight to add to the restricted judicial oversight referred to later in the schedule.

Parliament should not take any active part in criminal cases, which is precisely what the schedule provides for. If the process is of any real use, it is constitutionally improper, and if it is not, what is the point of it, except, as I suggested a moment ago, to buy parliamentary support for this egregious measure?

There is plenty that is not too objectionable about the Bill, but I am afraid that it is trumped by the Government's proposals in relation to 42 days and the bogus form of democratic and judicial oversight of the Secretary of

State's powers. That is regrettable, but not the least bit surprising from this tired and, I suggest, soon to depart Government.

9.12 pm

Mr. Robert Marshall-Andrews (Medway) (Lab): In the past six months, we have heard a great deal about Britishness—indeed the former Attorney-General was put in charge of it, perhaps as a consolation, but more likely as a punishment for his term in office. In truth, that was wholly unnecessary. We do not need to be taught about Britishness, or about flags and ceremonies. Britishness has many great attributes at its root, but civil liberties are not one of them. Civil liberties are not an attribute of being British. They are the defining characteristic of our nation. They are what we are.

That is not hyperbolic; I mention it simply because what comes from it is the enormously high burden and standard of proof required in this House if any Government attempt in any way to circumscribe or check those liberties. My first point, which has been made extraordinarily well already, is that there is no evidence whatever to vote for the Bill—none. Hopeful statements of desiderata are not evidence. Statements from senior police officers saying, "I would really like this," or, "I would really, really, really like this," or, "It would be very useful," or, "I need this," are not evidence. Evidence is what needs to be put before the House, and there is none, so the Bill must not be voted for.

I wish to spend a couple of moments on a matter that the hon. and learned Member for Harborough (Mr. Garnier) has just dealt with very well, so I can shorten what I was going to say. It is the entirely indigestible palliative that has been served up by the Government to attempt, as he said, to persuade the House to pass this measure. The House would be given an extraordinary power, but it is a power over the decision of the Executive that we simply cannot take. It is simply not available to us.

One can imagine the process: the Attorney-General—or the DPP, or the relevant chief of police—will say to the Home Secretary, "Look, we've found a plot. In fact, we've found two plots, or three, so we want special powers. We want to extend the limit to 42 days." In response, the Home Secretary will say yes, and she will come to the House to get our approval for what is, of course, a judicial act.

That is a complete misapprehension of the difference between parliamentary and judicial power. We can use parliamentary power to give judicial power, not to exercise it, but that is what we will be doing. Will we exercise it ad hominem? In other words, are we going to be given the names of the plotters and the details of what they have done and how they have done it, so that we can decide what we are going to do? Or will we be told, "We know things you do not know"? That is much more likely.

Worse still, will we be told, "This group of plotters has weapons of mass destruction"? It would take an awful lot to get that through this House, and even more to get it past the people out there. What would happen if that were to be said and accepted by the House, only for us to discover—again—that it was a false and duplicitous claim? The result would be that this House would be found to have connived in locking up for 42 days people—almost certainly members of minority groups—who are innocent.

We cannot take this power. There are checks and balances on courts and juries and rules of evidence that mean that we know how information comes before us. We cannot operate like that in this Chamber, because juries are not whipped. I know many judges who wish that they were whipped, but they most certainly are not.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): My hon. and learned Friend has been a consistent opponent of any attempt to introduce a counter-terrorism Bill, and that has attracted some strange bedfellows. He has long experience in this place, so will he say what judicial review or parliamentary scrutiny took place when miners were locked up in their houses during the miners' strike, as a result of the emergency legislation introduced by the then Conservative Government? People could not leave their houses. What parliamentary scrutiny was there then?

Mr. Marshall-Andrews: There was none, and I hope that my hon. Friend feels that he is making precisely the point that I am making. At the time of the miners' strike, a law was passed that received neither judicial review nor scrutiny. Therefore, although he and I may have appeared to be at odds, in fact my hon. Friend and I are almost certainly at one. I am grateful to him—not least for the fact that his intervention has clocked up an extra minute for me that enables me to say something about 90 days.

What I want to say about 90 days has been said before, but it is worth reiterating in this House. If 42 days is the period of time required to do justice in the circumstances that are envisaged why, two years ago, were hon. Members on my side of the House whipped to approve a period double that which is now deemed to be necessary? That question has never been answered to my satisfaction, although the Government have adopted the rather coy approach of saying, "We have been listening, and we've learned."

What, exactly, has been learned? What is the blazing, Damascene truth that has suddenly caused Ministers to say, "We got it wrong. We were going to lock people up for six weeks, which was completely unnecessary. We are very sorry"? The only person to my knowledge who has attempted to defend the Government's approach was Lord Falconer. He made a robust—indeed, rotund—contribution but, when one reads it, one sees that it was completely untenable.

I simply place that before the House, for the House's delectation. We should not have trusted the argument two years ago, and there is absolutely no reason why we should do so now.

9.19 pm

Mr. John Baron (Billericay) (Con): It is a pleasure to follow the hon. and learned Member for Medway (Mr. Marshall-Andrews), who has been consistent and right about the policy.

[Mr. John Baron]

This is one of the most foolish Bills to come before the House. In many of its proposals, it is certainly one of the weakest and most unjust, but my chief concern relates to the extension of the pre-charge period to 42 days. Let us be clear what we are talking about. The proposal goes to the heart of what it means to be free. Depriving a person of their liberty is a more fundamental infringement of their rights than perhaps any other, yet the Government have consistently failed to provide any evidence to suggest that the extension to 42 days, to deny someone their freedom, is actually needed.

In a liberal democracy, certainly in peacetime, freedom should not be denied simply on the basis of suspicion. Evidence is absolutely essential. If we go down the road of detaining people purely on the basis of suspicion, we are a step closer to becoming a police state. Indeed, it appears to be a new principle of legislation that we pass laws today for an imagined scenario some time in the future. That is not the way to make law. Suspicion and hypothesis must take second place to evidence.

Not only is the 42-day detention period not needed, but it would be wholly disproportionate to what other democratic countries, facing similar terror threats, are doing. International comparisons are revealing. In most western democracies the pre-charge detention period is less than eight days. What is so unique about the British that the Government believe that they need not just 28 days but 42 days? Perhaps the Minister for Security, Counter-Terrorism, Crime and Policing could look at it this way: will he list five or six countries where the pre-charge detention period is actually 42 days? What sort of countries are they? Are they democracies? What sort of dubious club are we about to join? I should be happy to give way to him, however briefly, if he could come up with some suggestions.

In an intervention on the Home Secretary I mentioned the Madrid bombings. That example is relevant. Eventually, 29 suspects were charged. The case involved seven countries and 300 witnesses. There was a massive amount of evidence to go through yet all the charges were made within five days. Why do the Government believe that our investigations are so much less efficient and effective than those in other countries? They have not made that case.

Furthermore, the policy could be not only ineffective but counter-productive. I shall not dwell on that point because several other Members, especially the hon. Member for Foyle (Mark Durkan), made it aptly. I shall simply add a personal experience.

Like many of my colleagues on the Conservative Benches, I served in Northern Ireland in the 1980s and I saw at first hand how counter-productive internment actually was. By that time we were at the end of it, but we had to pick up the pieces. Internment made the job of the terrorists easier—they could simply go into local communities and recruit extremists. There was little doubt in our mind that one of the major reasons was the injustice of internment. We must not make that mistake again in this country. If we do, we shall be storing up a problem for ourselves that will last many decades, and many innocent people will pay the price.

In the minute or so that remains for my speech, I can say only that it is no wonder that commentators are queuing up to condemn the Bill. We have heard about the Director of Public Prosecutions, the former Attorney-General, the Joint Committee on Human Rights, the Home Affairs Committee and many others. They are not ignorant bystanders; they are experts in their field who should be respected.

Finally, the Home Secretary made great play of the parliamentary safeguards that exist with regard to this legislation, but they would be inadequate, inappropriate and illogical: inadequate because the legislation does not allow for a vote by Parliament before the Home Secretary makes use of her powers; inappropriate because it is not the role of Parliament to assess individual cases; and illogical because, when triggered in response to an individual case, the extension of the pre-charge limit will apply to all suspects held, even if their cases do not justify such an extension. This is a bad Bill. One can only speculate about why it has been introduced at this time—perhaps in a vain attempt to outflank the Opposition and to prove that the new Prime Minister is tough on terrorism—but the case has not been made, and I hope that the House has the courage to defeat the Bill when the time comes.

9.25 pm

Phil Wilson (Sedgefield) (Lab): International terrorism is the scourge of the modern age. It is pernicious; it percolates down through society and lies in dark corners, ready to strike at any time, in any way and at anyone. It strikes without warning, without reason and without care for human life.

Sometimes, I am astonished that some hon. Members blame themselves or the Government for the attacks. For example, they will say that al-Qaeda attacks on our soil have happened wholly because of the invasion of Iraq. I do not agree with that because, if the invasion of Iraq had not happened, I firmly believe that another reason would have been picked to justify the attacks. Ultimately, al-Qaeda is about an attack on and the destruction of our entire way of life. Al-Qaeda networks are active in many countries—those which supported the invasion and those that did not. Let us not forget that many of the victims of al-Qaeda are Muslims. That should be our recruiting sergeant in our Muslim communities.

We all oppose terrorism. All hon. Members care about civil liberties, especially those of the individual. I care about the liberty of the individual to enjoy going to a nightclub in Piccadilly, to board a tube train at King's Cross to go to work or to catch a plane at Glasgow airport to go on holiday without the fear of being blown up.

I was on the tube on the morning of 7 July 2005, when suicide bombers struck. The train had just pulled into Oxford Circus. We were told that the train was not going any further because of a power surge, and we were asked to leave the station. When we reached the surface, it was obvious that there was no power surge. The sirens and the police helicopters overhead gave that away. My mobile was not working because the networks were down, but eventually I got hold of my partner, who told me that my stepdaughter had left the

tube at King's Cross and knew the reasons why the tubes were down, and my partner suggested to her that she catch a bus.

At that time, I knew what my partner did not know: the No. 30 bus had been blown up at Tavistock square. I decided not to tell her because doing so would generate more worries, but I remember trying a thousand times to get in touch with my stepdaughter to find out whether she was okay. I eventually got through to her, and she was safe—she had caught a different bus—but as the minutes ticked on by at that time, I did not know that. My family was lucky, unlike many others that day. I do not want to go through that again. If the Bill reduces the chances of my family and thousands of other families going through such an episode in the future, it has my support.

The Bill is an honest attempt by the Government to deal with an enemy that is an affront to civil liberties and would extinguish our right to hold this debate or any debate in the House. Enhanced information sharing, tougher sentences for terrorists, the seizure of terrorists' assets, pre-charge detention and the post-charge questioning of terrorist suspects may be controversial weapons to add to our armoury in fighting against terrorism, but if they help to win the battle, we should use them.

Pre-charge detention will be a reserve power. With other safeguards built into its provisions, I believe that it is proportionate. I am sure that the 42-days clause will be visited again in Committee, but we should remember that the Government are not seeking a permanent extension to the current pre-charge detention limit of 28 days. Let us compare that proposal with what happened with internment in Northern Ireland in the 1970s, when 925 people were interned without trial at its peak: the provisions in the Bill will be used sparingly, and it seems to me that valuable lessons have been learned from history. There may not be a need at present to detain a suspect for 42 days, but with the complexity of some of the cases now under investigation, the time will come when such a provision is necessary, and we should prepare now, instead of waiting until it is too late and another atrocity has happened. That, to me, is common sense.

I firmly believe that our constituents are looking to us to act. They know the severity of the threats because they walk the streets where the atrocities happened. Our security agencies face the enormous task of dealing with the problem. If the agencies ask for new laws to deal with the threat, we should do everything in our power to provide them. I do not think that our constituents would forgive us if we did not.

9.29 pm

Mr. Dominic Grieve (Beaconsfield) (Con): I hope that I will not disappoint the hon. Member for Sedgefield (Phil Wilson) if I say that he struck a note in his speech that was rather different from the generality of the comments that we have heard during the debate. Of course I agree with him that terrorism is a terrible thing—which is why, when the Government come forward with proposals to combat terrorism, we in the House need to give them careful consideration. That is also why, as far as possible, we need to try to achieve consensus and to put to one side party political considerations, especially those that might tend towards short-term electoral advantage.

Although I appreciated the hon. Gentleman's comments about the danger, he missed the point about how best to go about not only ensuring security by taking necessary measures to increase it, but taking the steps that are needed in the long term in the battle of values that underlies the terrorism that we face to ensure that our values of pluralist democracy and freedom triumph. It is on that point that some of us have doubts about several, but by no means all, of the measures that the Government are putting forward. We have very serious doubts indeed about some of those measures.

We have heard a great many contributions, and I hope that I will be forgiven if I cannot necessarily do credit to all of them. Some of them went into the detail of the Bill. For example, my hon. Friend the Member for Huntingdon (Mr. Djanogly) pointed out that the forfeiture clauses, which might appear superficially attractive, could result in serious injustice. We will need to examine such issues in Committee.

Compelling arguments were advanced by the hon. Members for Blackpool, North and Fleetwood (Mrs. Humble) and for Hendon (Mr. Dismore), and by my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) and others, highlighting the fact that the inquest provisions, which were slipped into the Bill at a late stage, are incoherent and incomprehensible. There are plenty of systems in place to provide, under public interest immunity, for inquests not to be given all the information that the state might have, if national security is involved. There are systems in place for positively vetting juries, if necessary. However, why it should suddenly be decreed that because of terrorism, the ordinary process of deciding where a person died, how they died, and the circumstances surrounding their death, should disappear is quite unclear, especially—

Jacqui Smith: It is not terrorism.

Mr. Grieve: The Home Secretary makes that point that it is not just terrorism, and this could apply to a much wider group of cases, simply at the Secretary of State's fiat. That highlights another reason why the Bill will merit very careful scrutiny.

Mr. Cash: Does my hon. and learned Friend accept that almost no attention has been given in the debate to the fact that when the reserve power is available the matter will go to the court, and it is the judges who will make the determinations in question? This is a matter of huge importance. Does he agree that such matters might be better addressed before a fuller Public Bill Committee—the decision will be made shortly—so that we can hear better evidence to allow us to form a better judgment about the merits of the Bill, which I think are underestimated?

Mr. Grieve: There will be opportunities to take evidence, but the Public Bill Committee will not be in a position to take evidence from the judiciary. It is for the House to make a judgment about whether we wish to depart from the ordinary procedures that govern inquests, especially the principle that if there are areas of controversy, a jury is generally empanelled. Given my hon. Friend's historical analysis of some of the fundamental freedoms that we enjoy in this country,

[Mr. Grieve]

I am sure that he would be the first to recognise and appreciate that safeguard. For that reason, when the Home Secretary suddenly decrees that the system is no longer valid and might have to be bypassed, some pretty coherent explanations ought to be put forward. We have heard none, and I for one remain extremely sceptical about the nature of the proposal.

Inevitably, the debate has been dominated by the issues surrounding the Government's proposals for 42-day pre-charge detention. Many speeches were made on the subject, some of them by hon. Members with personal knowledge, including my hon. Friend the Member for Wycombe (Mr. Goodman). Speeches were also made on the subject by Members who have served in the armed forces, including my hon. Friends the Members for Newark (Patrick Mercer), for Lancaster and Wyre (Mr. Wallace) and for Billericay (Mr. Baron). In all cases, we asked the Government to focus on why it is thought that such short-term security advantage as might be derived from allowing the possibility of 42-day detention will not be massively outweighed by the extent to which the measure marks a binning of our own values in the face of terror—the very thing that we should not do when confronted with such a challenge. *[Interruption.]* I will give way to the Home Secretary if she wishes to intervene on me.

This is an early stage in the Bill's passage. We certainly do not intend to divide the House on it, and I know that others who are concerned about it do not intend to do so either, but may I say to the Home Secretary and the Minister for Security, Counter-Terrorism, Crime and Policing that if we are to achieve the consensus that the Home Secretary, the Prime Minister and many others keep insisting is their aim, the time has come for them to focus on the massive opposition to the proposal that is to be found in all parts of the House? That opposition was reflected in every contribution made, including those by the hon. Member for Foyle (Mark Durkan), by the right hon. Member for Leicester, East (Keith Vaz), who expressed his disquiet about the matter, by the right hon. Member for Holborn and St. Pancras (Frank Dobson), by the hon. Members for Walsall, North (Mr. Winnick), for Orkney and Shetland (Mr. Carmichael) and for Hackney, North and Stoke Newington (Ms Abbott), and by many others. Each of them highlighted the fact that it is seen as a counter-productive measure that undermines civil liberties and will deliver nothing.

If the Government want consensus, they will have the opportunity in Committee to do what I am surprised that they did not do three or four months ago, and announce that whatever their views on the matter, the will of the House is transparently clear, and they will abandon the project.

Keith Vaz: The hon. and learned Gentleman has misrepresented my views somewhat. I made it clear that the Select Committee made a number of recommendations that the Government accepted. Indeed, we foresaw the need for emergency provisions. I did, however, point out three respects in which I hoped that the Bill could be improved.

Mr. Grieve: I hope that I have not misrepresented the right hon. Gentleman's views. I spent some time reading his Committee's excellent report. I remind the Home Secretary, and indeed the House—not all Members seem to be familiar with this fact—that in order to detain someone for 28 days, an emergency extension is already required from the 14-day norm, and the provision has to be renewed annually. I inferred from the right hon. Gentleman's comments that only in a state of emergency would his Committee consider such a power to be justified, and I see him nodding. As he knows, Opposition Members—I can certainly speak for the official Opposition, and I suspect that I speak for others, too—also recognise that such powers might be required in a state of emergency. However, we highlighted the fact that the Civil Contingencies Act 2004 is a mechanism through which the Government could, if they wished, change the rules to allow longer detention. We also made the point that if we were to go down that road, there might be some mileage in setting out rather better rules than those provided in the Civil Contingencies Act, particularly for judicial scrutiny and oversight.

Keith Vaz: The Committee considered the Civil Contingencies Act, but we felt that it was inappropriate because of legal difficulties, and that is why we suggested a different course of action.

Mr. Grieve: I hope to avoid dancing on the head of a pin. If it were to be suggested that in a state of emergency some new powers should be put together that would have the effect of providing for an extension in a way different from the rather blunter instrument of the Civil Contingencies Act, that has long been an area that could properly be considered. But when one looks at what the clause and the schedule associated with it say, it is obvious that that is not what the Government have in mind at all. The Government's proposals are for measures to be taken at the discretion of the Secretary of State, without there being any state of emergency of any kind whatsoever.

One particularly important issue, which was raised in today's debate by the hon. Members for Orkney and Shetland (Mr. Carmichael) and for Perth and North Perthshire (Pete Wishart), concerned a clause that appears on the face of it to undermine the independence of Scotland's legal system as provided for by the Act of Union. In fairness to the Government, there may be some sensible reasons for clause 27, but the Government's attitude to issues such as 42 days' pre-charge detention is bound to colour everybody's attitude to their bona fides in their approach to everything else in the Bill. That is why it is so important that the Government should think again on the subject and provide to a much greater degree an atmosphere in which consensus can be achieved. *[Interruption.]* Again, I cannot quite hear what the Home Secretary is mumbling about, but if she would like me to give way, I shall be only too happy to do so.

Rob Marris: Does the hon. and learned Gentleman agree that there is an intellectual contradiction in the position put forward by his right hon. Friend the shadow Home Secretary, in that on the one hand he wishes to cloak himself in defending our ancient liberties, but on the other hand he puts forward three alternative ways in which a Government could circumvent those protections—first, post-charge questioning; secondly the use of the

Civil Contingencies Act; and, thirdly, banging people up after they have been charged when at the point of being charged there is a less than 50 per cent. chance of their being convicted? I understand those positions, but that is an intellectual contradiction. Either one supports those ancient liberties, which seems to be the centrality of the right hon. Gentleman's position, or one does not. One cannot have it both ways.

Mr. Grieve: It may not have been fully understood by some hon. Members in their contributions today that, as the Home Secretary knows, if someone is charged with one offence, such as possessing terrorist material, it is already perfectly possible subsequently to interview them and charge them with another more serious terrorist offence. No change to the law is required in order to achieve that. The only issue that we are considering in the Bill is whether someone who has been charged with an offence can subsequently be re-interviewed about that offence.

The hon. Gentleman may not have been present when I intervened on this matter earlier, but clearly there must be proper safeguards against oppression by the police or the prosecutor if such a procedure is to be enacted. I hope that there can be some sensible discussion on that in Committee, in order to achieve the very aims that the Government are looking for. At the moment the Bill is wanting in that sense, and that must be an area that will cause disquiet. Indeed, the point has been made that it causes disquiet north of the border; I was about to add that it causes disquiet south of the border as well, but that may be curable.

I do not think that anything that my right hon. Friend the shadow Home Secretary has said on the subject is in any way incompatible with the broad thrust of our approach. We want to try to protect the public, but we want to win the battle against terrorism. That battle will be won by sticking to our principles of a liberal, free, pluralist democracy, in which the rule of law is always put uppermost and in which the state and its apparatus avoid creating martyrs, particularly martyrs out of the innocent, which is without doubt the single most corrosive phenomenon for undermining the legitimacy of everything that we do in the House.

For those reasons, I hope that the Government will take the opportunity of tonight's debate to reflect long and hard on what has been said, because if they are prepared to show flexibility—of which, I regret to say, they are at the moment showing singularly little sign—we can end up with a Bill that does good. Otherwise, we will without doubt end up with a Bill that has the potential to do harm, and at that point we will do our utmost to resist it.

9.45 pm

The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Tony McNulty): The main thrust of the debate has been to the credit of the House. We have had a good debate on contentious and serious matters—of that there is no doubt.

People need to understand that the Bill is the product of some six months of internal deliberations across the Government and the best part of nine months of external consultation that, frankly, surpassed many of the House's attempts at pre-legislative scrutiny. We have been out there scrutinising the Bill and consulting people who are directly affected.

Mr. Baron: Will the Minister give way?

Mr. McNulty: No, I will not.

Everyone accepts that these are serious matters, on which the House will properly deliberate not only tonight but subsequently in Committee.

Mr. Baron: Will the Minister give way?

Mr. McNulty: I will not give way, because the hon. Gentleman was one of those who went on the wrong side of a serious debate and started waxing lyrical about a police state and all sorts of other nonsense, which ill becomes him and the others who indulged in it. As I have said, most hon. Members on both sides of the House did not do that, because it is not good enough. These are very serious matters.

By the bye, it is not good enough for people to say that because they do not like the 42-day provision—the post pre-charge detention provision—they are not playing, and the Government must sort out that element before they will engage seriously with the rest of the Bill. *[Interruption.]* That approach is childish in the extreme. *[Interruption.]*

Mr. Speaker: Order. The Minister is not giving way.

Mr. Baron: That is because he is a coward.

Mr. Speaker: Order. The hon. Gentleman must withdraw that remark.

Mr. Baron: I will withdraw it, Mr. Speaker, but I would welcome the opportunity of coming back.

Mr. Speaker: Order. The hon. Gentleman must withdraw the remark without qualification.

Mr. Baron: I withdraw the remark, Mr. Speaker.

Mr. McNulty: I can barely stand for fear of trembling. It is absurd when individuals who want to be taken seriously make such foolish statements. It is a matter for them, but I will not indulge them.

Mr. Cash *rose—*

Mr. McNulty: Given that the Bill is the product of six months of internal deliberations and nine months of external deliberations, it is foolish in the extreme for my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) to suggest that it is somehow about machismo, gesture politics and unfinished business from a bygone era, none of which is true.

Mr. Cash: Will the Minister give way?

Mr. McNulty: No, I will not. I have barely 15 minutes to respond to about 20 hon. Members. The hon. Gentleman was another who decided not to walk

[Mr. McNulty]

the righteous path of proper debate in this House and spoke trivial political nonsense, of which we will hear more on subsequent occasions.

Mr. Baron: On a point of order, Mr. Speaker. The Minister has directly referred to comments made by me and my hon. Friend. The convention of the House is that the Minister should allow us to intervene on him.

Mr. Speaker: Order. It is up to whichever hon. Member is addressing the House to decide whether to give way. If they refer to an hon. Member, provided they are in order, they do not need to give way.

Mr. McNulty: I think you will find, Mr. Speaker, that it is called winding up, the aim of which is to refer to all the contributions that have gone before.

Before I come to what, given the tenor of the debate, is fully accepted by all as the most serious matter—pre-charge detention—let me dwell on some of the other issues. As other hon. Members, not least my hon. Friend the Member for Blackpool, North and Fleetwood (Mrs. Humble), have suggested, the inquest and inquiry clauses are worthy of greater scrutiny. I hope that the hon. and learned Member for Beaconsfield (Mr. Grieve) will take the issue seriously in Committee because I have some sympathy with the thrust of what he suggested. The issue needs to be explored.

Other contributors have, variously, either invoked post-charge questioning as the panacea or silver bullet—it most certainly is not—or had concerns about the very architecture around which post-charge questioning will happen. At the moment, the inference from the clauses is that PACE codes will secure the oversight. However, I say again that we want to get it right, so let us explore the issue further in Committee. I have some sympathy with the worries and concerns that oversight should not simply be an elongation of the rarely used principles of post-charge questioning already in the PACE codes.

Mr. Carmichael: Will the Minister give way?

Mr. McNulty: I will not for the moment; I may, if I have time later.

On the most serious matter, I think that, as others have suggested, the Bill needs to be seen in context. If the House were saying collectively—and the Government certainly are not—that only by legislation would we win the struggle against those who seek to murder and maim us through terrorism, it would be wrong. Everyone in the House accepts that. I do not accept for one moment the premise of those who suggest, in glib fashion, that somehow the prevention end, our engagement with communities and all the other aspects of that side of things have failed. Are such Government activities in far stronger and better shape now, two years on from when last we deliberated on these matters? Absolutely, and rightly so. There are also significantly more resources for the security services and the police to tackle those issues and more resources for local governments and communities to work together. Can and should more be done? Absolutely. However, this Bill needs to be seen in the broader context of, as someone described it, the battle of hearts and minds—the ideological struggle. This measure is only a part of that.

I do accept the thrust of many of the contributions: that when even proposing such legislation, we need to be very careful about how it may impact on such communities and on the wider struggle of ideology. We have taken that into account. The House will understand that the impact assessment is brutally frank in stating the views of many in the Muslim community who have looked at many of those aspects. However, that is not a reason not to do this; it is a reason to do even more to engage with those communities and more on the prevention side so that the minority at which the Bill is aimed—not Muslim communities, but terrorists—is fully dealt with.

Mr. Cash: Will the Minister give way?

Mr. McNulty: I am afraid that I will not.

Mr. Cash: On a point of order, Mr. Speaker.

Mr. Speaker: Order. Please have a seat. The fact that the hon. Gentleman did not get an intervention is not a point of order. That habit is creeping in.

Mr. Cash *rose—*

Mr. Speaker: I am sure that this is not a point of order.

Mr. Cash *rose—*

Mr. Speaker: Well, I bet it is not.

Mr. Cash: My point of order, Mr. Speaker, is to do with the fact that we are about to take further proceedings without debate. I simply wanted to ask you whether it was appropriate for the Minister to deny me the opportunity to ask whether we can have—

Mr. Speaker: Order. I won the bet.

Mr. McNulty: I do not think that I even got the full list of points down. I have not got anywhere near replying, courteously, to all those who made points in the debate.

I should say to my hon. Friend the Member for Foyle (Mark Durkan) that whatever the circumstances of this legislation and whatever struggle we face now, the one struggle to which the issues are not comparable is Northern Ireland in the '70s. However, I take great care over this; I fully note what my hon. Friend said about that struggle's impact on the Irish community—because I am part of that. I was part of it then, and I am part of it now. I remember—I have said this to Muslim audiences as well—feeling ever so slightly troubled in 1974 when the Prevention of Terrorism Act came in. I remember my father going upstairs and checking my books to see which ones he should throw out just in case, because I was Irish and because of my interest in politics. I take my hon. Friend's point very seriously, but say profoundly in the next breath: this is not in any way comparable with the failed experiment of internment in the early '70s, when people by the thousand were rounded up, with no intelligence, no

evidence, no suspicion—no nothing. Anyone who refers to any of this as internment is entirely off the mark.

We start, as I think everybody here does, knowing and understanding the battle and struggle against terrorism. In relation to what my hon. Friend the Member for Walsall, North (Mr. Winnick) said, I do not challenge or traduce anybody's motives as regards where they stand on the Bill or their genuine understanding of the threat that we face. If we disagree, let us disagree with some degree of honesty. I may be the only optimist left in this place, but I still think that, across the elements of the Bill, not least the ones that I have already identified—post-charge questioning and coroners and inquests—we can get to real deliberation, as my right hon. Friend the Member for Leicester, East (Keith Vaz) and others suggested, on the model that is before us in relation to the nature of the emergency, the trigger in terms of the DPP and the police, and when there should be parliamentary oversight.

It is quite extraordinary how so many Members have been utterly dismissive of this place having any role in introducing a law—not getting involved in an individual case but introducing the commencement of a law, which I thought was the role of this place. It is not our role to deal with individuals and individual cases—that is a matter for the judiciary. When people talk about the weak and flaccid nature of this place in terms of oversight, they then have a go at the judiciary and judicial oversight, which is as strong as anything comparable anywhere in the world, and in most cases far more so.

I think that on everything to do with pre-charge detention and moving from 28 to 42 days, everybody starts from the premise that the hon. and learned Member for Beaconsfield (Mr. Grieve) alluded to—that the norm for terrorist cases is, very strongly, 14 days, not 28 days, which is renewed yearly because of the circumstances that we face. Most, if not all senior policemen—I will have a word with the hon. and learned Gentleman afterwards about the one whom he traduced—and people in the security services are clear that they can foresee circumstances in which we will need this sort of reserve power and provision, not to be introduced overnight or on a whim in the face of where we start from in terms of British traditions, but in very specific and unique circumstances. That is why it is not internment. Fourteen days is the norm, 28 days is the exception, and going beyond 28 days is utterly exceptional.

In response to the hon. Member for Orkney and Shetland (Mr. Carmichael), I can say that the Lord Advocate and the Lord Advocate's office are fully aware of and have been fully alongside the development of and consultation on these matters. I have spoken at length to Kenny MacAskill, the Justice Minister, and we have had extensive correspondence about very serious matters such as jurisdiction. Those deliberations are ongoing. If that does not answer the hon. Gentleman's point, I will come back to him after the debate.

Mr. Carmichael: Will the Minister give way?

Mr. McNulty: I cannot, honestly.

The Bill, if passed in its entirety, will not be a propaganda tool for al-Qaeda or anybody else. However, people are absolutely right about striking the sensitive balance between our liberties and security. I do not want the securocratic response, and that alone, to be the way forward—that cannot be the case. Let us have serious, mature and reflective deliberations on all aspects of the Bill. I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time.

COUNTER-TERRORISM BILL (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(7) (Programme Motions),

That the following provisions shall apply to the Counter-Terrorism Bill:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on 15th May 2008.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration and Third Reading shall be completed in two days.

5. Proceedings on consideration (so far as not previously concluded) shall be brought to a conclusion one hour before the moment of interruption on the second day.

6. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

7. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

8. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*[Liz Blackman.]*

Question agreed to.

COUNTER-TERRORISM BILL *[MONEY]*

Queen's Recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a)(Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Counter-Terrorism Bill, it is expedient to authorise the payment out of money provided by Parliament of

(1) any expenses of the Secretary of State under the Act, and

(2) any increase attributable to the Act in the sums payable out of money so provided under any other Act.—*[Liz Blackman.]*

Question agreed to.

COUNTER-TERRORISM BILL *[WAYS AND MEANS]*

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a)(Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Counter-Terrorism Bill, it is expedient to authorise—

(1) provision requiring designated gas transporters to pay all or part of the costs incurred by the Secretary of State in connection with the provision of extra police services in or around certain gas facilities, and

(2) the payment into the Consolidated Fund of—

(a) any sums received by the Secretary of State under the Act, and

(b) any increase attributable to the Act in the sums payable into that Fund under any other Act.—*[Liz Blackman.]*

Question agreed to.

DELEGATED LEGISLATION

Mr. Speaker: With permission, I shall put the motions on prisons together.

Motion made, and Question put forthwith, pursuant to Standing Order 118(6) (Delegated Legislation Committees).

PRISONS

That the draft Early Removal of Fixed-Term Prisoners (Amendment of Eligibility Period) Order 2008, which was laid before this House on 12th March, be approved.

That the draft Early Removal of Short-Term and Long-Term Prisoners (Amendment of Requisite Period) Order 2008, which was laid before this House on 12th March, be approved.—*[Liz Blackman.]*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Committees).

FISHERIES: CONTROL, INSPECTION AND SANCTION SYSTEMS

That this House takes note of European Union Document No. 16071/07, European Court of Auditors Special Report No. 7/2007 on the control, inspection and sanction systems relating to the rules on conservation of Community fisheries resources; and supports the Government's aim of contributing positively to discussions for further improvements in fisheries management and control, thereby contributing to the long-term sustainability of fish stocks.—*[Liz Blackman.]*

Question agreed to.

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Tuesday 22nd April, Standing Order No. 17 (Delegated legislation (negative procedure)) shall not apply to the Motion in the name of Simon Hughes relating to Immigration (HC 321).—*[Liz Blackman.]*

PETITIONS

Post Office Closures (West London)

10.1 pm

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): I wish to present two petitions to the House tonight that both concern post offices. A petition against the closure of the Formosa street post office is supported by 2,260 of my constituents, who call upon Post Office Ltd to drop the plan, arguing that the post office provides vital services to those most in need, and that its closure will harm businesses in the immediate area that make daily use of its facilities. Users who have to go more than a mile to and from the replacement post office will suffer even more detrimental effects. Moreover, 690 of my constituents urge the Government to reject proposals by Post Office Ltd to withdraw services from the Harrow road post office. They hope that the case for the post office will be heard by the Government and Post Office Ltd.

Following is the full text of the petitions:

[The Humble Petition of local residents of Harrow Road, Queen's Park and neighbouring areas.

Sheweth,

That Harrow Road Post Office is of great importance to the local community and economy.

Wherefore your Petitioners pray that your Honourable House urges the Government to reject proposals by Post Office Ltd to withdraw services from the Harrow Road Post Office, in recognition of its importance to the local community and economy, and the absence of suitable alternatives.

And your Petitioners, as in duty bound, will ever pray, &c.]

[P000156]

[The Humble Petition of local residents of Little Venice, Maida Vale and neighbouring areas.

Sheweth,

That Formosa Street Post Office is of great importance to the local community and economy.

Wherefore your Petitioners pray that your Honourable House urges the Government to reject proposals by Post Office Ltd to withdraw services from the Formosa Street Post Office, in recognition of its importance to the local community and economy, and the absence of suitable alternatives.

And your Petitioners, as in duty bound, will ever pray, &c.]

[P000157]

Post Office Closures (Knaresborough)

10.3 pm

Mr. Phil Willis (Harrogate and Knaresborough) (LD): I have pleasure in presenting a petition signed by the mayor of Knaresborough and 3,140 local residents, who are dismayed and angered that their local sub-post office in Aspin lane, Knaresborough is faced with closure when it is well used by a wide section of the local community, and it provides vital services, especially to the elderly and less mobile. If it closes, only one sub-post office would serve the whole of Knaresborough and the surrounding district, which has a population in excess of 15,000 people. It is therefore vital that the Post Office sees reason and ensures that Knaresborough retains two sub-post offices.

The petition states:

The Petition of residents, employees in and visitors to the ancient town of Knaresborough and all those seriously concerned about the decision of the Post Office to review the future of Aspin Lane Sub Post Office, 61 Aspin Lane, Knaresborough HG5 8EX,

Declares the importance of this sub Post Office to thousands of people living, working in and visiting Aspin district of Knaresborough, and the surrounding areas including the villages of Goldsborough and Flaxby, including the more elderly and disabled; recalls that should this Sub Post Office close there would be only one Sub Post Office serving the whole of Knaresborough and surrounding areas; and reminds Members of Parliament of the number of closures of local sub Post Offices in the Knaresborough area over recent years.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Business, Enterprise and Regulatory reform to make clear to the Post Office the importance of this office continuing as a sub Post Office, the retention of a second sub Post Office to serve Knaresborough and the benefit of withdrawing as soon as possible any proposals which put at risk any of the existing services provided from this Post Office.

And the Petitioners remain, etc.*]*

[P000164]

Post Office Closures (Teesside)

10.4 pm

Ms Dari Taylor (Stockton, South) (Lab): I have a petition to present on behalf of my constituents in the Oxbridge and Parkfield area of my constituency. It has been signed by more than 3,000 local people in 10 working days. They perceive their post office as the heart of their community and wish that the Post Office management would think again and leave operational a successful business—the Oxbridge Lane post office.

The petition states:

The Petition of those concerned about the proposed closure of Oxbridge Lane post office,

Declares the importance of this Post Office to the local community.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Business, Enterprise and Regulatory Reform to instruct Post Office Ltd. to keep Oxbridge Lane post office open.

And the Petitioners remain, etc.,

[P000163]

Territorial Army

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Michael Foster.]*

10.4 pm

Mr. Mark Lancaster (North-East Milton Keynes) (Con): Today marks the 100th anniversary of the formation of the Territorial Army—an organisation in which many hon. Members have been proud to serve over the years. It is therefore a fitting time and place to pay tribute, and give thanks for their dedication and service, to all those men and women who have served as members of the Territorial Army in the past 100 years.

The modern Territorial Army was formed on 1 April 1908, thanks mainly to the efforts of the then Secretary of State for War, Richard Burton Haldane. He ultimately combined for the first time militia and volunteers—both reserve forces, but organisations with different characters and traditions. However, the origins of today's TA stretch back long before 1908 and there remains an essential continuity, which links today's Territorials with those of the past. As both a Member of Parliament and a member of the TA, I need look no further than the plaques in the Chamber to be reminded of the ultimate sacrifice that my predecessors made. However, what links generations of Territorials more than anything else is the concept of being volunteer—a role that is part hobby, part job, but crucially a mindset of public service and being prepared to serve Queen and country.

We are celebrating the achievements of those men and women—those volunteers—today, but we must also learn the lessons of the past. Looking back at the challenges that faced Haldane in 1908 when the modern TA was formed, the parallels with today, when yet again we find our reserve forces subject to review, are striking. Today, it is easy to forget that, as an island nation, historically our biggest fear has always been invasion. Although there is still great debate about the origins of the first auxiliary forces, many point to the Anglo-Saxon kingdoms, where all able-bodied freemen built fortifications, repaired bridges and undertook military service in the fyrd—the old English word for "army." The principle of freemen bearing arms in defence of the community was enshrined in successive mediaeval statutes, followed by the first so-called militia statutes in 1558.

Mr. James Gray (North Wiltshire) (Con): Will my hon. Friend pay tribute to the mother and father of all Territorial Army regiments, the Honourable Artillery Company—whose commanding officer, Major-General Simon Lalor, is, I am delighted to say, now the commander of all Territorial reserve forces—as the inheritor of all that the middle ages did for our Territorial services?

Mr. Lancaster: I thank my hon. Friend for that intervention. Of course, I pay tribute to the Honourable Artillery Company, although I would debate with him whether it is the senior regiment. I shall deal with that shortly. Indeed, there is much debate in the TA about the oldest regiment.

The militia was always an institution of state and implied a distinct element of compulsion for at least a section of society. Indeed, Professor Richard Holmes describes the militia as

"a draft finding body for the Regular army, its ranks filled by men without serious employment".

[Mr. Lancaster]

With the creation of the new militia after 1757, militia service was, in effect, a tax on manpower, with each county raising a quota of men, found by compulsory ballot on the basis of its total male population. If balloted, a man would serve for three years on average and undertake several days' training each year. Apart from the ballot and lack of "volunteering", the similarities with today's TA are obvious. Indeed, while strictly volunteers, the Royal Monmouthshire Royal Engineers (Militia), currently commanded by Lt Colonel Alistair Cooper, remains the senior unit in the modern Territorial Army.

During times of war, the militia was used for permanent service, as happened during the American war of independence, and the Napoleonic and Crimean wars—a practice that continues today and is made somewhat easier following the Reserve Forces Act 1996. Let us consider, for example, 100 Field Squadron from the Royal Monmouthshire Royal Engineers (Militia), which mobilised during the second Gulf war, or, indeed, the three formed units currently on active service in Afghanistan and Iraq. That history of "mobilising" formed units of men in times of national crisis has formed much of the reserve force ethos—the concept of training and fighting together that runs deep through any regular or TA soldier's psyche.

Mr. Julian Brazier (Canterbury) (Con): I am grateful to my hon. Friend for giving way in his excellent speech. He mentioned the three formed units in Afghanistan. Does he agree that, although we all welcome the reserve forces study that is being conducted and has excellent terms of reference, there is a concern about the one document that came out separately, which said that almost all Territorials who have been called up recently were individual augmentees? Formed units are important in the thinking of those who join the Territorial Army.

Mr. Lancaster: My hon. Friend make a valuable point, which is also why so many in the TA are concerned about the increasing trend towards the mobilisation of individuals to fill gaps in Regular units. Although there is a general acceptance that individual replacements will always be required to support the Regular Army, equally there is unease at the prospect of an end to the mobilisation of formed units, to which my hon. Friend rightly referred, leaving the TA as little more than a militia. I hope that the Minister will bear that point in mind when he ponders the results of the review, which are due later this year.

True volunteer forces, as opposed to militia, first appeared in the 1650s. They continued to be raised at times of great emergency, being composed mainly of volunteer infantry and mounted volunteer units known as the yeomanry. Those forces attracted men with a stake in society, prepared to do their bit in a national emergency but less eager to imperil careers unless they were sure that such an emergency existed. It is perhaps those volunteers who have the strongest direct link to the ethos of the modern TA, not only in spirit, but in practice.

Let us take E Company, 7th Battalion the Rifles, formerly the Rifle Volunteers, which is based in my constituency and that of my hon. and gallant Friend the Member for New Forest, West (Mr. Swayne), who continues to hold a commission in the Royal Mercian and Lancastrian Yeomanry. I continue to feel that the TA is a broad church, containing both those who are happy to volunteer for the odd operational tour and those who are content to accept mobilisation when necessary, but feel that the Regular Army should be able to cope with its day-to-day demands without them. As Professor Holmes rightly says in his introduction to "Territorials", the book by Ian Beckett published today as part of the 100th anniversary celebrations:

> "If we fail to offer the young and the bold the chance of operational service they will lose interest and, at the same time, the TA cannot justify its cost if it does not make a practical contribution to an over stretched army".

Andrew Selous (South-West Bedfordshire) (Con): Does my hon. Friend agree that the TA provides important intangible benefits by acting as a bridge between the armed services and the civilian population, which has very little knowledge of the armed services, and by adding vital skills to many employers up and down our country?

Mr. Lancaster: My hon. Friend makes an incredibly valid point, which I intend to discuss shortly.

Those older, longer-serving members of units are the elements that give the TA its strongest links with civil society. Although I have met nobody who has suggested that a soldier who is not prepared to be mobilised should stay in the TA, it would be equally wrong to regard the TA simply as a ready reserve of individual replacements. To do so would be a return to the militia tradition and, in the opinion of many, including me—a grave mistake.

The TA has a powerful role to play, with its link to civil society. The greatest challenge posed to the Army at the beginning of this century is not military defeat, but being fundamentally misunderstood by the society upon whose support it ultimately relies. That is precisely why it is essential that, as fewer and fewer members of society have any military connection, the geographical footprint of the TA be maintained.

Peter Bottomley (Worthing, West) (Con): Is my hon. Friend delighted that Mr. Speaker himself is here for this debate, recognising the role of the Scottish TA? "Recognising the Opportunity", the useful report by the all-party reserve forces group, spells out—Richard Holmes himself says this—that the Territorial Army is a reserve for use, not simply for show.

Mr. Lancaster: My hon. Friend makes a powerful point and he is absolutely right.

Unlike today, at the turn of the 19th century it was military failure—in the South African war—that provided the catalyst for the reforms that led to the creation of the territorial force that we know today. At the time Britain's was the most powerful empire in the world and there was little expectation that the potential reserve of military experience represented by the militia, yeomanry and volunteers would be called upon. However, after three successive defeats in the "black week" of December 1899, many were called upon. The eventual British defeat by the Boers in 1902

was blamed in part on the poor quality of reserve forces thrown into battle, ill equipped and under-trained. That simply underlined the desperate need for a review not only of the Regular Army, but of the organisation and training standards of the reserves.

The subsequent royal commission, which was set up to review the minimum standards of efficiency required of militia and volunteers, met considerable resistance, not least from Opposition MPs who were also volunteers. However, in 1906 a new Government took office and Haldane was appointed Secretary of State for War. Driven by a desire to make Britain ready for the continental war that many foresaw, regulars and auxiliaries alike were reshaped to produce an expeditionary force that could be sustained in the field. I fear that history is repeating itself, as behind it all remained the Treasury demand for greater military economy and the placing of a ceiling on military expenditure.

At that time, referring to Haldane's explanation of the scheme to the House, Leo Amery, an Opposition politician, remarked that

"he explained at terrific speed, but with a great suavity, that the more battalions and batteries he scrapped, the stronger he made the army"

Call me cynic if you will, Mr. Speaker, but having sat through our latest armed forces review, that all sounds painfully familiar. When the Minister responds, as well as rightly praising the role of our reserve forces, he may like to spend a few moments outlining the terms of reference for the latest review and, perhaps crucially, confirming that unlike Haldane 100 years ago, the drive for military economy is not his principal concern.

None the less, Haldane had a wider encompassing vision: he wanted to create out of the auxiliaries a real national Army formed by the people who would weld a new unity of Army and society—an aspiration as valid today as it was in 1908. I hope that that aspiration will be at the forefront of the mind of Major-General Nick Cottam, the officer charged with the latest reserve forces review, which—I am sure this is no coincidence—starts today.

Ann Winterton (Congleton) (Con): Does my hon. Friend recall that General Dannatt has said that we now have one Army, which encompasses the Territorial Army and the regulars, so does he agree that if there is one Army, TA recruits should be treated the same as the regulars—for example, as far as insurance protection while on active duty is concerned? At the moment, TA members have to pay a third more than regulars and receive a third less benefits. Surely they should have equal treatment?

Mr. Lancaster: My hon. Friend makes a very powerful point. Speaking as someone who has been mobilised on three occasions, I firmly believe in the one Army concept. I am unsure about the details of my hon. Friend's point, but if that is indeed the case, it sounds as though it needs to be sorted out, as it is simply unacceptable. The relationship between the Regular Army and the Territorial Army has been a problem for many years. It goes back to the first world war, which I was about to come on to before she intervened.

More than 100 years ago, despite limited opposition and with a few compromises, the Territorial and Reserve Forces Act was finally passed in 1907, but its real test was seen at the outbreak of the first world war. The initial establishment was to be 314,000, but that proved to be highly optimistic. The combined hostility of elements of the Regular Army and employers and unions alike meant that by 1914, at the outbreak of war, the Territorials had fallen a long way short of Haldane's original vision.

Alas, as the years have passed, that appears to have been a common theme. Whenever a review of the TA has been carried out—be it as a result of the strategic defence review of the late 1990s, when the TA failed to get up to its establishment of 44,000, or, indeed, as recently as last year, when the National Audit Office reported that the TA was operating at some 16 per cent. below the new lower establishment of 36,000—the TA always ends up under strength. That is a lesson that we must learn; I hope that the current review will not fall into the same trap yet again by planning to cut TA numbers to a level that, as a result of over-weeding, we are destined to fail to achieve.

Mr. Tobias Ellwood (Bournemouth, East) (Con): My hon. Friend is making a powerful case for the importance of the Territorial Army. In looking at those numbers, does he agree that it would be wrong to include the officer training corps in the TA numbers, even though it is part of that empire? Will he pay tribute to the works of the officer training corps? I certainly would not have joined the Regular Army had I not gone through the OTC, which establishes an important bridge between those who may not go into the armed forces, but go into employment and then find employees under them who want to participate and go away for a period with the TA?

Mr. Lancaster: Absolutely. As a former member of both Cambridge and Oxford officer training corps, I know how important a part it played in my training. Although the OTC plays a very important role, it would be wrong to suggest that many of these officers, being group B officers, can be deployed on operations.

One area where lessons definitely have been learned from those early years is improved relations with employers. In recent times, the organisation Supporting Britain's Reserves and Employers—otherwise known as SaBRE—has done much to engage employers and promote the benefits of employees belonging to the reserves and acquiring transferable skills such as leadership, self-confidence and initiative.

Throughout the 100-year history of the modern Territorial Army, whenever they have been asked to do so, the men and women of the TA have stepped up to the mark. In August 1914, at the start of the great war, the British, having been distracted by the Irish home rule crisis, had the least time to react of any of the participants in that war. The assumption that no Territorial unit would proceed overseas until after six months' training was scrapped almost instantly. Despite the prejudices and distrust of the "amateur" soldiers by some, not least Kitchener himself, it was Territorials who were deployed to "fill the gap" on the western front, with the first unit to be sent to France, the 1/14th London Scottish, being dispatched on 16 September 1914.

In numerical terms, the eventual contribution of the Territorial Force to the war effort was considerable,

[Mr. Lancaster]

with 318 battalions and 23 infantry divisions serving overseas, and when voluntary enlistment ended in December 1915, some 725,842 men had enlisted in the Territorial Force since August 1914. During that war, 71 Victoria crosses were won by members of the Territorial Force, the first by Second Lieutenant Geoffrey Woolley on the night of 20 April 1915 on Hill 60 at Ypres.

The willingness of Territorials to be mobilised at times of national emergency has been a feature throughout our history, and the response of the Territorials to the outbreak of the second world war was similar to that seen for the first, when, as war clouds loomed over Europe in the early months of 1939, the Government authorised the "duplication" of all Territorial Army units, thereby doubling the size of the TA.

The TA today is very different even from the one I joined in 1990 at the end of the cold war years. Once again, mobilisation is the norm, with members of the TA being involved in all of the major recent conflicts—Kosovo, Bosnia, Iraq and Afghanistan. Indeed, the equivalent of 21 battalions has been mobilised to support operations in Afghanistan and Iraq in recent years. It is equally fair to say that the chaos that accompanied earlier mobilisations has been largely removed with the establishment of the reserves training and mobilisation centre—RTMC—at Nottingham, a dedicated facility designed for an annual throughput of some 3,600 soldiers, with some 200 at any time.

There remains a concern, however, that the TA is being overused, and while keen to serve, many members—some now being mobilised for their second or third tour of duty—are hesitating at the prospect of being asked to sacrifice their primary career for their second. The TA is not a militia, but a volunteer force, but increasingly, month by month, it is being used as a militia and, ultimately, I fear that this will prove to be a major mistake. Basil Liddell Hart once described the TA as:

"One of Britain's hardiest plants",

but it would be rash to assume that the plant is as hardy as it once was. A Territorial "volunteers" every time he or she reports for duty and seeks challenge, backed by organisation, resources and commitment. Starve the TA of these and the plant will wither.

The TA has a proud history of service to our country, and today of all days it is right that this House should celebrate its 100th anniversary, and the service of those brave "volunteers". They have given much over 100 years of service, and all they ask in return is that, for once, we learn the lessons of the past.

10.22 pm

The Parliamentary Under-Secretary of State for Defence (Derek Twigg): I congratulate the hon. Member for North-East Milton Keynes (Mr. Lancaster) on securing this debate, and I thank him for giving me the opportunity to address the House on a day of great significance for the Territorial Army. I also offer my thanks to the hon. Gentleman for his long service as a member of the TA, which I know has included time served on operations. I also thank other Members present who have served in the armed forces or the TA for their service. I do not think there is a single current Member of this House who is not known as a strong supporter of the armed forces, and I am pleased there is such a good turnout in support of this important debate. My late father-in-law, Thomas Cassidy, was a sergeant-major in the TA, and I remember how important the TA was to his life and his family. Therefore, I am steeped in the TA tradition and in the importance that people who have served in it attach to it.

I join the hon. Gentleman in congratulating the TA on its 100th anniversary. As he mentioned, the first TA units were formed 100 years ago to the day, following an Act of Parliament in the previous year. In reality, however, this was merely a continuation of a long tradition of part-time military service in Britain: from the militia, which dates back to the early 16th century and from which a number of present day TA units can trace their ancestry, to the London trained bands that fought with the parliamentarian Army in the civil war, and the Yeomanry formed during the Napoleonic wars to bolster home defence, which served with distinction during the Boer war.

The reforms of the first years of the 20th century, led by the Liberal Secretary of State for War, R.B. Haldane, made a number of significant structural changes to the country's regular and reserve land forces. Among the most significant of them was the fusion of the Army's various non-regular forces into the Territorial Force, which we now know as the Territorial Army.

It was not long before the wisdom of these reforms was confirmed. The Territorials went on to fight with distinction alongside their regular counterparts throughout the first world war, playing a vital part in holding the line against the German advance in the initial stages of that conflict, and at the end leading to the breach of the Hindenburg line in 1918.

Since those early years, the Territorial Army, like the Army as a whole, has been in a continual state of evolution, adapting to reflect changes in the threats faced by this country, changes in technology, and changes in our own society. Through that process, it has continued throughout its first 100 years to play a fundamental part in the defence of the nation, notably during the second world war when it was mobilised and its units were absorbed into the Regular Army.

In recent years, the Territorial Army has assumed an even greater importance. Under the "one Army" philosophy, regulars and Territorials serve on equivalent terms. They are trained, equipped and deployed in many of the same theatres, and they share the same risk. The Territorial Army is now the reserve of first choice, deploying in significant numbers wherever the Regular Army is engaged; since 2003, some 15,000 Territorials have deployed on operations. We must not forget the sacrifice they have made. Sadly, since 2003 eight Territorials have died on operations in Iraq and Afghanistan, and since the end of world war two, 336 have been killed on duty. Our thoughts tonight must also be with their families as we mark this centenary.

Arguably, the Territorial Army is now as crucial to overall military effectiveness as it has been at any point in its history. The sheer scope of roles it fulfils, which range from engineer, infantry, medic and logistician to

driver and linguist, is evidence of just how vital its expertise is to today's Army. Indeed, earlier today, the Chief of the General Staff said:

"It is difficult to imagine how the Regular Army could meet its present commitments without the combat capability and professional support provided by Territorial soldiers".

It is partly against that background that the Secretary of State announced to the House two weeks ago his intention to set up a review to examine how our reserve forces, including the Territorial Army, should be most effectively configured, structured, equipped, located and trained for current and future defence needs. Although we are satisfied that our existing policy on the reserve forces is sound, we need to take stock of how they have been employed on current operations and consider their potential use in other roles related to projected requirements. We also need to consider issues such as the scope for greater integration into regular forces, and how we can better capitalise on the vast range of civilian skills that the reserve forces possess. There is widespread support among the services for the review, which will be conducted transparently and inclusively, and will involve consultation with a broad range of interested parties. I can assure the hon. Gentleman that the review is not based on the drive for military economy; it is a strategic review to examine how the reserves' contribution to defence can be optimised to meet current and projected requirements.

It is therefore clear that as the Territorial Army celebrates its first 100 years of service those associated with it have every right to look back with pride on past achievements and to look forward with confidence to a future that will continue to see the Territorial Army operating at the heart of this nation's armed forces.

As the House is aware, a number of events are planned this year to mark this significant milestone, under the TA100 banner. The Defence Secretary and the Chief of the General Staff formally launched the season of celebrations this morning at the Tower of London. Synchronised regional events in the nation's capitals of Edinburgh, Cardiff and Belfast were incorporated in that. Looking ahead, there will be a reception at the National Army Museum on 3 April, to which a number of hon. Members have been invited, and a service of thanksgiving at St. Paul's cathedral on 15 May. The centrepiece of the commemorations will be a pageant on Horse Guards parade on 21 June, followed by the national reception in St. James's palace that same evening. There will also be a garden party at Buckingham palace on 10 July, and a parade and service at the armed forces memorial at the national memorial arboretum on 13 September. Those events will be supported by a range of regional and local celebrations continuing throughout the year until Remembrance day.

Our aim is to maximise opportunities for the general public to become involved in those events, and to that end a website has been launched carrying further details on the Territorial Army and its centenary. We should not forget, of course, that this is also the centenary year of the reserve forces and cadet associations, which play a very important role promoting the volunteer reserve forces of all three services within the community. I would like to take this opportunity to congratulate all the reserve forces and cadet associations on this their landmark year.

Mr. Lancaster: Would the Minister be so kind as to address the concern over formed units and the fact that we seem to be moving towards mobilising individuals to placements in the Regular Army rather than mobilising formed units? Does he anticipate that we will continue to mobilise formed units as well as individual placements?

Derek Twigg: I am sure that the hon. Gentleman understands that in the review it is very important to consider our future needs, our capabilities and how we should use the role. Let us have that review. I am sure that he, like other hon. Members, will contribute to that process. I recognise the importance of what he has said. Of course, I have been to Iraq and Afghanistan and have talked to Territorials and reserves and so I understand the importance of that point. The review is very important—

Several hon. Members *rose*—

Derek Twigg: If hon. Members do not mind, I am stuck for time. If I have some time at the end, I will give way, but I want to get a number of points on the record.

We should not forget that Territorial soldiers are to many the face of the British Army. That is an important point. I always remember the visibility of the TA when I was a child, because of my family connections. It is important to remember that to many the TA is the face of the British Army and of the other services, too, in a society that has become increasingly isolated from the hard realities of military service, despite the exposure that operations receive in our 24-hour news culture. Of course, we are looking again at how we can improve recognition. We have an important role to play in that. The Territorials' personal experience of service, when it is shared with workplace colleagues, family and friends, helps to bolster the understanding of the vital role played by the Army and the special ethos and culture that it possesses.

It is also important in this year of commemoration to remember those without whose support the concept of part-time military service would be unworkable. I mean, of course, the partners and families without whose tolerance and understanding our Territorials could not play their full part in the Army. I pay tribute to those families.

I want, too, to acknowledge the crucial supporting role played by employers. We have an ongoing debt of gratitude to the many enlightened employers—I am glad to say that most of them are—from small businesses, multinational companies and public sector organisations. They understand that the benefits of service in the Territorial Army cut both ways. People bring skills learned in the civilian workplace to bear in a military context, and the service provides high-value personal development for employees in areas such as leadership and motivation. We should never forget the benefits that serving in the armed forces bring to civilian life, too. I pay tribute to those employers.

I want to conclude by paying tribute to the Territorials, past and present, for their magnificent contribution to our national security and for their sacrifice, about which we heard just a short time ago.

[Derek Twigg]

TA100 is an excellent opportunity for the whole nation to recognise the distinguished role played by the Territorial Army over the years and to say thank you to the 35,000 men and women who serve and who are so vital to our defence effort at home and overseas.

Peter Bottomley: If the Minister is coming to the end of his speech, may I say that the way in which he has approached the debate would make him a great recruiting sergeant for those who are in the Territorials and those who want to join?

Derek Twigg: I thank the hon. Gentleman for those kind comments.

It is appropriate that as a mark of the esteem in which the Territorials are held that Her Majesty the Queen has graciously agreed to be the patron of TA100 and has written a personal message to every serving member, offering her congratulations on the Territorial Army's centenary.

Question put and agreed to.

Adjourned accordingly at twenty-seven minutes to Eleven o'clock.

House of Commons

Wednesday 2 April 2008

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

WALES

The Secretary of State was asked—

Employment

1. **Dr. Hywel Francis** (Aberavon) (Lab): What recent assessment he has made of employment trends in Wales; and if he will make a statement. [197224]

The Secretary of State for Wales (Mr. Paul Murphy): Employment in Wales continues to be at historically high levels, with 122,000 people now in work in Wales, and unemployment down by 30 per cent. since 1997.

Dr. Francis: Employment prospects in my constituency, Aberavon, have been significantly strengthened as a result of the recent announcement of £71 million worth of investment in the Port Talbot Corus steel plant and the Tata acquisition of Jaguar and Land Rover. Will the Secretary of State join me in welcoming these developments, particularly the investment in environmental improvement, which will strongly support the excellent Neath Port Talbot council's clean air charter? Will he also consider an early visit to my constituency to meet the new managing director of the Corus steel plant, Mr. Chaturvedi, to discuss future employment prospects in the Welsh steel industry?

Mr. Murphy: Yes, I should be delighted to visit my hon. Friend's constituency and to show support for his excellent local authority and the initiative that it has taken, involving all sections of the community in maintaining high standards of air quality. May I say how good it is that Tata has invested £9 million at Morfa in his constituency and £60 million in Port Talbot? If that is not a huge vote of confidence in Wales, I do not know what is.

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): The question on the Order Paper asks for a recent assessment of employment trends. The Minister should be aware that the most recent data from the Office for National Statistics show that the employment rate in Wales has fallen to just 71.5 per cent. and the economically inactive rate has risen to almost 25 per cent. What does the Secretary of State think might be responsible for the dreadful recent rise in worklessness in Wales? Is it the policies of his sclerotic Government here in Westminster, or those of his separatist colleagues in Cardiff?

Mr. Murphy: The hon. Gentleman really should remember what unemployment was like when the Conservatives were in control: we had 3 million people out of work when I came into the House. The figures that I have just given are figures of considerable significance. In his constituency, Preseli Pembrokeshire, for example, there has been a 73 per cent. drop in unemployment since February 1997. The figures speak for themselves.

Nick Ainger (Carmarthen, West and South Pembrokeshire) (Lab): My right hon. Friend will recall his visit to the new Bluestone project in my constituency which, when all its phases are completed, will employ 600 local people. Does he agree that that is evidence of the success that comes from partnership between the private sector and the public sector in the shape of the Welsh Assembly Government, who have also made a substantial investment in what will be a high quality leisure project employing substantial numbers of people and, most importantly, providing full-time all-year-round work in the tourist sector?

Mr. Murphy: Yes, I was delighted to visit Bluestone in my hon. Friend's constituency. It is a great project and he is right to point out the importance of the Welsh Assembly Government's contribution to what will be a major tourist attraction for Wales and a major employer for Pembrokeshire. I am also pleased to point out that my hon. Friend represents the other half of Pembrokeshire, where employment has unquestionably improved over recent years. In his constituency there has been a 71 per cent. reduction in unemployment since February 1997. What a success story for west Wales.

Mr. Roger Williams (Brecon and Radnorshire) (LD): In terms of employment, the public sector is very important in Wales, yet within the space of three weeks Her Majesty's Revenue and Customs has broken faith with its employees in Merthyr by announcing further cuts in employment and transferring more jobs to Cardiff. That will have a knock-on effect in Brecon, where the branch is to close in 2011 and many of the employees wished to transfer to Merthyr. How can the staff and customers of HMRC have any faith in its plans when they are changed on such a short-term and arbitrary basis? Will the Secretary of State intervene on behalf of the staff and the public?

Mr. Murphy: I understand and sympathise with the points that the hon. Gentleman makes with regard to HMRC. As he knows, I have an HMRC office in my constituency, and I understand the importance of employment, particularly in what used to be called objective 1 areas and are now convergence fund areas. Certainly, I will continue discussing the matter with the relevant Ministers in the Treasury. The hon. Gentleman will understand, though, that over recent years well over 3,000 jobs in the public sector have come to Wales. That is important not just for the areas that he and I represent, but all over Wales.

Mr. Dai Havard (Merthyr Tydfil and Rhymney) (Lab): It was expected that the office in Merthyr would remain in its current form until 2011. My concern, which I would like my right hon. Friend to express to his colleagues in Government and see how he can

assist, is about how the consultation has been carried out. The expectation has now been changed in an arbitrary fashion, without the necessary consultation. I would like my right hon. Friend to assist, if he can, in trying to rectify that position.

Mr. Murphy: I understand my hon. Friend's position. He can rest assured that I will put his points to my colleagues at the Treasury.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): The Secretary of State must be worried that Welsh employment trends are showing a drop of more than 1 per cent. last year. Our military trained strength is also falling, by 3 per cent. this year. More than ever, we need Welsh men and women in our armed services. Will the Secretary of State join me in condemning the National Union of Teachers' decision on excluding armed forces personnel from visiting our schools? That will prevent our young people from getting early information about potential employment in the services. Furthermore, will he ensure that that wicked policy is not implemented in Welsh schools?

Mr. Murphy: My hon. Friend the Under-Secretary of State is visiting Ministry of Defence establishments throughout Wales; I am sure that he will be able to carry the important message that the opportunities that the armed forces present to our young people in Wales are taken up. The hon. Lady can rest assured that we will make those points strongly; my hon. Friend will certainly do so.

Regional Pay

2. **Nia Griffith** (Llanelli) (Lab): What discussions he has had with Cabinet colleagues on the potential effects of introducing regional pay arrangements in Government agencies and services in Wales. [197225]

The Parliamentary Under-Secretary of State for Wales (Huw Irranca-Davies): My right hon. Friend the Secretary of State and I have regular meetings with ministerial colleagues to discuss matters of such importance to Wales. We need to give careful consideration to all the potential effects of regional pay to ensure that our pay policy promotes economic growth in all parts of the UK.

Nia Griffith: My hon. Friend will be aware that after the decline in the coal and steel industries in the '80s, we are at long last beginning to see the benefits of regeneration and growth in the local economy, and we need to do everything we can to keep that momentum going. Will the Under-Secretary agree to meet me to discuss the detrimental effect that regional pay could have on employees and the economy in general in my constituency?

Huw Irranca-Davies: My hon. Friend makes important points. On my recent ministerial visits to her constituency, I have seen the work that she has done to promote jobs in the local economy. The Secretary of State for Wales discussed the issue of regional pay at a recent meeting with the Lord Chancellor, and my right hon. Friend and I will continue to raise Members' concerns about that issue. In response to my hon. Friend's request, I should say that we will be more than happy to meet her and other colleagues who wish to raise the issue with us.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): The convergence fund areas are there for a purpose: to raise the gross domestic product within those areas. Yet regional pay policy will depress salaries in those areas. Which is it going to be? Is it not time for some joined-up thinking? I know that the Secretary of State has made representations, but I agree entirely with the hon. Member for Llanelli (Nia Griffith). We need to redouble our efforts on the issue, because it could be very detrimental to many areas of Wales.

Huw Irranca-Davies: I am pleased that the hon. Gentleman recognises the representations that we have already made, and we will continue to make them. The civil service currently has regional flexibility in its pay systems, and the Department for Work and Pensions has four separate pay zones. However, that Department, for example, has no plans whatever to introduce low-level regional pay for Wales.

In the wider context, the key is to address, foster and encourage the development of a strong private sector as well, with well paid jobs in Wales, so that the pay arrangements reflect the wider labour market fundamentals for the work force—not least, recruitment and retention. None the less, we will continue to take these issues up and make representations.

Julie Morgan (Cardiff, North) (Lab): Rather than bringing in regional pay for some civil service jobs in Wales, would it not be more sensible for the UK Government to move even more civil service jobs to Wales, and thus help fill the empty floors in the Llanishen tax office in my constituency?

Huw Irranca-Davies: My hon. Friend raises an important point about the reallocation of public sector jobs to Wales. Although the current issues are controversial, it is worth remembering, as I am sure my hon. Friend does, that more than 3,259 jobs have been relocated to Wales from central areas of England. We are the third highest receiving area in the whole of the UK for public sector jobs, thanks to that relocation. However, my hon. Friend makes a fair and valid point, and my right hon. Friend the Secretary of State and I will continue to listen to the concerns expressed and make representations as appropriate.

Cross-Border Patients

3. **Mr. Peter Bone** (Wellingborough) (Con): What recent discussions he has had with the First Minister on hospital waiting times for cross-border in-patients. [197226]

The Parliamentary Under-Secretary of State for Wales (Huw Irranca-Davies): I am aware of the hon. Gentleman's continued interest in this issue over some time. I can tell him that my right hon. Friend and I regularly meet the First Minister and the Minister for Health and Social Services to discuss a range of issues, including hospital waiting times, for cross-border patients. The Assembly Government are investing record amounts in the NHS in Wales and are consistently delivering real improvements in the standard of health care for all patients.

Mr. Bone: Prime Minister Blair told us on 30 November that nobody was waiting more than six months for an NHS in-patient operation. Today, 2,788 Welsh patients and 239 cross-border patients are waiting more than six months. Why have things deteriorated so much under the current Prime Minister?

Huw Irranca-Davies: Actually, I can correct the hon. Gentleman slightly—there is improvement, not deterioration. The latest figures, for February 2008, show that in the last year alone the number of Welsh patients waiting for in-patient or day-case treatment in an English hospital has dropped by more than 22 per cent. and that the number of Welsh patients waiting for up to 36 weeks for an out-patient appointment in an English hospital has dropped by nearly 20 per cent. We appreciate that there is more work to do, but we are heading in the right direction.

Albert Owen (Ynys Môn) (Lab): On Monday, the Welsh Affairs Committee visited the Walton centre and Alder Hey in Liverpool as part of our ongoing inquiry into cross-border health services. Those two establishments are centres of excellence and an integral part of the national health service for the people of north Wales. We were told that for all serious illnesses patients were treated equally whichever side of the border they resided on. Does the Minister agree that to meet the expectations of the future we need to strengthen the links between general hospitals in north Wales and those centres of excellence to ensure that we get the best patient care, based on clinical need, not geography?

Huw Irranca-Davies: My hon. Friend and other colleagues in north Wales have made strong representations on this issue. My right hon. Friend and I are convinced that the outcome of the ongoing review, which I understand will report in July this year, should arrive at a sensible and measured approach that delivers for patients in north Wales, and throughout Wales and the region. That is what we are looking for. I am assured that no decision has yet been made on the future of neurosurgery, but we do listen, and I am sure that my hon. Friend, too, makes those representations directly to Welsh Assembly Government Ministers.

Hywel Williams (Caernarfon) (PC): But will the Minister join me in condemning those who would worry, perplex and even frighten sick people in Wales with their exaggerated and sometimes unfounded allegations about problems with cross-border services—not because of concern for the health of our people, but as a proxy for their opposition to devolution?

Huw Irranca-Davies: All people in this House, and elsewhere, would want to ensure that decisions on health care are reached democratically and in the interests of the patient, and that is best done in a mood of calm, considered, deliberate attention to detail. That is how we would want things to proceed. If there is scaremongering, we would all, in this House and elsewhere, urge people to desist from that and look at the situation rationally.

Ian Lucas (Wrexham) (Lab): Does my hon. Friend agree that it is extremely important that Welsh MPs should be entitled to ask questions about the treatment of patients in England, and will he reject absolutely the Tory proposal to stop us doing so?

Huw Irranca-Davies: I do indeed agree. My hon. Friend makes a point about the role of Welsh MPs and their power to represent their constituents in this place in all matters. People will still come through to all MPs' advice surgeries to raise these issues. We have democratically elected institutions both here and in the National Assembly for Wales, and it is important that the voices are heard in both places.

Lembit Öpik (Montgomeryshire) (LD): My constituents are often told that because they live in Wales, they have to wait longer than the English patients of Shropshire hospitals. It is not hard to imagine the frustration and suffering that that causes my constituents. What can the Minister do to ensure that Montgomeryshire folk with health problems are not made to feel like second-class citizens when they go to those hospitals? How can he ensure that we get parity of treatment across the border between Montgomeryshire and England?

Huw Irranca-Davies: I know that the hon. Gentleman is a strong supporter of devolution in principle, and one of the outcomes of devolution is that different approaches to primary, secondary and acute care will be adopted. In this House and elsewhere, we all want to see the best treatment for all our patients, and we are heading in the right direction. I hear the hon. Gentleman's concerns, however, and other Members have expressed them as well. We want waiting times to come down, but we also want to see the massive investment that Labour has put into health, in primary care and elsewhere, paying dividends, and that process is working under this Government.

Mr. David Jones (Clwyd, West) (Con): As of yesterday, the combined target waiting time for out-patient and in-patient treatment in England has been reduced to 18 weeks, whereas in Wales the equivalent target is 44 weeks. Given that the Assembly Government spend more on health than England, one might have thought that the reverse would be the case. Could the Minister explain why the Assembly Government have apparently made a policy decision to require Welsh patients to wait more than twice as long for treatment as English patients?

Huw Irranca-Davies: The policy decision of the Welsh Assembly Government is to invest in health care, including waiting times, which are falling. As of January 2008, only three patients were waiting more than 36 weeks for in-patient or day-case treatment, compared with 3,485 in January 2007. We are not complacent, and we know that we have to go further, but the difference between 3,400 patients waiting and three waiting is evidence that we are going in the right direction.

Prisons

4. **Mr. Henry Bellingham** (North-West Norfolk) (Con): When he next expects to meet governors of prisons in Wales to discuss combating drugs in prisons. [197228]

The Parliamentary Under-Secretary of State for Wales (Huw Irranca-Davies): My right hon. Friend and I have regular discussions with ministerial colleagues and others on a range of offender management issues, as well as on prisons in Wales.

Mr. Bellingham: Why are there so many drugs in prisons, and why is it that a number of young offenders in Wales enter prison as mild drug users, but come out as hardened addicts? Is it not a disgrace that some wings in prisons, including prisons in Wales, have been designated "drug-free" wings? Surely that is a dreadful indictment of Ministers, because every wing of every prison should be drug-free.

Huw Irranca-Davies: I assume that the hon. Gentleman has visited some of the prisons in Wales, as I have, and seen some of the drug-free wings that he talks about, where the policy is clearly to encourage and work with prisoners who have made a clear decision to give up entirely on drugs, and to make sure that they do not take them. That policy is working: 8.6 per cent. of mandatory drug tests in prisons gave positive results in 2006-07, compared with 20 per cent. 10 years ago. The rate of those testing positive for the use of opiates has fallen by more than 25 per cent. in the past 10 years. Yes, there is more to do and we are working on that, but our investment in drugs treatment in prisons is working, whereas before there was failure.

Paul Flynn (Newport, West) (Lab): The reason we have drug-free wings in prison is that we do not have any drug-free prisons. Is it not a continuing disgrace that under Governments of both parties we have never been able to control drugs in prisons? The tragedy that continues these days is that people who go in as users and come out clean, who are put down as successes for the prison system, often die very quickly. Two of my constituents came out of prison drug-free: one lived a week, and another lived a day.

Huw Irranca-Davies: My hon. Friend makes an important point not only about rehabilitation and drug treatment in prisons, but about the aftercare of people who come out into the community and the treatment that is made available to them. He will welcome, as I do, the more than 7,500 drug treatment programmes completed in prisons in England and Wales in 2006-07. That figure is 30 per cent. above the target, so we are doing the right things and heading in the right direction, but we recognise, as always, that we need to do more.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): The Minister is complacent. I think that things will get worse in Wales, because more than 58 per cent. of women prisoners have drug addictions, the reoffending rate among women is now 60 per cent., and there are no women's prisons in Wales, so they are treated on programmes through English primary care trusts. Given the growing differences between the English and Welsh health systems and the poverty of supply of drug rehabilitation places, how can we ensure the continuity of drugs programmes and support on release for women prisoners returning home to Wales?

Huw Irranca-Davies: Support for women prisoners is a real issue, especially following Baroness Corston's review. We await decisions from the overall Prison Service about what will be brought forward. However, I have already highlighted the fact that although there is more work to do, our investment in drug treatment in prisons is paying dividends. We will continue to drive down the use of drugs in prison and to promote the aftercare of prisoners when they go into the community.

Neighbourhood Policing

5. **Chris Ruane** (Vale of Clwyd) (Lab): What recent discussions he has had with the Secretary of State for the Home Department on neighbourhood policing in Wales. [197229]

The Secretary of State for Wales (Mr. Paul Murphy): I have regular discussions with ministerial colleagues, chief constables and others on law and order issues in Wales, including policing. I welcome the fact that, from 31 March, Welsh communities are fully covered by neighbourhood policing teams. That achievement follows three years of hard work by forces, police authorities and local communities.

Chris Ruane: I thank my right hon. Friend for that reply. Will he join me in congratulating the Denbighshire crime and disorder reduction partnership, which, of the 376 partnerships in England and Wales, came out as the third best? Will he also join me in recognising the leadership of Divisional Commander Michelle Williams and Denbighshire's Roly Schwarz in helping to achieve those fantastic results?

Mr. Murphy: I send my best wishes to the officers concerned. Denbighshire community safety partnership is one of the best in England and Wales, and has the third best crime reduction figures over the past three years. It is a great story for Denbighshire and Wales.

David T.C. Davies (Monmouth) (Con): Does the Secretary of State agree that neighbourhood policing may well succeed because the Home Office has rolled it out throughout the United Kingdom? Will he resist any calls from Members of the Welsh Assembly to take control of policing, which would be a disaster for law and order in Wales?

Mr. Murphy: I agree that the Home Office's work has achieved excellent results. The hon. Gentleman can rest assured that the future of justice and policing will remain with the United Kingdom Government and Parliament.

Climate Change

6. **John Robertson** (Glasgow, North-West) (Lab): What discussions he has had with the First Minister on the consequences of climate change for Wales. [197230]

The Parliamentary Under-Secretary of State for Wales (Huw Irranca-Davies): The Secretary of State has regular discussions with the First Minister on a range of issues, including the vital subject of climate change.

John Robertson: My hon. Friend will realise that our commitment on climate change and to low-carbon energy is important. As Chairman of the all-party group on nuclear energy, I hope that two sites in Wales will bid for new nuclear facilities. Will my right hon. Friend assure me that, in his discussions with the First Minister, he will not experience the sort of problems that we did in Scotland with the Scottish National party?

Huw Irranca-Davies: I congratulate my hon. Friend on his tireless advocacy of nuclear power as part of the solution. Certainly, the Secretary of State recently met my hon. Friend the Member for Ynys Môn (Albert Owen) and representatives of Wylfa power station to discuss the future of the site, not only in its current form but in the context of any proposed new build. I assure my hon. Friend that the Wales Office remains fully supportive of new build at Wylfa and will continue to meet parties who are serious about making that happen.

Adam Price (Carmarthen, East and Dinefwr) (PC): The Welsh Assembly Government and the UK Government have jointly launched a feasibility study on the idea of a Severn barrage. Will the Minister confirm that any decision on that report will also be jointly made between the Welsh and UK Governments?

Huw Irranca-Davies: At all times—in the discussions on the Severn barrage and the report of the Sustainable Development Commission—there has been close dialogue and communication between the Welsh Assembly Government and the lead Department. I have no doubt that that will continue. It is worth pointing out that whatever option is pursued, the Severn barrage is unique in that it could save up to 3 per cent. of total UK carbon emissions and produce up to 5 per cent. of UK energy for the foreseeable future.

A & E Departments (Policing)

7. **Alun Michael** (Cardiff, South and Penarth) (Lab/Co-op): When he last discussed the provision of police resources to cover accident and emergency departments in Wales with the Secretary of State for the Home Department; and if he will make a statement. [197231]

The Secretary of State for Wales (Mr. Paul Murphy): I have regular discussions with Home Office Ministers, chief constables and others in respect of policing issues in Wales.

Alun Michael: Will my right hon. Friend take the opportunity, when he next speaks to the Home Secretary, to draw to her attention the benefits of the violence reduction programme in Cardiff, which is led by a distinguished medic, Professor Jon Shepherd? The programme has already been drawn to the attention of the Secretary of State for Health, who is taking an interest. Will my right hon. Friend promote co-operation between the health service and the police service to reduce violence, not just in Cardiff but throughout the country?

Mr. Murphy: Yes, I can assure my right hon. Friend that I will pass that message on to my right hon. Friend the Home Secretary, and tell her about the good work done by Professor Shepherd.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [198129] **Mr. Eric Joyce** (Falkirk) (Lab): If he will list his official engagements for Wednesday 2 April.

The Leader of the House of Commons (Ms Harriet Harman): I have been asked to reply.

Before listing my right hon. Friend the Prime Minister's engagements, I am sure that the whole House will wish to join me in sending our profound condolences to the family and friends of the two Royal Marines who were killed in Afghanistan on Sunday, Lieutenant John Thornton and Marine David Marsh. We owe them both a deep debt of gratitude. As the House will be aware, my right hon. Friend the Prime Minister is today in Bucharest, Romania, for the NATO Heads of State and Government summit meeting.

Mr. Joyce: In a few days, the all-party group on the great lakes region of Africa will visit Rwanda and the Democratic Republic of the Congo, both of which have proper, legitimate, democratically elected Governments. Does my right hon. and learned Friend agree that it is, today, time for Mr. Robert Mugabe to accept that the people of Zimbabwe deserve no less?

Ms Harman: I commend my hon. Friend for the work that he does in his all-party group. He is absolutely right: the whole House will want to express its solidarity with the people of Zimbabwe and its concern that they should have their democratic choice respected and recognised. Hon. Members in all parts of the House have raised the plight of the people in Zimbabwe. Four million people have been forced to flee that country. The average life expectancy is now down to 34 and the economy is in ruins, but today the eyes of the world are on Zimbabwe, which stands at a turning point. Robert Mugabe must respect the decision of his people.

Mr. William Hague (Richmond, Yorks) (Con): I join the Leader of the House in paying tribute to Lieutenant John Thornton and Marine David Marsh, who were killed in Afghanistan on Sunday, and to the soldier who was killed in Iraq last Wednesday—a further reminder of the sacrifices and service of our armed forces.

On a lighter note, I should like to congratulate the Leader of the House on being the first female Labour Member ever to answer Prime Minister's questions. She must be proud, three decades on, to be following in the footsteps of Margaret Thatcher, whom we on the Conservative Benches, and the Prime Minister, so much admire. I have just one question on Zimbabwe before the Foreign Secretary's statement at 12.30 pm. Will the Leader of the House make it clear, on behalf of the Prime Minister, that Britain wants to send the clearest possible signal that the world will be there to help the people of Zimbabwe, on top of what she has just rightly said, and that there will be a comprehensive plan to assist them, whenever they are able, to move away from corruption and dictatorship, to the rule of law and democracy?

Ms Harman: I thank the right hon. Gentleman for his congratulations, but I would like to ask him: why is he asking the questions today? He is not the shadow Leader of the House; the shadow Leader of the House is sitting next to him. Is this the situation in the modern Conservative party—that women should be seen but not heard? If I may, perhaps I could offer the shadow Leader of the House a bit of sisterly advice: she should not let him get away with it.

Hon. Members: More!

Ms Harman: On the question of Zimbabwe, I absolutely endorse the right hon. Gentleman's comments, and I do so on behalf of the Government. This Government are the second biggest donor to Zimbabwe and we stand ready to step up that support. We will work with the international community, but it is also right to focus on South Africa and Africa to help find a solution to the problem. My right hon. Friend the Prime Minister has spoken to Thabo Mbeki and to Kofi Annan; he will work to make sure that pressure is put on Robert Mugabe to respect the democratic choice of his people.

Mr. Hague: Before turning to domestic issues, I was going to be nice to the right hon. and learned Lady. She has had a difficult week. She had to explain yesterday that she dresses in accordance with wherever she is going: she wears a helmet on a building site, she wears Indian clothes in the parts of her constituency with a large representation of Indian people, so when she goes to a Cabinet meeting, she presumably dresses as a clown. *[Interruption.]* As I said, I was going to be nice to her before her previous response.

Turning to serious domestic issues, the Prime Minister is reported to have said on Monday night that no one would be worse off as a result of the doubling of the 10p tax band this weekend. Does the right hon. and learned Lady think that that statement was true?

Ms Harman: I would just start by saying that if I were looking for advice on what to wear or what not to wear, the very last person I would look to is the man in the baseball cap.

Turning to the important question of the economy, it has been our Government's determination to ensure that we have a strong, stable and growing economy, so that people can be in work, be in their jobs and be better off. What is important is that people should have jobs and be able to afford their mortgages. Before the right hon. Gentleman cries any crocodile tears about low-income families, perhaps I can remind the House that when he was Leader of the Opposition, it was he who led the opposition to our national minimum wage and he who led the opposition to tax credits, which are helping 6 million low-income families.

Mr. Hague: I did not detect an answer to the question in all of that. The Leader of the House might still need advice on what to wear, and if she thinks her constituents might kill her, she should look behind her.

Is it not the case that, contrary to what the Prime Minister said on Monday night, 5.3 million mainly lower-paid families will be worse off this weekend, as demonstrated by the Institute for Fiscal Studies and as confirmed by a Treasury official to the Treasury Committee? Is she further aware that after the meeting of Labour MPs on Monday night, where that point was made, one Minister is reported to have said:

"Gordon did not seem to understand what they were talking about and kept insisting that nobody would lose out... He didn't seem to understand why voters were unhappy with it and gave the impression he was living on another planet".

Was not that Minister speaking the truth; and was it by any chance her?

Ms Harman: One thing we recognise is that the tax burden under this Government is not as high as it was under the Government of whom the right hon. Gentleman was a part. When it comes to standards of living, when we came into government, this country was the worst among the G7 for average income per head, and after 10 years of Labour government, we are second from the top; and we stand by that record.

Mr. Hague: If the right hon. and learned Lady thinks the tax burden is declining in this country, the Government are even more out of touch than anyone might have thought. The cost of living is rising; real earnings have fallen for two years; and the Government have chosen this moment to hit 5 million mainly lower-paid families and kick them when they are down. Let me read what another Minister said — this time on the record. The Health Minister, the hon. Member for Bury, South (Mr. Lewis) said that people

"feel the Government is losing touch with what fairness means to the majority who work hard, play by the rules and are feeling squeezed by rising utility bills, the cost of petrol and rising council tax".

Does she not have even a little bit of sympathy with that Minister's view that people feel that the Government are out of touch?

Ms Harman: I do think it is right to recognise that with the international financial turbulence and uncertainty, people are apprehensive. They need to be able to look to the Government to have the determination that we will make sure that our economy is as resilient as possible as this country faces difficult and challenging economic circumstances. It is because we are in touch and concerned about the issues that most affect the British people that we have improved hospitals and schools and have ensured that there are more jobs in the economy, and that is what we will continue to do.

Mr. Hague: The right hon. and learned Lady is allowed, while the Prime Minister is not here, to say that the Government are out of touch. He has gone to a meeting in a palace, so he is probably lost by now. She is allowed to agree with the Minister who said that the Government are out of touch.

The right hon. and learned Lady has acknowledged, and I thank her for that, that people are apprehensive about the situation, but two months ago she wrote in her blog that

"there was no sense at all of concern or insecurity over the economy. People...are not worried about their own prospects for 2008."

Does she want to update that statement in the light of what she just said and say that people are now apprehensive and are feeling insecure, and that the Government are out of touch?

Ms Harman: When I wrote that blog as part of my "Harriet in the High Street"—*[Interruption.]* When I wrote that blog, having talked to people in Princes street in Edinburgh, that is what people were saying to me. I acknowledge, and we readily acknowledge, that since then the situation internationally has become more turbulent and people's concerns are raised. We have to be ever vigilant and make sure that we keep the

economy strong through difficult international times, in a way that the previous Conservative Government did not.

As far as the right hon. Gentleman's jokes are concerned, normally people used to say about him, "Great jokes, poor judgment", but I have to say that on today's performance, he should be worrying about his income as an after-dinner speaker.

Mr. Hague: I will not ever accuse the right hon. and learned Lady of being all jokes. We need not worry about that. But has she not just given a demonstration of how out of touch the Government have become? Five million families are worse off this weekend and the Prime Minister denies it; council tax has doubled as of this weekend; and 300,000 small businesses are worse off this weekend. Is not the question that the whole country is asking, why do we have to wait another two years to get rid of this discredited Cabinet and have a change of Government?

Ms Harman: The fact of the matter is that our economy is continuing to grow, and that is very important. We recognise that it will be growing at a slower rate than predicted, but it is important that it continues to grow. We recognise, too, that there will be continued investment from business and in industry. We recognise also that what is necessary to keep the economy growing is to ensure that the skills and education levels of people in this country continue to improve. That is why, to secure the economy for the future, we are ensuring that there is education up to the age of 18 for all people in this country; we are ensuring that there are more apprenticeships for people in this country; and we are also ensuring that more people have a university education. If the right hon. Gentleman was concerned for the prospects of our economy, he would be backing that, not opposing it.

Rosemary McKenna (Cumbernauld, Kilsyth and Kirkintilloch, East) (Lab): The environmental lobby is urging us to save the planet by drinking only tap water. I have two water bottling plants in my constituency. May I ask my right hon. and learned Friend to agree that in any future discussions, we remember the jobs of those in the water bottling industry?

Ms Harman: We must recognise the need both to ensure that there is high employment in the economy, including the economy in my hon. Friend's area—I know that she is a champion of people there—and to cut unnecessary waste. That is why the Government are introducing tap water instead of bottled, at least in the public services.

Dr. Vincent Cable (Twickenham) (LD) *rose—*

Hon. Members: Hear, hear!

Mr. Speaker: Order.

Dr. Cable: May I begin by adding my condolences over the soldiers killed in Afghanistan and Iraq?

It was reported earlier this week that Her Majesty the Queen had cancelled her diamond wedding celebrations because it was judged inappropriate to engage in extravagance at a time of economic gloom and recession. Does the Leader of the House share my view that that demonstrates Her Majesty's unerring instinct for the public mood, or do the Government think that she was overreacting?

Ms Harman *rose—*

Mr. Speaker: Order. The hon. Gentleman should not discuss Her Majesty the Queen. Perhaps he could try asking another question. He has used one up, and he will not get another after that.

Dr. Cable: I am very happy for the Leader of the House to return to the issue of economic gloom and recession. Does she agree with that assessment?

Ms Harman: As I told the right hon. Member for Richmond, Yorks (Mr. Hague), our concern is to ensure that people continue to have jobs. As the hon. Gentleman will know, the economy still has 670,000 vacancies, and we want to ensure that it continues to grow as it has for some 62 consecutive quarters.

Dr. Cable *rose—*

Mr. Speaker: Order. The hon. Gentleman is out of order. I must move on.

Q2. [198130] **Mr. Jim Devine** (Livingston) (Lab): As my right hon. and learned Friend is aware, today is world autism day. Autism affects tens of thousands of individuals and families throughout the United Kingdom. What message has my right hon. and learned Friend for those people on this special day?

Ms Harman: I am glad that my hon. Friend has given me the opportunity to mark national autism day on behalf of the Prime Minister. Three things are important in relation to autism. The first is early identification: the earlier autistic disorder can be identified in a child, the more help and support the family and the child can receive. Secondly, the health services, which help families and children with autism, and the education services are vital. That is why we have doubled investment in services for children with special needs. Thirdly and above all, I pay tribute to those in the voluntary sector, particularly the National Autistic Society. They are a lifeline for parents, and without them many families simply could not cope.

Angus Robertson (Moray) (SNP): The United Kingdom and Scottish Governments are both right to provide the appropriate number of prison places. Why is the Treasury not providing the £120 million of Barnett consequential funding that would help to reduce overcrowding in Scottish prisons?

Ms Harman: We have built more prisons and more offenders are being brought to justice, which is the reason for the increase in prison numbers. As for the hon. Gentleman's point about prison places in Scotland, I will ask my right hon. Friend the Secretary of State for Scotland to write to him.

Q3. [198131] **Derek Wyatt** (Sittingbourne and Sheppey) (Lab): Last Friday, after campaigning, I went to my local Bangladeshi curry house. *[Interruption.]* I was

told that members of the immigration service are now visiting Bangladeshi restaurants between 7 pm and 8 pm on Fridays and Saturdays—a critical period for any restaurant, because it is the busiest period of the week. They are closing the restaurants and clearing the customers out, who leave without paying for anything. The restaurant owners lose their revenue for Friday and Saturday nights, and are not allowed to telephone a solicitor or their Member of Parliament. That is not acceptable. Will my right hon. and learned Friend meet a group of Bangladeshi restaurant owners, so that we may at least change the process engaged in by the immigration service?

Ms Harman: I know my hon. Friend will understand that the enforcement of immigration rules has to be an operational matter for the Border and Immigration Agency. However, the Bangladesh Caterers Association has already made representations to me on this issue, and I know that its members play an important role in this country and our economy, and I would be happy to meet representatives of the association with my hon. Friend.

Mr. Charles Walker (Broxbourne) (Con): Will the right hon. and learned Lady join me in condemning Nick Eriksen, the British National party candidate for the London assembly elections who said:

"To suggest that rape...is a serious crime is like suggesting force-feeding a woman chocolate cake is a heinous offence"?

Will she not agree with me that this man—this creature—is not fit to run for public office?

Ms Harman: I strongly support the hon. Gentleman's comments, and I thank him for bringing this matter before the House. It is for all parties in London to say that we have to make sure that everybody votes in the London election, because the best way to avoid a BNP member being elected to the London assembly is for as many people as possible to vote for all the other parties.

Q4. [198132] **Mrs. Louise Ellman** (Liverpool, Riverside) (Lab/Co-op): The Daresbury science and innovation campus is a great success for the north-west region, for the country and for world-class science. Does my right hon. and learned Friend agree that its future is too important to be left solely in the hands of the scientific research council involved?

Ms Harman: My hon. Friend is a great champion of science, and of the Daresbury centre in her constituency, and I pay tribute to her for that. She will know that this Government have doubled investment in science, and that the Minister for Science and Innovation is in Daresbury in her constituency today announcing £25 million in extra funds for the next phase of the Daresbury science and innovation campus.

Q5. [198133] **Mr. Edward Davey** (Kingston and Surbiton) (LD): Can the Leader of the House explain to council tenants in my constituency why the Labour Government ask them to subsidise council tenants in other parts of the country? Why is it that for every pound that a council tenant pays in rent to Kingston council, the Government take away 31p to give to other councils? The Prime Minister told the House in July last year that he would reform this unfair system; why has nothing been done?

Ms Harman: We are reviewing the way in which the housing revenue fund works, but I hope that the hon. Gentleman will join me in welcoming the fact that in all the council estates and blocks in his constituency there have been new roofs, new windows and new lifts, and that there has been major investment in council housing since this Government came into power.

Mr. Speaker: I call Bob Wareing. *[Interruption.]*

Mr. Robert N. Wareing (Liverpool, West Derby) (Lab): Thank you, anyway, Mr. Speaker.

Will my right hon. and learned Friend ask the Prime Minister my question? Given the anxiety of people who live near the airports in London, particularly Heathrow, is it not time for there to be a fresh review of airports policy? We should consider the number of business men and tourists who have to travel from the north of England to London in order to fly abroad; that is ludicrous. Regional airport expansion should take place, and airports such as Liverpool, which could

Mr. Speaker: Order. I am so glad I called the hon. Gentleman, but he has gone on a wee bit too long, so I have to stop him.

Ms Harman: I will pass my hon. Friend's question on to the Prime Minister, but I should also say to him and the House that my right hon. Friend the Secretary of State for Transport is keeping all those issues under close review.

Q6. [198134] **Mr. John Baron** (Billericay) (Con): The Government talk much about Britishness, but it is certainly un-British to lock someone up for more than a month purely on grounds of suspicion, rather than evidence. Given that the pre-charge detention period in most other western democracies is less than a week, can the Leader of the House do something that her entire Home Office Front-Bench team has been unable to do so far—explain what is so unique about the British that we need more than a month?

Ms Harman: I have to start by saying that I think the international comparisons have been spurious. *[Interruption.]* They have. People have been comparing completely different processes. On the proposals that this Government are bringing to this House, on which each Member will shortly be able to vote, the Government's responsibility is to ensure that the public are safe, and safe from terrorism. It is also the responsibility of this Government to ensure that we protect civil liberties and human rights. I find it very ironic that the Conservative party, which purports to be strong on public protection, does not support the measures that we are putting forward and suddenly decides that it wants to be concerned about human rights when, in fact, it would abolish the Human Rights Act 1998, which this Labour Government introduced.

Q7. [198135] **Mr. Mark Todd** (South Derbyshire) (Lab): One of the least heralded but most popular initiatives taken in schools in this country has been the fruit in

schools scheme offered to infants. Some schools in my constituency voluntarily extend that scheme beyond the narrow age range that it covers. Does my right hon. and learned Friend agree that the Government should consider extending the range of offering made at the moment to make this popular scheme available to other children?

Ms Harman: I thank my hon. Friend for raising that point, because he is right. We introduced the scheme in 2004, and all four to six-year-olds in primary school now have free fruit every day. He will remember, as other hon. Members doubtless will, that when we first introduced the proposal it was jeered at; the Conservatives called it the nanny state, but we called it improving children's health.

Anne Main (St. Albans) (Con): I welcome the fact that Lucentis will be prescribed for those suffering from wet macular degeneration, but I was disappointed that the Health Minister who responded to my debate on dry macular degeneration seemed to accept that the provision of services and appliances was poor, yet is not having much done about that. Given that the Leader of the House accepts the need for the right kit for the right association, can we have the right kit for dry macular degeneration sufferers?

Ms Harman: Having set up the National Institute for Health and Clinical Excellence, we want to ensure that there is an evidence-based process for new drugs. I would say to the hon. Lady that whatever she would like to achieve in the health service, it cannot be achieved without the extra investment that Labour has made over the past 10 years and is determined to make in the future.

Q8. [198136] **Mrs. Sharon Hodgson** (Gateshead, East and Washington, West) (Lab): I myself and other hon. Friends have joined forces to campaign for free, universal, locally-sourced school lunches—FULL. I am pleased to say that the *Daily Mirror* is backing our campaign, recognising that such a policy would help to fight child poverty and child obesity. Does my right hon. and learned Friend recognise that that radical and progressive policy would benefit the health and education of millions of children, regardless of family income?

Ms Harman: I pay tribute to my hon. Friend, who is a champion for children in her constituency. I know that she has been pressing on this campaign. The Government have responded to the points that she has raised and are examining the results of the pilot that has taken place in Hull. We have increased both the take-up of free school meals and the eligibility for them. It is very important that all children have a good, nourishing, hot meal at least once a day.

Norman Lamb (North Norfolk) (LD): Last week, people living in the broads area of Norfolk were confronted by a report by Natural England proposing the possible abandonment of six villages and 25 square miles of land to the sea. The Leader of the House will understand the potential implications of any report of that sort. The immediate implication is that it is proposed without any compensation to those affected. Can she offer any reassurance to those communities that the Government will defend this coastline?

Ms Harman: I am aware of the issues raised by the hon. Gentleman. The question of sea defences in the part of the world that he represents is very important. My right hon. Friend the Secretary of State for Environment, Food and Rural Affairs is working with the Environment Agency and will work with local authorities and Members of Parliament in the area to ensure that we take the right way forward.

Q9. [198137] **Mr. John Spellar** (Warley) (Lab): Will the Leader of the House join me in welcoming the extension of free bus passes across England yesterday and the extra Government funding to local councils to pay for that?

Ms Harman: I certainly welcome the extension of free bus passes. Let me take the opportunity to say two things. First, people who are over 60 want to get out and about, to see their friends and family and to socialise. It is important that they should have the opportunity to do so on public transport.

Secondly, in 2000 we required local authorities to introduce half-priced fares for pensioners and disabled people. In 2006, we required local authorities to provide free fares for all pensioners and disabled people. From today, wherever they are in the country, pensioners and disabled people will be able to travel free.

Q10. [198138] **Peter Bottomley** (Worthing, West) (Con): When the Government changed the emphasis from the retail prices index to the consumer prices index, were they aware that their new choice of index would be substantially lower than the higher one? What does the Leader of the House have to say to the pensioners who suffer because of it?

Ms Harman: I will ask the Chancellor to write to the hon. Gentleman on that point.

Zimbabwe

12.31 pm

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): The whole world is watching events unfold in Zimbabwe, and with your permission, Mr. Speaker, I shall make a statement on the situation as we understand it. I hope and believe that the people of Zimbabwe will hear one message from this House today: we stand with them at this moment of opportunity for their country and we share their demand for a democratic future.

For obvious reasons the fragility of the current situation means that I and, I am sure, all hon. Members will want to choose our words carefully, given the risk that what we say will be distorted. That does not mean that there are not some fundamental truths that need to be expressed.

I have within the last 30 minutes spoken to our ambassador in Harare. The situation is obviously fluid and a Movement for Democratic Change press conference is in train as we speak. Zimbabwe's political, civic and economic leaders are clearly considering their next moves and each others' next moves. The full results of the parliamentary elections are still unclear. The latest tally, as of 10 minutes ago, is that 189 seats have been declared and 80 remain to be declared. The two main parties are running neck and neck, at least according to the official figures.

There is still no formal announcement about the presidential election. Many hon. Members will have seen the comments made by Opposition Leader Tsvangirai last night. His comments and demeanour were statesmanlike. He committed himself to following Zimbabwean law, providing all the more reason for the results to be announced promptly.

Although the situation in Harare is tense, there is no suggestion of crowds massing and no reports of violence. But it is not business as usual: many schools are still closed and people are watching and waiting to see what will happen. Let me assure the House that through both political and official channels there has been a high degree of contact and consultation between the UK Government and our international partners. The Prime Minister, Lord Malloch-Brown and I have been in touch with Presidents, Prime Ministers and Foreign Ministers in southern Africa and around the world. There is international consensus that the will of the Zimbabwean people must be properly revealed and respected.

Last Saturday, the people of Zimbabwe made their choice. Outside the 9,400 polling stations, the tallies have been posted. The Zimbabwean electoral commission knows what those results are and has a duty to announce them. The delay in announcing the outcome can be seen only as a deliberate and calculated tactic. It gives substance to the suspicion that the authorities are reluctant to accept the will of the people. They have a responsibility to do so, and Zimbabwe's neighbours, who have borne a significant share of the burden of Zimbabwe's collapse, have a responsibility to do all in their power to ensure that that occurs.

No one in the House would want me to hand ZANU-PF a propaganda coup by endorsing one candidate or another, or by taking it on myself to announce the result. In truth, in spite of what President Mugabe would want the world to believe, the crisis in Zimbabwe has never been about personalities. It is not a bilateral dispute between British and Zimbabwean politicians or anyone else. It is, and has always been, about the policies that Robert Mugabe and his Government have chosen to follow and the terrible destruction that has been wreaked on the Zimbabwean people. Now the choice is between democracy and continued chaos.

The situation preceding these elections was shocking. The conditions for free and fair elections were certainly not in place. The playing field was tilted heavily in favour of ZANU-PF. Up to 4 million people who had fled Zimbabwe's crisis could not vote. In some areas, between 18 and 20 per cent. of those who tried to vote were frustrated by an inaccurate electoral roll. We will probably never know how many dead people on that roll cast ghost votes. In that context, it is worth saying that if a second round of voting is deemed necessary, it must be held in a way that gives far greater respect not just to our standards but to the Southern African Development Community electoral standards. We remain in contact with our SADC partners on the issue.

We do know, however, that in spite of those problems, millions of ordinary Zimbabweans still queued peacefully and voted. Now they are holding their breath: will their country reverse the spiral of decline or exacerbate it? The facts speak for themselves: life expectancy has halved to an average of 34, nearly 2,500 AIDS-related deaths occur each week, inflation is practically incalculable and day-to-day abuse of human rights and freedoms is commonplace.

Britain has always supported the Zimbabwean people through the pain of their national trauma, and must continue to do so. We are the second largest bilateral donor, and spent more than £40 million last year on aid. Our support provided HIV treatment for more than 30,000 HIV/AIDS patients and helped the World Food Programme to feed up to 3 million people, about one quarter of Zimbabwe's population.

We want to do more to encourage development within Zimbabwe. When there is real and positive policy change on the ground, the House has my assurance that Britain will play a full part in supporting recovery. We know that the Zimbabwean people face a massive rebuilding task. We will help them to do that, with EU and international colleagues, but that can happen only when and if there is a return to real democracy and good governance in Zimbabwe.

We will continue to do all that we can to encourage that to happen and to encourage other countries in the region to exert what influence they have over the situation in Zimbabwe. Those with the greatest influence are of course those closest to Zimbabwe, but we are clear that the situation will not be one that Africans alone have to carry the burden of supporting.

The House will want to know that our ambassador and embassy staff are safe. Both UK-based and local staff are working tirelessly in very difficult circumstances. They are in very close contact with a wide range of Zimbabweans and stand ready to offer consular assistance to the many British nationals in Zimbabwe.

Many hon. Members in all parts of the House have been tireless advocates for the true interests of Zimbabwe over many years. The people of Zimbabwe

have suffered for too long. Every hon. Member and every British citizen will yearn with them for that suffering to end, and for it to end now.

Mr. William Hague (Richmond, Yorks) (Con): I thank the Foreign Secretary for coming to the House to make this statement. He said that he hoped and believed that the people of Zimbabwe would hear one message from this House—that we stand with them at this moment of opportunity. I absolutely support him in saying that so that they do hear that one message from this House, and we strongly support the Government's calls for the immediate and full release of the results of the election.

This is obviously a crucial but dangerous time for Zimbabwe. As we saw recently in Kenya, contested election results in highly charged circumstances can lead to a very dangerous situation. In Zimbabwe, the combination of brutality and repression for many years, a desperate humanitarian crisis and decades-long stifling of political opposition create the circumstances of a political pressure cooker.

As the Foreign Secretary said, it is not about personalities. Mugabe is the author of Zimbabwe's catastrophe, but it will no doubt take much more than his departure for the country to recover. However, there is now hope for change: the Mugabe Government may attempt to cling to power, but they may just be unable to resist the force of an overwhelming public rejection—if that is what has happened in the election.

I turn now to some specific questions. Is the Foreign Secretary aware of whether President Mugabe has spoken to any of the leaders of neighbouring countries? It does not seem so, but has he given those leaders any indication of his intentions?

There have been reports of negotiations between the Zimbabwean Government and Opposition leaders. Has the Foreign Secretary been able to confirm any of those reports? He rightly referred to our very hard working embassy officials, but have they been able to speak to Morgan Tsvangirai or his senior colleagues? What assessment has he made of the threat to Opposition figures, many of whom are reportedly in hiding in anticipation of a crackdown?

One of our immediate concerns, of course, is the safety of British citizens in Zimbabwe in the event of an outbreak of violence. The Foreign Secretary touched on that in his statement, but will he assure the House that our ambassador in Harare has well developed contingency plans if the situation suddenly deteriorates? Even before the crisis, it took Z$10 million to buy a loaf of bread, and 4 million people were dependent on food aid. Are the British Government liaising with the UN about preparations for emergency food and medical support, as well as for coping with a sudden outflow of refugees into neighbouring countries?

The Foreign Secretary mentioned continuing British support for the people of Zimbabwe. Does he agree that we must prepare actively now for the rehabilitation of Zimbabwe at the appropriate time—that is, when it is set on a clear course towards the rule of law and democracy? Whenever that happens, does he accept that Britain, with the international community, must be preparing a major programme of assistance now?

Does the Foreign Secretary agree that such a programme could include holding a donor conference, under the auspices of the European Union and the African Union, to develop a programme of assistance that is tailored to Zimbabwe's needs? The programme could include setting up a contact group to provide sustained diplomatic support, and an offer to assist Zimbabwe in the move from being a culture of violence to one governed by the rule of law? That could be achieved by supporting thorough reform of the security sector, training officials in civilian policing and human rights, and assisting with the orderly return of the Zimbabwean refugees to whom the right hon. Gentleman referred. Could not that programme of assistance, in the event of a major deterioration in the situation in Zimbabwe, also include making preparations for an international observer mission or over-the-horizon humanitarian force, under the auspices of the AU and backed by the major powers in the world?

Does the Foreign Secretary agree that there might be something of a golden hour—a window of opportunity—when the international community ought to be prepared to take rapid and decisive steps to help the people of Zimbabwe in rebuilding their country's economy and society? To succeed, that country will need support from its neighbours, international organisations and its friends. Will he do his utmost to ensure that all of those stand ready to help?

David Miliband: I am grateful to the right hon. Gentleman for his words today, not least because the speed of change in the situation in Zimbabwe has made it difficult to give him as much advance notice of the contents of my statement as would normally be the case. A number of his questions would be very interesting to discuss, although probably not in the full glare of publicity in the House of Commons, so I hope that he will accept the following answers.

I think that the right thing to say about President Mugabe is that he has been conspicuous by his absence from the air and telephone waves. The right hon. Gentleman mentioned reports of negotiations, and we have seen them as well. In my statement, I said that senior figures in Zimbabwe were watching and waiting, and it is clear that discussions have been taking place both within and between parties.

The right hon. Gentleman made an important point about the security situation and the security of Opposition figures; that is obviously a great source of concern. There is also the issue of the security of Zimbabweans of all backgrounds. He asked about consular planning. Of course we try to stay in close touch with as many as possible of the 10,000 or 12,000 British nationals in Zimbabwe. We have reached some far outlying areas, but of course we cannot be complacent, given some of the doomsday scenarios that have been mooted. I can assure him that there has been a serious degree of activity on our part, and on the part of the Department for International Development, to deal with that contingency.

The other side of the coin is, of course, a brighter future for Zimbabwe. As I suggested in my statement, it is important that the whole international community is ready, when it has a decent partner Government in Harare, to take part in the sort of comprehensive economic, social, political and security engagements

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to express in the actions that we have taken. That is a difficult balance to strike, and I know that that is what the right hon. and learned Gentleman was referring to. Certainly, it is the balance that we are trying to strike. We are concerned about the situation in Zimbabwe because of the wrongs that are being done to people who deserve better.

Kate Hoey (Vauxhall) (Lab): I welcome the statement. This is an opportunity for us to send a simple message of support to the people of Zimbabwe without getting into any of the details that might be awkward. I also welcome the fact that both the Foreign Secretary and the Prime Minister have spent a great deal of time over the past few days on the telephone doing the work necessary to keep the international community and the European Union together on the issue. Does he agree—this follows on a little from the previous question—that the role of South Africa in the next couple of days will be crucial, and can he assure me and all those in this country who have supported South Africa and who have links with South Africa and President Mbeki that this is the opportunity for President Mbeki to show that he is a true world statesman?

David Miliband: My hon. Friend, like the hon. Member for Macclesfield (Sir Nicholas Winterton), has played a valiant role in highlighting the situation in Zimbabwe and campaigning for effective international action on the issue. The international unity to which she refers was brought home to me at the meeting that I held in Paris on Monday. When I suggested to my six EU colleagues that we should interrupt a meeting about the French European presidency to talk about the situation in Zimbabwe, they wanted that to be the first item on the agenda because they saw the importance of it. I took heart from that that the matter is not seen just as a bilateral issue. Of course my hon. Friend is right that South Africa has the opportunity to be a powerhouse, economically and politically, for the whole of southern Africa, and the partnership with South Africa is extremely important. It is important to register the fact that many South Africans would say that the elections would not have happened at all without their intervention. Hopefully, those elections will allow the democratic will of the Zimbabwean people to be expressed.

Mr. Michael Ancram (Devizes) (Con): I welcome the Foreign Secretary's statement. Although we must indeed be cautious about what we say today, those many of us in the House who have campaigned over the years for the democratic rights of the Zimbabwean people must hope and pray that this is the end of the long dark night of Zimbabwe and the breaking of a new democratic dawn. The lesson of history is that democracy can very quickly be undermined by chaos, and that the only way that can be avoided, as we have learned painfully in another area, is by having a comprehensive plan for reconstruction and aid in place, to be put into action immediately. While we wait for the result, can the Foreign Secretary, along with his international colleagues, begin to put that plan together so that once democracy is restored in Zimbabwe, as I hope it will be, there is no delay before that plan goes into action?

David Miliband: The right hon. and learned Gentleman makes an important point. I think he agrees with me that it is possible to be diplomatic in what one says without obscuring the fundamental truths that need to be expressed. He has expressed them in his own way. I have expressed the same sentiment. The shadow Foreign Secretary, the right hon. Member for Richmond, Yorks (Mr. Hague), referred earlier to Kenya. We want to try to avoid a Kenya situation. We are in a pre-Kenya situation in one way, which could easily become a Kenya situation, with the violence to which the right hon. and learned Member for Devizes (Mr. Ancram) was referring. That is a huge challenge. Every time we describe the chaos that has taken place in Zimbabwe over the past few years, we dramatise the difficulties of precisely the sort of operation that he mentioned, but he can be assured that although we are trying to engage on the immediate issue, we have an eye on tomorrow as well as on today. We will do our best in that respect.

Derek Wyatt (Sittingbourne and Sheppey) (Lab): I thank the Foreign Secretary for his sensitive approach to the matter. I agree with my right hon. Friend the Member for Neath (Mr. Hain) that had President Mugabe won, we would have known about it by now. My right hon. Friend the Foreign Secretary may not be able to answer this question exactly, but I hope he will understand what I am trying to say. Mugabe has had five days to move his money, resources, diamonds and the oil that he owns outside the country. Can my right hon. Friend reassure us that all the international banks will have a letter from us if not today, then tomorrow, asking them to search the electronic records to make sure that no money is moved in any of the hundreds of accounts that Mugabe owns, especially those in Cairo?

David Miliband: The important thing to say is that our focus is on the interests of the people of Zimbabwe. That is the foundation of what we are doing. It is better if I just say that.

Mr. Gregory Campbell (East Londonderry) (DUP): Can the Foreign Secretary outline further what the Government will do to help the development of proper democracy in Zimbabwe and a move away from the corruption that has been endemic in that nation? Will he indicate what steps we can take to try to ensure that the 4 million refugees who had to leave Zimbabwe are allowed to return to help democracy flourish in that benighted land?

David Miliband: The hon. Gentleman makes an important point. It is worth remarking just how deep the democratic spirit is in Zimbabwe. Despite everything that has been thrown at them, far from forgetting how to vote or dispensing with their democratic rights, millions of people were determined to vote.

Sir Menzies Campbell: They were queuing.

David Miliband: The right hon. and learned Member for North-East Fife (Sir Menzies Campbell) is right. The Zimbabwean people's faith in the ballot box has, remarkably, been undimmed by the traumas and travails that they have been through. In some ways, the nurturing of the democratic spirit is far ahead of the nurturing of democratic institutions in that country. In

respect of democratic institutions, I know that the hon. Member for East Londonderry (Mr. Campbell) is committed to the work of the Westminster Foundation and other party-to-party links, which are important in building a decent civil society. That will be very important in the difficult task of reconstruction.

Keith Vaz (Leicester, East) (Lab): I warmly welcome the statement made by the Foreign Secretary today and the fact that he and the Prime Minister have telephoned so many African leaders. May I press the point made by the Chairman of the Foreign Affairs Committee? Will the Foreign Secretary speak to the Home Secretary about the Zimbabwean citizens in this country, many of whom do not wish to go back until the situation is secure? Will he ensure that there is no change in Government policy and there will be no removals until the situation is secure?

David Miliband: I am happy to speak to my right hon. Friend the Home Secretary about the matter in due course. It has been a pervading aspect of all our discussions that no one should do anything precipitate. That is the approach that we will take.

Peter Bottomley (Worthing, West) (Con): There will be a great welcome when Zimbabwe again becomes a full member of the Commonwealth. When the election results come, may I commend to the Foreign Secretary two quick words? The first is from Kenneth Kaunda, who said when he stopped being President of Zambia, "You win some, you lose some," and secondly, the words of the Lord Privy Seal 26 years ago who, when criticised for the result of the elections after Lancaster house, said, "With free and fair elections, you can't always predict the result."

David Miliband: Those are good points. An hon. Member referred earlier to the result that we had produced in the first elections of Zimbabwe. The result was produced by the Zimbabwean people, but the democratic spirit has lived on. Although I have been lucky enough in my political lifetime only to win some, I take the hon. Gentleman's point that one wins some and loses some. Hopefully, we will not be able to enjoy that experience in the near future.

Mr. Eric Illsley (Barnsley, Central) (Lab): During 2004 the House of Commons Foreign Affairs Committee was somewhat surprised, during a visit to South Africa, at the level of support for President Mugabe and the criticism of the United Kingdom for the comments that we were making at the time in criticising his regime. African leaders have acquiesced in Mugabe's tenure of office over the past few years. It is crucial—I echo calls from other Members around the House—that my right hon. Friend does all he can to engage those leaders and, if there is a result that represents the return of democracy to Zimbabwe, to ensure that it is implemented. That is the key. At present, democracy no longer exists in Zimbabwe.

David Miliband: My hon. Friend leads me towards an important point. The temptations of the megaphone are very large indeed, especially where terrible things are being done, but sometimes the megaphone is not the best tool of diplomacy. Equally, to be timid is not right. To be silent is therefore to become complicit. The challenge for us all is to find a way to be effective without resorting to the megaphone, which, in the end, becomes ineffective. We all need to recognise my hon. Friend's point about the striking support that continues or previously continued to exist for Robert Mugabe. As I said to my right hon. Friend the Member for Neath (Mr. Hain), there will come a time for analysis. One of the things that will come out of that is that the megaphone that plays well here does not necessarily play well in the place that really matters. The challenge for us all is to make sure that we find the right implement.

Mr. Paul Keetch (Hereford) (LD): In his discussions, has the Foreign Secretary had time to speak to President Seretse Khama Ian Khama, who was sworn in as President of Botswana only yesterday? I know that the President is a close personal friend of the Secretary of State for International Development. Will the Foreign Secretary be specific about the Commonwealth? If and when Zimbabwe returns to the road of democracy, as the Foreign Secretary describes it, will it be welcomed back into the Commonwealth immediately? That is one organisation to which the front-line states do belong and it could really participate in the rebuilding of civil society in Zimbabwe.

David Miliband: The hon. Gentleman makes an important point. In answering the hon. Member for Worthing, West (Peter Bottomley), I did not give due attention to that issue. This is an opportunity for the Commonwealth to show its real worth in the modern age. I will certainly be in touch with the new Commonwealth secretary-general, who started yesterday, at the appropriate time.

I believe in the Commonwealth. An organisation that covers a quarter of the world's population—north, east, south and west, and all races and religions—has the opportunity to show what it means for different countries to work together and make the phrase "the international community" mean something. This situation is a good example.

I think that I am right in saying that it was Zimbabwe that pulled out of the Commonwealth, rather than the Commonwealth that kicked out Zimbabwe in the beginning. But I very much hope that, first, a new Government in Zimbabwe would want to rejoin the Commonwealth, and, secondly, that the Commonwealth would give the country a very warm embrace.

Ms Sally Keeble (Northampton, North) (Lab): I welcome my right hon. Friend's statement. Although I recognise the need for caution, does he not agree that the international community has a key role to play in standing absolutely firm and sending a clear message to the authorities in Zimbabwe that we recognise that this is a defining moment in the country's history, and it is inconceivable that there cannot be change of some sort? There is also a role for us to step up to the plate with the funds and the support for development. I am sure that, with those, the many extremely able and talented Zimbabweans will more than succeed in rebuilding their country.

David Miliband: I agree with my hon. Friend, who knows a lot about these issues. She is absolutely right about the potential of the country. It is a tragedy for

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any country to do as badly as Zimbabwe; it is a double tragedy when it has the natural resources and people to make a great success of itself.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): Will the Foreign Secretary confirm that there is enormous good will between the ordinary people of the United Kingdom and the ordinary people of Zimbabwe, no matter how they voted? Will he also agree that the front-line Southern African Development Community states have an important role to play, in particular in reversing the brain drain—to encourage ordinary hard-working people to go back to Zimbabwe and build the country back to its former success?

David Miliband: The hon. Gentleman makes good points. As I said, we do not want to do anything precipitate. However, the outflux of refugees to the neighbouring countries has certainly been a huge drain on Zimbabwe and a huge burden for South Africa and other neighbouring countries. It is important that Zimbabwe returns to the equilibrium that it deserves.

Ann Winterton (Congleton) (Con): What direct contacts has the Foreign Secretary had with his opposite numbers in the front-line states at this critical time before the election results are formally announced, so that they may encourage recognition of the wish of the Zimbabwean people for the rule of law and democracy?

David Miliband: I am happy to give one of a number of examples. The first call that I had was with the Foreign Minister of Tanzania. Our conversation was precisely about the respective responsibilities of the states closest to Zimbabwe. The Minister's President was deeply engaged on the issue. I shared with the Minister our hopes for the resolution of the situation, and we had a strong measure of agreement about the respective responsibilities of the different countries concerned.

Mr. Geoffrey Cox (Torridge and West Devon) (Con): In the past few days, constituents of mine with strong connections to the rural areas of Zimbabwe have brought me accounts of orphanages and elderly people's homes in dire distress. In some cases, staff have already left and elderly people, often with serious geriatric conditions, are left wandering around to try to feed themselves. The children in the orphanages are left untended and, in many cases, unfed.

May I echo the plea of my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) to the Government? When the will of the people of Zimbabwe is known and, as we all hope, Mugabe is removed, a programme of emergency relief must be immediately available from this country and we must not forget the elderly people's homes and orphanages, particularly in the often forgotten rural areas.

David Miliband: My earlier comment to the shadow Foreign Secretary about the particular needs of British—as it happens—nationals in far-flung areas was a reference precisely to the issue of children and, especially, elderly people. I would prefer not to wait in respect of elderly or young people who are in the situation that the hon. and learned Gentleman describes; if he gets the details of those cases to my office, I will forward them to the embassy in Harare straight away. There is already a food aid programme with significant British taxpayers' money behind it. It is administered through the UN. We need to know who the people whom the hon. and learned Gentleman mentions are, and find out why they are not part of the humanitarian support network.

Mr. Gerald Howarth (Aldershot) (Con): Some of us warned many years ago that Mr. Mugabe was not a fit person to be entrusted with the governance of Zimbabwe. We have looked on with increasing dismay and horror as he has systematically gone about destroying his country—almost with the connivance of the South African Government, as the right hon. Member for Neath (Mr. Hain) said.

May I ask the Foreign Secretary a specific question about what he said about aid? Will he ensure that the British taxpayer, having already contributed a substantial amount of money to Zimbabwe, does not contribute more aid unless it is specifically linked to good governance in Zimbabwe in future?

David Miliband: The position that my right hon. Friend the International Development Secretary and I have taken consistently is that the amount of aid should be governed by the situation of the people of Zimbabwe and our ability to make a difference with that aid. As the hon. and learned Member for Torridge and West Devon (Mr. Cox) suggested in the previous question, we would not want to stand aside if pressing needs could be met through available aid.

As I keep on referring to the UN, I should say that we are not paying money through the Zimbabwean Government. If the concern of the hon. Member for Aldershot (Mr. Howarth) is that our money is being used for illegal or corrupt purposes, I should tell him that significant measures are taken to avoid that.

Mr. Hugo Swire (East Devon) (Con): Although nothing that we say or do today in the House should in any way endanger attempts to persuade Mugabe to retire peacefully, will the Foreign Secretary reassure the House that the Government will not condone any deal that would eventually put Mugabe beyond the reach of The Hague?

David Miliband: Our position on that issue is well known; we are very committed to the role of the authorities at The Hague. I do not want to get into the issue of individual negotiations and discussions, but I can certainly say that they are not something in which I am involved.

Mr. Richard Benyon (Newbury) (Con): Those of us who have been involved in this issue for many years might wish in our hearts to see a Ceausescu moment, when the world sees fear in the eyes of a despot. However, like all of us in the House, I recognise that such emotions are self-indulgent. Does the Foreign Secretary agree that, looking forward, one of the most important things that we have to do is stop the Zimbabwe central bank printing money like confetti? To do that, we need to implement the International Monetary Fund plan on which Mugabe reneged some time ago. Does the Foreign Secretary agree that that

will require huge will from the international community? It is something that we really can do to bring about a rapid turnaround—I hope—in the Zimbabwean economy.

David Miliband: The situation has got significantly worse since that plan was rejected; I would want to be sure that the plan was appropriate to the circumstances. However, I know that my right hon. Friend the International Development Secretary, and the Chancellor when he goes to the IMF spring meetings, will ensure that the issue will be on the agenda so that there is a proper plan when the time comes.

Illegally Logged Timber (Prohibition of Sale and Distribution)

1.19 pm

Barry Gardiner (Brent, North) (Lab): I beg to move,

That leave be given to bring in a Bill to make it an offence for any importer or distributor to sell or distribute in the United Kingdom any wood harvested, manufactured or otherwise dealt with illegally in the country from which the wood originated or through which it passed or was transhipped; and for connected purposes.

In this House, we are charged with the responsibility of making law. Our constituents, who bestow that privilege upon MPs, expect us to use it wisely—that is, to solve genuine problems without imposing yet greater ones upon them. Good law should carry the consent of the public who are governed by it. To do so, it must be possible to explain clearly the need that the legislation seeks to address and how it meets that need efficiently and simply, with the minimum of bureaucracy. The Bill that I bring before the House meets those tests. I believe that the significant cross-party support and the public backing of more than 30 non-governmental organisations and industry bodies as diverse as the Environmental Investigation Agency, James Latham Ltd, the Royal Society for the Protection of Birds, Global Witness and the Born Free Foundation demonstrate that this Bill is urgently needed and widely welcomed.

Last year, the Stern report commissioned by my right hon. Friend the Prime Minister pointed out that between 18 and 24 per cent. of all the greenhouse gas emissions that are contributing to climate change come from deforestation. If we put all the power stations in the world together—coal-fired, nuclear and all the other technologies for producing electricity—only then would we have a sector that contributed more to global warming than the loss of trees.

Last December, in Bali, the United Nations forum on combating climate change led to an historic agreement among the nations of our world that deforestation was a major problem and that the means for avoiding it must form part of the post-Kyoto settlement. To do so requires that we create ways of rewarding sustainable forest management by the time of the Copenhagen conference of the parties in 2009.

On the issue of forests, the world has declared that it shall run before it has even begun to walk. We cannot jump to sustainable forestry until we have established legal forestry. The World Bank estimates that trade in illegal timber amounts to US$15 billion every year. The UK is the fourth largest consumer market of imported tropical timber, yet only a fraction of it can be said with any degree of certainty to have been legally sourced and harvested in its country of origin. Illegal logging is a criminal activity. It corrupts and undermines governance in many countries across the globe. In doing so, it not only destroys forest ecosystems and contributes to carbon emissions but directly harms some of the poorest people on our planet—the indigenous forest-dwelling communities whose very livelihoods depend upon the forest. The $15 billion of this illegal trade is $15 billion that should be going into health care and education for them and their children.

[Barry Gardiner]

We declare our support for the millennium development goals, yet it is not an offence in the UK to trade for commercial gain timber that we know to have been harvested illegally in its country of origin. If we were dealing with private property such as stolen antiques or works of art, there would be no question but that those importing or selling those artefacts were regarded as criminals and dealt with according to the full force of the law. Yet in the UK, companies habitually trading in stolen timber have committed no crime and broken no law. My Bill would change that. Any distributor or importer who sold any wood that had been harvested, sold, taken or possessed illegally in the country from which the wood was originally harvested would be subject to various penalties, ranging from five years' imprisonment and a £100,000 fine down to a simple £5,000 fine, depending upon the degree of knowledge and degree of recklessness or good faith involved.

I am grateful to the timber industry for its constructive engagement with my Bill, particularly given the severity of some of the penalties that it would impose. While recognising the pioneering work of companies such as Timbmet and others, I also want to acknowledge the help of the Timber Trade Federation, which has ensured that the Bill is much improved from its original draft. It now reflects the need to distinguish between three different cases: those who know full well that they are trading in illegal timber; those who should know but turn a blind eye and do not ask too many questions of their supplier if the price is right; and those who have acted at all times in good faith but are caught out by an honest mistake. Equally important, the best companies, which have diligently borne the expense of getting things right and have gone down the route of certification to ensure that they supply only legal and sustainable timber, would no longer see their products undercut by less scrupulous competitors.

My Bill would achieve that not by imposing a ban on illegal timber at the border—that would demand an army of Customs agents well versed in the changing legislation of each producer country and able to check the various certificates and licences that might be deemed proof of legality—but by shifting the balance of risk by providing a clear incentive for companies to drive the burden of due diligence back down their own supply chain. Seals and ribbons that are the trappings of legality can be bought for $5 in the ports of far too many producer countries around the globe—far better, then, that importers and distributors are put on notice that at any point they can be opened up to challenge and if found guilty will face substantial penalties. Not only Government agencies but NGOs and even the industry itself could bring forward evidence on which a prosecution could be based. The elegance of the Bill is that it does not seek to make a virtue out of catching those who do wrong but to alter the wrongdoers' behaviour by shifting the balance of risk against them. Ultimately, it is a Bill about protecting the environment, not catching thieves. To that end, it would apply Occam's razor by simplifying and cutting bureaucracy.

The Bill should be seen in an international context—not solely as it relates to trade between countries but in the context of other legislative measures. I particularly wish to recognise the international negotiations between the European Union and countries such as Ghana, Malaysia and Indonesia in negotiating forest law enforcement, governance and trade voluntary partnership agreements—FLEGT VPAs. That would introduce a voluntary licensing scheme that would allow only legal timber from VPA countries to enter European markets. My Bill would complement FLEGT by catching unlicensed timber from VPA countries that was laundered through third-party countries. It is no accident that the European Commission is considering measures similar to my Bill under the additional options paper. However, they would not be passed by the European Parliament until 2010, and we should not wait that long.

I must also point to the leadership given in the United States by Congressman Earl Blumenauer and Senator Ron Wyden, who have introduced similar legislation to that which I propose as an amendment to the Lacey Act. Their initiatives and foresight have inspired the content of my Bill. I acknowledge with gratitude the helpful discussions that I have had with them and their officials. If there is a race between us as to who can get such measures on to the statute book first, it is the only race I know where each runner is urging his competitor to go even faster than he himself is able. The signal that would be given to world markets by both our countries enacting such legislation is incalculable.

Perhaps the single most important legislative initiative in relation to illegal logging is that of Japan. This year, Japan hosts the G8 summit as its president. For the past three years, Japan has developed various initiatives against illegal timber, including its highly regarded Gojo wood policy. I have been privileged to chair, with my good friend Mr. Yoshino, the illegal logging dialogue. The purpose of that dialogue has been to make recommendations to the G8 summit in Hokkaido that will combat illegal logging. My Bill would be one that the legislators in the United States already—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I fear that the rest will have to be taken as read.

Question put and agreed to.

Bill ordered to be brought in by Barry Gardiner, Margaret Beckett, Mr. Elliot Morley, Eric Joyce, Mr. Andrew Dismore, Chris Huhne, Alun Michael, Joan Walley, Mr. Graham Stuart, Mr. James Paice, Mr. Ian Cawsey and John Mann.

Illegally Logged Timber (Prohibition of Sale and Distribution)

Barry Gardiner accordingly presented a Bill to make it an offence for any importer or distributor to sell or distribute in the United Kingdom any wood harvested, manufactured or otherwise dealt with illegally in the country from which the wood originated or through which it passed or was transhipped; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 17 October, and to be printed [Bill 94].

Opposition Day

[9TH ALLOTTED DAY]

Repossessions and the Housing Market

1.30 pm

Dr. Vincent Cable (Twickenham) (LD): I beg to move,

That this House notes with concern the risk of recession in the United Kingdom economy; recognises that although the collapse of the United States mortgage market and the global 'credit crunch' are a catalyst to the current downturn in the United Kingdom economy, record levels of personal debt and the extreme bubble in the housing market were already major destabilising factors; further notes that because of inflation and weak public finances there is little scope for stimulating demand; applauds the efforts of central banks to reintroduce stability into the world money markets, but warns against the use of taxpayers' money in bailouts which cause serious concerns about moral hazard; further notes with dismay rising levels of personal debt, exacerbated by high mortgage interest rates; further notes the rising evidence of a major slowdown in the United Kingdom housing market; registers with concern the increasing number of people requesting help regarding mortgage payments; further notes with concern that repossession orders are now at the same level as in 1990; regrets the Government's failure both to admit the current problems in the housing market and to act to prevent mass home repossessions; calls upon the Government to consider options being used in the United States, particularly to encourage banks to explore options other than repossession; and further calls upon the Bank of England to include house prices in the measure of inflation.

I am grateful for the opportunity to introduce this debate on a motion in my name and those of my colleagues. Perhaps I will be able to pursue answers to questions that I was not able to ask earlier in our proceedings. The Government's reputation rests very heavily on their economic credibility and performance, and they have won two elections on that basis. Two propositions are at the heart of their credibility: the first is that they have enjoyed the longest period of economic growth since records began in 1701—I think that that is how the case is put—and the second is the mantra that there is now an end to boom and bust. The first of those two propositions is still true, but looking rather precarious, and the second is beginning to look rather ridiculous.

This is an Opposition day debate, and I know that the convention is to deal with such matters in a rather Punch and Judy way, but I shall try to avoid doing so for several reasons. First, we are at the beginning rather than the end of a difficult period for the economy, and it may be that with good policies and good luck, we shall avoid the worst, such as something similar to what happened under the Tories 15 years ago. Secondly, some of the problems are home-grown and result from failures of Government policy, but some are imported—particularly the credit crunch—and the Government are not responsible for those. We need to acknowledge that there is a mixture of the two.

The other point, which is technical but rather important, is that some of the problems we are now confronting are difficult and perhaps unprecedented. How does one deal with a big debt deflation problem, as it is called? How do we deal with the collapse of a bubble in an asset market such as housing? How do we deal with a drying up of credit in the banking system? Those are relatively new problems to which there are no obvious easy answers. I want to set some ideas for discussion as to how we might approach those questions.

However, I do not want to be too generous. There are clearly criticisms that one can make of Government performance, and the central one is complacency. Many of the problems that we face were anticipated in the past. I recall raising the issue of the housing market and debt with the current Prime Minister in 2003. At that time, I put this to him:

"On the housing market, is not the brutal truth that ...the growth of the British economy is sustained by consumer spending pinned against record levels of personal debt, which is secured, if at all, against house prices that the Bank of England describes as well above equilibrium level?" [*Official Report*, 13 November 2003; Vol. 413, c. 398.]

The then Chancellor's reply was that I was scaremongering, but the scariest thing about my scaremongering is that my predictions turned out to be largely correct. There are major concerns in that area.

Let me just review the problems. First, we have an acknowledged slowdown in the economy. We are not in a recession, but the slowdown is acknowledged. The Government's forecasts are significantly more optimistic than the consensus among independent forecasters, who, a few weeks ago, were predicting 1.7 per cent. growth for the next year. Those estimates have been marked down week by week. We have other estimates from companies such as JP Morgan, the bank advised by former Prime Minister Tony Blair, that there is a one third risk of recession. Lehman Brothers have now joined it in making such an assessment.

In addition, we have severe, outstanding problems, many of which relate to problems of personal debt in a range of households—not all of them, but a substantial number. The total amount of personal debt in relation to people's income is now roughly 160 per cent.—twice what it was when the Government came to office. It is the highest figure in our recorded history, and the highest in the developed world. Now, that is just a figure, and it does not necessarily relate to people's everyday lives. What does relate to their lives, however, is the amount of income that they have to spend in service of debt. That now stands at about 20 per cent. and comprises mortgage payments, interests on mortgages, unsecured loans and credit card payments. We are now at roughly the level of debt service required as during the great Tory recession of the early 1990s.

Philip Davies (Shipley) (Con): I am sure that most people will share the hon. Gentleman's analysis of the problems. However, the Liberal Democrats are usually very good at telling everybody what the problems are, but very weak on the solutions. Does he agree that at a time when people are struggling to pay their mortgages, energy bills and petrol prices, and when their pay is going up slowly, if at all, one of the best things that the Government could do is reduce the burden of taxation on those hard-working families? It is quite the wrong time for the Government to scrap the 10p basic rate of tax.

Dr. Cable: We do agree with that, and we argued that case at the time. The hon. Gentleman was probably rehearsing his intervention while I was speaking.

[Dr. Cable]

because I did say that half of what I wanted to say concerned constructive solutions. However, I agree with his specific point, which we have made many times.

In addition to the problems of debt and the problems of debt service, there is a problem at the heart of the economic difficulties, which is inflation in the housing market, its consequences and the turnaround that may come from it. Since this Government came to office, the relationship between price and earnings has roughly doubled for housing. That has meant that a lot of people are a great deal wealthier and they have been happy to spend that wealth, which raises the question of what happens as the market goes into reverse.

At the core of the Government's case, which is summarised in their amendment, is a statement made by the Chancellor a few weeks ago:

"Housing market conditions today are very different to those we saw in the early 1990s. Interest rates remain at comparatively low levels as do mortgage rates. And unemployment is currently at 30-year lows."

That is true, as far as it goes, but it is deeply misleading and extremely complacent, for several reasons. First, if we look back at what I call the great Tory recession [HON. MEMBERS: "Which one?"] There were several, but I am talking about the last one, at the beginning of the 1990s.

Philip Davies: Was that the one when we were in the ERM?

Dr. Cable: We were dealing with extreme conditions at the end of the Lawson boom. *[Interruption.]*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I do not like to interrupt the hon. Gentleman—I am sure that he is capable of taking care of himself—but we really do not want sedentary exchanges across the Chamber. They spoil the debate.

Dr. Cable: Thank you, Mr. Deputy Speaker.

At the end of the Lawson boom, interest rates stood at 15 per cent. and inflation at 10 per cent. Those are extreme figures, but the practical reality was that the cost of borrowing was 15 minus 10—the real cost of borrowing was 5 per cent. real interest. Of course, we have different conditions today, as the Chancellor said. Someone borrowing at current rates will probably be paying 7.5 per cent. interest, but official inflation is about 2.5 per cent. The cost of borrowing in real terms is the same.

There is another problem that is a simple point of arithmetic and logic, but I sense that the Chancellor and some of his Ministers do not fully appreciate it. Since the last experience, prices and mortgages have increased enormously in absolute terms. The absolute value of a mortgage has grown from £40,000 in 1999 to about £160,000. In relation to earnings, the level has doubled. In practical terms, that means that somebody trying to buy a house has to pay roughly twice the amount in mortgage servicing as they would have done in 1990. Interest rates may have halved, but the total mortgage outlays are the same because the mortgage is so much bigger. That accounts for the fact that so many households are under enormous stress.

The Chancellor would argue—he is right up to a point—that these days we have a sensible way of managing interest rates with the Bank of England, and the Bank of England can cut interest rates. The context is rather different, however. The interest rates set by the Bank of England rose from 5.5 per cent. in March 2003 to 7.5 per cent. in July 2007—an increase of 2 per cent. Since then, it has been trying to cut rates; but the experience of households is not that of rate reductions. The alarming fact is that many households face increased interest rates because the banks are not passing on the cuts. They are not doing that because there is a credit crunch and credit has become unaffordable. Even those who have to refinance mortgages and can get them, which is unusual, pay increased rather than reduced rates.

Julia Goldsworthy (Falmouth and Camborne) (LD): Does my hon. Friend share my concern that 60,000 families now take home less than £1,000 a month and spend 75 per cent. of that take-home pay on mortgage repayments? Those people will feel the pressure, and nothing is being done to tackle the problem. The figure for those affected is more than double the total number of repossessions last year.

Dr. Cable: My hon. Friend is right. She describes an extreme situation, but many others approach that position. If interest rates remain high because of the crisis in the banking system, many people will find current circumstances unsustainable.

The key point in the Chancellor's comment that I cited, about which he was right, is that unemployment is much lower. That specific problem does not therefore exist. However, I noted from the Red Book a table that describes the assumptions that the National Audit Office audited. The Government are assuming—I do not know whether the Financial Secretary is aware of it—an increase in unemployment this year of approximately a couple of hundred thousand to a million. That may be a small change, but the Government acknowledge in their forecast that unemployment will increase, albeit at a low level. People find their mortgages unaffordable for many other reasons, such as short-time working and lack of bonuses.

The new dimension, which changes the picture, is the fall in the price of homes that is beginning to occur. The obvious reaction is to believe that that is a good thing. If homes are unaffordable, it is surely desirable that their prices decrease to a more sensible level. That is correct, up to a point, but it depends on the extent to which and the speed at which it happens.

According to the Nationwide's estimate, we have had five months of continually falling average prices. We have a forward market for property, which suggests that prices will fall by 10 per cent. this year and that, in five years, they will not increase at all—in other words, they will fall substantially in real terms. Some forecasters are talking about falls of 25 to 30 per cent. in a couple of years. Although the Government sensibly do not venture into forecasting houses prices, they assume that the market is heading for genuine difficulties. We know that because of the Red Book's pessimistic forecasts for stamp duty receipts, which are due to fall by £800 million. They therefore assume a big fall in transactions.

The Council of Mortgage Lenders confirms that 3 million families currently have properties with a loan-to-value ratio of more than 90 per cent. If the numbers that I have cited, such as the 10 per cent. fall in a year, materialised, all those families would be in negative equity in a year. That is happening to many people now.

Mr. Greg Knight (East Yorkshire) (Con): Is there not another new dimension that needs to be taken into account? Does not the hon. Gentleman accept that, back in the Lawson years, most borrowers would lend only up to two and a half times a family's annual income, whereas nowadays, some borrowers lend up to five times the annual income?

Dr. Cable: The right hon. Gentleman is a right. A great deal of reckless lending is involved. The Financial Services Authority—the regulator—made that specific point a few weeks ago, when it estimated that 1 million families are at serious risk because of income multiples of around 3.5, as well as high loan-to-value ratios. There is a specific category of 1.4 million families who have taken the two-year, fixed-rate mortgages—teaser mortgages, as they are called—and now have to renegotiate them. Many find that they cannot raise the capital, that high deposits are being demanded of them or that even if they can raise the money, their interest rates are increasing from 4 per cent. to 7.5 per cent. That is only on the mortgage. Many were given unsecured loans, which are increasing to 15 per cent., as a part of the package. The position is therefore unsustainable for many of those 1.4 million families.

We are beginning to see evidence of that in the repossession process. The Government amendment correctly points out that repossessions are much fewer than in the previous major financial crisis that we experienced. There were five years in the early 1990s when 300,000 people lost their homes, and the rate last year was about 27,000. The prediction of the Council of Mortgage Lenders for this year is 45,000. That is somewhat reassuring, but I do not know whether Ministers have spotted that the first stage of the repossession process—the so-called orders, which go to court—now operates at a comparable level to that of the last slump. There are various reasons for that. Banks are no longer friendly, local high street banks. The securitisation of much mortgage debt means that many repossession orders are triggered by computer and no personal relationship is involved. As soon as somebody gets into difficulties, the order goes to court and that person is in the first stage of the repossession process. The problems may well be a great deal worse than in the last housing slump because of such changes.

Philip Davies: The biggest employer in my constituency is probably the Bradford and Bingley bank. My experience shows that it does all it can to help people stay in their homes and that repossessing people's property is a last resort. I hope that the hon. Gentleman will not try to go for an easy hit by attacking banks when many do an awful lot to try to help people stay in their homes.

Dr. Cable: The hon. Gentleman has a romantic view of contemporary banking, which is not reflected in the reality that most people experience. Perhaps he should have been here late on Monday when we discussed Northern Rock, which is one of the most aggressive banks.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): Is not there a growing concern that it is not necessarily the mortgage but the credit card and other debts, about which there is even less tradition of concern for the individual, that trigger repossessions?

Dr. Cable: My hon. Friend is right. An especially nasty trick is being played at the moment whereby many banks offer "Together mortgages" that are 125 per cent. of the value of the house. The extra is used to buy cars and go on foreign holidays. Anyone who defaults on the extra bit, above the mortgage, can be taken straight to repossession. That is happening.

The current crisis could be much more difficult than the previous one because there are no safety nets. The right hon. Member for Hitchin and Harpenden (Mr. Lilley) made an important policy decision when he was in government. I am not making a personal comment, but referring to his ministerial record. He abolished the system whereby people could go to social security for help with mortgage payments. It now takes nine months before that position is reached. In reaching that decision, the right hon. Gentleman made the calculation, which was probably realistic at the time, that half of all borrowers would take out insurance in future. In practice, that has not happened. Only one fifth of households have taken out insurance. We are now in a different environment from the early 1990s, and there is no safety net. There is no social security assistance and there is no insurance. A comparable degree of pressure on payments therefore results in a much greater likelihood of people being taken to court and losing their homes.

Alistair Burt (North-East Bedfordshire) (Con): As a former Minister in the same Department as my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley), let me tell the hon. Gentleman that the calculation was also made that, in the first instance, building societies would renegotiate and spread their payments for six months, thus relieving a pressure on the taxpayer, but not putting individual householders in a more difficult position, and that was indeed what happened.

Dr. Cable: That might have happened at the time, but it is not happening now, and I will come to how we might address that failing.

Andrew Stunell (Hazel Grove) (LD): Does my hon. Friend agree that his figure of one fifth for insured households might be too optimistic or an overestimate of the cover available? Many of my constituents have found that those insurance policies do not work at the exact moment they need them to work.

Dr. Cable: That figure probably is an overestimate, which also reflects the fact that many policies are extraordinarily expensive. Those who now recommend insurance as a way of dealing with the problem fail to take into account the large cost associated with payments protection insurance, so my hon. Friend is right.

[Dr. Cable]

The concluding part of my remarks is about what can be done. Again, I want to be constructive and raise questions about ways forward, rather than just criticise how things are being managed now. First, what can be done within the conventional policy framework? Normally when there is an impending recession, the standard answer, which we learnt or taught from economics textbooks, is to cut interest rates and run a budget deficit—they are the standard apparatus of macro-economic policy—and that is indeed happening aggressively in the United States, but not here. We know that that is happening in the United States, because the chairman of the Federal Reserve, Mr. Bernanke, did his PhD thesis on the great depression from 1929 onwards. He is terrified, and says so publicly, that we are in danger of repeating that experience. He is desperate to head it off and is doing whatever he can.

Our problem is that the Government are enormously constrained in what they can do that is similar. They made a good decision 10 years ago to make the Bank of England independent. The Bank now sets interest rates, which are not politically driven, and is making it absolutely clear that its first responsibility is to follow its mandate, which takes account of inflation, which is currently above the level that it should be pursuing. Therefore, the Bank's scope for cutting interest rates aggressively is limited. In addition, the Government claim that they have stayed within their rules for fiscal policy, but we do not know that, because there is no independent monitoring. In fact, the Government are up against the very limit of their fiscal rules and have absolutely no scope for the kind of expansionary policy that one would hope for in a period of recession.

Even if it were possible to do those things—to cut interest rates aggressively and run a fiscal deficit—there is little evidence to suggest that they would solve the problems that we now face, because interest rate cuts are not being passed on by the banking system, for the reasons that I have described. The conventional policy framework is therefore not adequate. The question is whether we could reform it.

My colleagues and I have argued for several years that the Bank of England should have within its mandate a responsibility to take account of the housing market, not just conventional inflation. If the Bank had done that, it would have raised interest rates sooner, in the boom, and would be able to cut them more aggressively in a slump, now. That is one concrete suggestion that should be considered.

The second policy question is whether the Government should simply be watching the drama of repossession unfold or whether they should intervene to do something about it. The Government's position is currently entirely passive. They take the view that there is no great problem, and that in any event it is nothing to do with them. However, we should perhaps at least consider what the options are.

The first option, which the Council of Mortgage Lenders and several non-governmental organisations, such as Shelter and the citizens advice bureaux, are pursuing, is for the Government to revive the pre-1994 idea of giving greater social security help to people in mortgage difficulties. It has been suggested that it would help, for example, if the Department for Work and Pensions could secure a second charge on a home as a way of giving extra help. That is not the best way forward, because we would effectively be transferring all the risk from the mortgage lenders who made loans in the first place to the taxpayer. However, if the crisis develops momentum, that kind of idea might have to be considered.

What else could be done? One possibility, which we are keen to promote, is for the lenders to have much greater responsibility, so that if a default is triggered, there should be a process whereby the debtors have access to independent financial advice and the banks are required to offer a range of payment alternatives, which might include shared ownership, for example. The banks will say, "Well, that's all in our code of conduct," and indeed it is, but there are plenty of rogue lenders who are not bound by that code and others who do not observe its spirit. My question for the Government is whether they are considering the arguments for and against making the code of conduct binding on mortgage lenders, requiring them to do what is currently regarded as good practice.

Jim Cousins (Newcastle upon Tyne, Central) (Lab): The hon. Gentleman has spent the past year denouncing the lending practices of banks in the most dramatic terms, using such expressions as "close to a scam", "irresponsible lending", "rubbish mortgages" and "poor assets"—that was his phrase on Monday night. Now that he is staring the consequences of his own policies in the face and does not like them, his solution is to compel the banks to carry the problem, in the middle of a liquidity crisis, on their balance sheets.

Dr. Cable: I would have thought that the simple logic is that if lenders have behaved irresponsibly, there is an obligation on them to behave more responsibly in future. I will come to the question of how that affects liquidity and the balance sheet—quite rightly, because that is part of the argument—but there certainly should be an obligation on banks that have lent irresponsibly to the people who have borrowed and are now in considerable difficulties.

Simon Hughes (North Southwark and Bermondsey) (LD): In looking for solutions, may I say that many families—probably more in the past year than at any time over the past 25 years in which I have been here—are coming to me with multiple debts and pressures in respect not just of their homes, but of credit cards and the like, which my hon. Friend the Member for West Aberdeenshire and Kincardine (Sir Robert Smith) mentioned, so could not the Government add one other thing to the list? Could they spend a bit of the money that they spend on publicity on helping people to go to the one-stop-shop advice centres that exist, which can consider their position in the round and give them advice that enables them to manage their way out of the problem, rather than just rely on the banks or one agency to help in their sector, while those people are struggling with the rest of their debts?

Dr. Cable: That is a constructive suggestion, which builds on a policy that we have been arguing for. An excellent report was published for the Government a few weeks ago by Mr. Thoresen that developed that point. Unfortunately, like so many other good reports

prepared for the Government, it is in danger of sinking without trace, because it requires somebody to take responsibility for rolling out a network of advice, which, as my hon. Friend correctly says, is so necessary.

The final option that we need to consider is whether, in current circumstances, the Government, or social landlords on behalf of the Government, should act as a buyer of last resort in housing markets that are falling rapidly. In cities such as Leeds and Manchester, there are large amounts of empty buy-to-let accommodation that cannot find a user, quite apart from the properties that have been auctioned off as a result of repossessions. Social housing has been sold off over the past 10 to 15 years, as a result of the right-to-buy policy, but we now need to ask whether that policy should, in some degree, go into reverse, partly as a way of sustaining the market and partly as a way of providing more social housing where it is badly needed. That would clearly require an investigation of the borrowing powers of social landlords. I wonder whether the Minister could give an indication of whether the Government are thinking about that.

Julia Goldsworthy: It might help my hon. Friend if I set that point in context: 1 million fewer homes are now available for social rent than at the time of the last housing market fall. In the last 10 years, we have seen social housing waiting lists rise by 60 per cent., so we are already in a position of high demand, which could get a lot worse.

Dr. Cable: My hon. Friend is absolutely right. That is another reason why the repossession crisis is so severe. It is not just a matter of people not having safety nets; the problem is that there is nowhere for them to go if they are repossessed. They are put into a desperate situation with virtually no social housing. There is an opportunity for the Government to reverse the negative net sale of public housing, which has been so damaging in the past.

Let me move on to a third area where the Government should be thinking of reform and change. I want to respond directly to the intervention of the hon. Member for Newcastle upon Tyne, Central (Jim Cousins), who correctly said that this problem is linked to the wider issue of the crisis within the banking system. I shall not digress widely into why the banks face a credit crunch, but we all know the essence of the problem: through very complicated financial instruments, debts, including bad debts from the sub-prime market, were bundled up and sold on in such a way that those bad debts can no longer be traced, as a result of which trust within the banking system has collapsed so that banks will no longer lend to each other, except at extreme rates, and the normal function of banking has broken down.

The question is what the British Government can do about it. This is partly an international problem, but it is also a very specifically British problem, because the City of London is probably the largest financial centre in the world and we are all affected by how its finances develop. What is happening—it has happened over the last few weeks—is that the banks are launching a major campaign to get the Bank of England to provide them with cash with minimum strings. What they would like is for the Government simply to advance cash in return for their mortgages, particularly their poor-quality mortgages. That is happening on a very large scale in the United States, where the state is effectively nationalising the losses and risks of the banking system. The banks would dearly love our Government and our authorities to do the same here.

The Governor of the Bank of England has been taking quite a hard line on that, rather differently from his opposite numbers in the US, and I have a good deal of sympathy with him. However, he and the rest of us are confronted with a practical problem—if the banks are to continue to function and the financial system is not to seize up, there needs to be liquidity. The question then becomes under what conditions it should be provided.

We may well be getting an answer to that question, but I would like to suggest an approach that I believe the Government should support in working with the Governor. By all means let more liquidity be provided in the banking system, which has to function as a lender to businesses and households, but there should be a condition. The condition is that the banks' shareholders should accept the losses that come with bad debt. They will have to do that by accepting what are called write-downs. They will have to do that by cutting their dividend payments, by rights issues, by sales, by forgoing acquisitions—all the sort of things that banks like doing. The are going to have to go through a period of austerity in order to get their own accounts in order. That would be the condition for the advance of liquidity. The banks will hate it; they will run campaigns in the financial newspapers, saying how terrible the Governor of the Bank of England is for being so stingy and not giving them what they want, but in those circumstances it is the job of the Government to provide political support for the Bank of England. The basic point is that our banks are too big to fail, but, equally, they are too big for the Government to bail out all their losses and bad debts. They will have to carry this themselves and they will have to be helped to do it.

My final point is about the future of regulation. As a result of this crisis, many of the assumptions that underlay the regulation of the financial system in Britain are having to be re-examined. We had a system of so-called light-touch regulation, which has in practice led to major financial institutions in the City behaving irresponsibly—behaving like casinos rather than lenders in many cases—and that has to be stopped. In the emergency circumstances of the present, we cannot rewrite all the rules, but to prevent this from happening in future, there will have to be a complete rethink of the way in which our financial institutions are regulated.

The central change that needs to be made is to recognise that markets operate in cycles. This is not some unhappy circumstance; capitalist economies always operate cyclically. They may be more efficient and may function better at certain times, but they are very cyclical, so the authorities need to ensure that the reserves that banks hold reflect the cycle; in a boom period, they should be required to hold more, and they should be required to hold less in a downturn. The whole process by which financial institutions are managed needs to be much more proactive and much more aware of the cyclical nature of the industry.

[Dr. Cable]

I put forward those ideas in a constructive spirit. I think that if the Government were to address them and come up with positive solutions rather than just waiting for events to happen, they might well avoid the damage that would result if they were simply to relive the experience of the great Tory recession.

Mr. Deputy Speaker: I inform the House that Mr. Speaker has chosen the amendment in the name of the Prime Minister.

2.5 pm

The Financial Secretary to the Treasury (Jane Kennedy): I beg to move, To leave out from "House" to the end of the Question end and to add instead thereof:

"acknowledges the resilience of the United Kingdom economy, which grew faster than any other major economy in 2007 and in which employment is at record levels; notes that the record of economic stability since 1997 has laid the foundation for rising home ownership, with the number of owner-occupier households rising by 1.8 million since 1997; further notes that household finances remain strong, with household assets worth over £7.5 trillion, more than five times the level of personal debt; believes that the United Kingdom is well placed to respond to the challenges arising from the continuing international financial turbulence; applauds the Government for managing the public finances within its fiscal rules; recognises that the Bank of England Monetary Policy Committee has cut interest rates twice in recent months; further acknowledges that mortgage interest rates are currently around half the level of those reached in the early 1990s and that the proportion of repossessions is less than one third of the rate in the peak year of 1991; welcomes the Council of Mortgage Lenders' recent statement, which sets out the steps that the industry is taking to support borrowers facing repossession, including working with debt advisers, pro-actively identifying at-risk borrowers and only repossessing as a last resort; and supports the Government's initiatives to assist home ownership, including new measures to encourage long term fixed rate borrowing and new forms of shared equity."

It is pleasure to discuss such an important topic. The hon. Member for Twickenham (Dr. Cable) raised a number of points in opening the debate, and I should like to deal with each of them in turn. It is a routine but important courtesy to say what a pleasure it is to follow the opening speech, but it was a sore trial for me to listen quietly and respectfully to the Liberal Democrat party give a lecture on financial probity — no matter how scholarly the hon. Gentleman's manner. *[Interruption.]* I will say exactly why.

It is not what the Liberal Democrats say, but what they do in practice and in power that we should examine. Speaking as a Liverpool MP, I know how unfortunate it is for that city and its local economy to be one of the few places under Lib-Dem control and subject to their influence. Despite huge investment from the UK and the European Union, the Lib Dems have virtually bankrupted the city, which is officially classified as the worst council in the country for financial management. The burden of debt is beyond belief and former senior Liberal Democrats have characterised it as doing more damage to Liverpool than Militant: Having got that off my chest, I shall return to the points that the hon. Member for Twickenham made.

Lembit Öpik (Montgomeryshire) (LD): I am glad to hear that the right hon. Lady will be addressing my hon. Friend's comments, because I am extremely concerned when the Government receive what I think is pretty sage advice, delivered in a non-partisan way, and they respond with lectures about Liberal Democrat policy, which is the last thing that the country needs to hear given that, collectively, we are on the brink of a repossession catastrophe. I hope that the Minister will confirm that she will work on a cross-party basis to try to ensure that the general public whom we serve — not the parties to which we belong — are given the support that they deserve.

Jane Kennedy: I knew it was a good idea to give way to the hon. Gentleman. I always like listening to his interventions and hearing him urge us to engage in a non-partisan way in an important debate. He is right to make that point. However, it is very difficult to do that in a constructive way with a party that is preaching such doom and gloom, talking up the prospects of a recession.

Several hon. Members *rose*

Jane Kennedy: Let me begin my comments in response to the Liberal Democrat motion and then I shall happily give way to hon. Members. I do not want to spend as long on my feet as did the hon. Member for Twickenham.

Let me start with the condition of the economy, before I move on to the housing market more specifically. The world economy is clearly facing its most uncertain period for some time, which is having an effect across the world — and the UK is no exception. However, Britain is in a strong position to cope with the challenges ahead, and it is in a far stronger position than it was at the start of the last decade. Our economy is stable and it has been growing uninterruptedly for more than 15 years. It is true that growth is forecast to be slower this year than last, and slower than we had expected at the time of the pre-Budget report, but Britain's economy is forecast to keep growing. That is not complacency. That is the forecast of not just the Treasury, but the International Monetary Fund, the OECD and the CBI. In fact, independent forecasters expect Britain to be the joint fastest growing economy in the G7 this year.

Simon Hughes: The right hon. Lady is entering a phase that concentrates on the good things that the Government have done — and there have been good things — following her petulant beginning that ignored any of the good things that my colleagues have done in Liverpool over 10 years. However, I know how anti-Liberal she is, so we understand that coming from her. Does she accept, however, that the burden of the case made by my hon. Friend the Member for Twickenham (Dr. Cable) is that whatever the history and the macro-economics, the over-commitment of British people — the over-expenditure with money that they do not have — is now at a crisis? I hope that she will give practical answers so that people outside the Chamber can see that politicians together are helping them to get out of the huge and terrifying financial holes that millions of families are in.

Jane Kennedy: The Liberal Democrats hate it when the spotlight is shone on what they do when they are in power. I never lose any opportunity to shine that spotlight. However, I can assure the hon. Gentleman that I will shortly come to the practical steps that we

are taking in government, if he will allow me to get there. I disagree with him; in the context of the debate, we cannot set aside the macro-economic situation in which we are working. That is of central importance and why we can say with confidence that we believe that the economy in the UK is strong enough and stable enough to sustain British home owners and those who want to be home owners through the coming months.

Chris Huhne (Eastleigh) (LD): Is the right hon. Lady aware that the housing market has been the source of macro-economic disturbances for successive Chancellors of the Exchequer for certainly 30 years? Merely to brush the problems in the housing market aside as if they do not have macro-economic consequences, which is what I understand her to be doing, would be, frankly, irresponsible. My hon. Friend the Member for Twickenham (Dr. Cable) made some extremely constructive suggestions—they were not gloom-mongering, as she said—about underpinning the housing market at a point where it may do serious damage to the Government's macro-economic strategy. I hope that we have a response from her to that point, and not silly tittle-tattle about Liverpool.

Jane Kennedy: The hon. Member for Twickenham was either running around going, "We're doomed, we're doomed", or he was saying, "Don't panic, don't panic." I cannot quite establish which of the two characters he was casting himself in.

We have also had relatively low and stable inflation. At 2.5 per cent., consumer prices index inflation is currently lower than in both the euro area and the USA. It is forecast to pick up in the short term, but to return to target from next year onwards. There are also more people in work in Britain than ever before.

I felt somewhat patronised by the suggestion that Ministers might not know that there was a prediction that unemployment would rise. I was Minister with responsibility for work and remember that the unemployment figures grew slightly when I was at the Department for Work and Pensions. That increase was largely due to moving people in receipt of incapacity benefit on to jobseeker's allowance to help them into work. In case the hon. Gentleman does not know, let me advise him that we have plans to move lone parents on to jobseeker's allowance as a precursor to helping them to find work. It is those active, labour market policies which we have implemented in government that have transformed the experience of families in the UK. It is the labour market's continuing strength that gives us cause for encouragement going forward. He, too, should take comfort from that.

Our economy is strong and stable. We have seen increasing resilience over the past decade in the face of a number of shocks. Britain used to be the first into recessions and the last out, but at the start of this decade we proved more resilient than any other major economy after, first, the bursting of the dotcom bubble and then the 9/11 attacks on the World Trade Centre. Britain was the only G7 country not to experience at least one quarter of negative growth in the years that followed.

I think that Britain is in a stronger position to deal with the challenges presented by the recent disruption to the world economy than the hon. Gentleman suggested. We are in a far stronger position than we were in the early 1990s. Back then, unemployment topped 10 per cent., inflation hit nearly 11 per cent., and interest rates rose to almost 15 per cent. That was a hugely different position from the one that we see today after nearly 11 years of continuous growth under this Government and the largest rise in income per head of any G7 country. The differences between today and the early '90s are just as clear when we consider average mortgage rates. Today, the average rate on mortgages is 5.9 per cent. In 1990, it peaked at over 15 per cent.

Britain is in a far better economic position today than it was in the early '90s, and that is the main reason why I do not agree with the suggestion that the housing market is about to repeat the pattern that it followed then.

Julia Goldsworthy: I am listening carefully to the Minister. Does she therefore discount the evidence from Citizens Advice that the number of people coming to it expressing concerns about their ability to repay their mortgage is up a third on this time last year?

Jane Kennedy: Not at all. It is precisely because we acknowledge that anxiety that we are putting in place the steps that I shall come to shortly.

Chris Huhne: Will the Minister give way?

Jane Kennedy: I have already given way to the hon. Gentleman. Perhaps he will allow me to make a little progress on the housing market and repossessions, because he urged me to describe what the Government are doing.

After increasing by more than 10 per cent. in the year to August 2007, the signs are that house price inflation is declining relatively gradually, and prices are still higher than they were a year ago. We should remember that because of the economic stability over the past 11 years there are 1.8 million more home owners in the UK today than there were in 1997. Household wealth is also far higher than it was 10 years ago and total household assets are now worth more than £7.5 trillion—more than five times higher than the level of personal debt, which is growing at its lowest rate for around seven years.

Chris Huhne: Is the right hon. Lady not, however, concerned that the key indicator for an asset market such as housing is debt service? Is she not concerned that the personal debt service of households in this country—not merely capital repayments, but capital payments plus interest payments—is now at the same level that it was at the beginning of the 1990 to 1992 downturn? When she says that so far the fall in prices has been relatively modest, that was also the case at that point then. Will she confirm that fact?

Jane Kennedy: I shall come to individual financial capability, but first I want to address one point in the Liberal Democrat motion. It reads like a "Focus" leaflet—or, rather, like a Victorian penny thriller. It is full of hyperbole with few facts. It maximises the fear

[David Miliband]

that will help to rehabilitate—I think that was the right hon. Gentleman's word—the country. The rehabilitation will be on a scale not seen by almost any country for a long time. I cannot remember the exact levels of inflation in the Weimar Republic, but he mentioned that a loaf of bread cost Z$10 million; I think that four weeks ago it was Z$1 million. That is a degree of chaos that is almost unknown. However, I can certainly assure him that discussions are taking place.

It is incumbent on the Government to try to prepare for all eventualities. One can never have perfect foresight, but it is important to refer to the second round of elections that might be deemed necessary. If they are, we want them to take place on a fairer and freer basis. The humanitarian situation also needs to be prepared for as far as possible, and I am grateful for the fact that on that matter, at least, there is cross-party support.

Mike Gapes (Ilford, South) (Lab/Co-op): When the change in Zimbabwe comes, there will be, as the Foreign Secretary says, 4 million people who are outside their country. Many of them are in South Africa, but there are quite a large number of Zimbabweans in this country. Will he have urgent discussions with his colleagues in other Departments, including the Department for International Development, and with the people responsible for the Border and Immigration Agency, about providing assistance and help, in a careful manner, to those Zimbabweans—doctors, nurses, teachers and others—who wish to go back to Zimbabwe to help to rebuild their democratic country?

David Miliband: My hon. Friend raises an important point. We are not yet ready to cross that bridge, but hopefully the time will soon come when we are, and I assure him that we will seek to do so in an effective and efficient way.

Mr. Edward Davey (Kingston and Surbiton) (LD): Although the House will clearly want to debate Zimbabwe, and although I understand why the Foreign Secretary felt that he needed to make this statement today, in doing so does he not run the risk of being deliberately misinterpreted? Will he share with the House the exact reasons why he decided to make the statement, and why he did not contact the Opposition parties to see whether we would agree on whether to delay the statement? Will he reassure the Opposition parties that when there is something solid to comment on he will update us, especially during the recess?

The whole House will share the great hope and excitement, expressed by many voices coming out of Zimbabwe through blogs and other media, that we may be about to witness historic, positive change in that wonderful country, which was brought to its knees by misrule of the most odious kind. I therefore agree with the Foreign Secretary that the Zimbabwean electoral commission must publish all the election results without further delay. Is not the most striking and fantastic aspect of the Zimbabwean general election the strong showing of the opposition parties, despite the massive electoral fraud and despite the political corruption? May I therefore associate my right hon. and hon. Friends with the Foreign Secretary's expression of solidarity with the people of Zimbabwe? We have a shared belief that the true democratic will of the Zimbabwean people must be heard and acted on. As I have made clear, I understand that the Foreign Secretary wishes to tread carefully, but will he confirm that the targeted EU sanctions will be maintained and toughened if the current regime tries to hold on to power in the face of a confirmed democratic verdict?

The Foreign Secretary has begun to outline some of the Government's thinking on the help that Britain and the international community are already organising for a fresh Government. Will he assure the House that such support for recovery and reconstruction will be rapid and generous? Does he recognise that there must be no delay in providing support? Proposals such as new World Bank support and donor conferences are of course sensible, but assuming that those proposals go ahead, will he ensure that matters are so organised that international pledges of help actually materialise once the summit headlines have gone, as the record in Iraq and Afghanistan is not encouraging?

Finally, will the right hon. Gentleman ensure that the support that the international community supplies also flows into Zimbabwe's neighbours, as their populations and economies have sheltered the vast majority of the refugees and exiles escaping Mugabe's tyranny?

David Miliband: I hope I may suggest, in the nicest possible way, that the fact that the hon. Gentleman has been able to ask four or five perfectly sensible questions shows that perhaps it was not completely ridiculous to make a statement today. However, I do not want to fall out with him about that. I will check with my office, but I would not want it to stand on the record that there had been no contact with the Opposition parties over the last two days; it is important that there is contact.

The hon. Gentleman made an important point: one reason for being here today is the fact that the recess beckons, and I shall ensure that we stay in touch, even if not in quite such proximity, over the next two weeks.

The hon. Gentleman tempts me into a series of perfectly legitimate hypothetical situations, either where democratic will is frustrated and sanctions continue or where democratic will is respected and rehabilitation and reconstruction are necessary on a grand scale. It is important, particularly given what he said about the danger of misrepresentation, that we keep saying that the onus is on the Zimbabwean electoral commission to announce the results and that the international community shoulder its responsibilities as it does so, although we must be clear that we are prepared for a range of eventualities. I hope he understands that to go beyond that could be seen as not terribly helpful. The hon. Gentleman's point about the impact of Zimbabwe on its neighbours is important, however, and many people will scratch their heads at how countries surrounding Zimbabwe have had to cope with such an influx of Zimbabwean refugees and how they have tried to manage the politics, as well as the social and economic consequences, of that.

I can assure the hon. Gentleman that the Secretary of State for International Development and I try to look at southern Africa regionally, as well as nationally and locally, in relation to how our aid and other programmes work. We will continue to do so.

Mr. Chris Mullin (Sunderland, South) (Lab): First, may I endorse everything the Foreign Secretary has said and, secondly, put to him the following? One of the few things that Mr. Mugabe has been successful at is representing his difficulties as a bilateral dispute between him and the UK and a legacy of colonialism. He has succeeded in convincing many of his African colleagues of that. Therefore, those who consider themselves friends of Zimbabwe should, as my right hon. Friend said a moment ago, be cautious in what they say at this delicate time to ensure that our position is not misrepresented, as it will be if we put a foot wrong.

David Miliband: My hon. Friend speaks with the authority of a former Minister for Africa, and in short I agree with him. I know that he is a true friend of the Zimbabwean people, and in everything he has said and done he has shown that.

Sir Nicholas Winterton (Macclesfield) (Con): It certainly appears that the prayers of those of us in the House who have taken an interest in Zimbabwe over many years may finally have been answered and that, despite an election that was clearly anything but free and fair, a majority of the people of Zimbabwe have clearly indicated that they want change. I agree with everything the Foreign Secretary said, as I do with what my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) said.

Will the Foreign Secretary give the House further information about the immediate aid that we can give to the people, not a Government, of Zimbabwe to reduce starvation and to help in relation to health and with AIDS, as well as the problems associated with it? That would give them hope that what they have done so bravely will be rewarded by a country that was in part responsible for bringing Mr. Mugabe to power.

David Miliband: The hon. Gentleman speaks with real passion, born of long engagement with the struggles of the people of Zimbabwe, or long sympathy with their recent struggles. He will know that the aid programme is now almost £50 million. It is paid through the United Nations, whose role was highlighted earlier.

The best thing might be to ask my right hon. Friend the Secretary of State for International Development to put a note in the Library before the rise of the House tomorrow afternoon. I hope that there will be a double purpose in that: first, to inform hon. Members, but also to help to make it clear to the British people what difference their tax money is making today to the people of Zimbabwe.

Mr. Peter Hain (Neath) (Lab): Does the Foreign Secretary agree that one fact is crystal clear—Mugabe has lost? First, if he had won, he would triumphantly have proclaimed that fact, as he did on all previous occasions. Secondly, for the first time we have an aggregation by independent monitors of results posted up outside local polling stations, and they show that he has lost. That being the case, it is vital that the international community stand together with the UN, the European Union and the southern African countries to ensure that an orderly transition of power takes place, and that there is an end to the prevarication and, frankly, the complicity with Mugabe's murderous rule, which there has been from Beijing to southern Africa for far too long. Mugabe has shown consistently that he will not go unless he has no alternative but to go. Quiet diplomacy has never worked with him.

David Miliband: My right hon. Friend, I am sure, is right about the significance of international unity, and seeking that international unity across the EU and the southern African countries is important. I very much concur about the significance and stress that he placed on the role of the civil society organisation ZENS—the Zimbabwe Election Support Network—and the highly innovative mobile phone-based photography it has produced of results posted outside polling stations, under quite some threat to the individual security of its members. I choose my words carefully: like my right hon. Friend, I have seen the results that came out of the sample—540 of 9,400—that the civil society organisation chose.

There will be time for a post mortem on how we got here, and no doubt there will be different views on which countries played what role. At the moment, however, I would prefer to stick with the importance that my right hon. Friend placed on unity and the role of civil society organisations.

Sir Menzies Campbell (North-East Fife) (LD): I commend the Foreign Secretary for his restraint. Does he accept that although we here may feel a sense of responsibility, the harsh truth is that our influence is necessarily limited by the fact that we are the former colonial power? Is it not therefore the case that these events are a test for Zimbabwe and its people, but that, in a political sense, they are a real test for the countries of southern Africa—in particular, South Africa? Will he assure us that he has taken every opportunity to communicate our views to the Government of that country and, in particular, to Mr. Mbeki?

David Miliband: The right hon. and learned Gentleman raises an important point. As I think the Leader of the House said at Prime Minister's questions today, our Prime Minister spoke to President Mbeki on Monday. I am sure that the right hon. and learned Gentleman would agree that that conversation is about not only communicating our views, which is the phrase he used, but trying to discuss with President Mbeki how both our countries can play an appropriate role in addressing this situation. I am sure the right hon. and learned Gentleman agrees with that.

As I said in my statement, the people who have suffered most are those in Zimbabwe. Those who know best the need for change are in Zimbabwe, but of course the neighbours close to Zimbabwe are greatly affected by these events.

In respect of our own role, it is important that we do not in any way—I know that the right hon. and learned Gentleman would not do this—fall into the trap that was highlighted by my hon. Friend the Member for Sunderland, South (Mr. Mullin). We should not say things that play in the wrong way.

Equally, we should not be at all ashamed of the aid and other programmes that we have sent to Zimbabwe over the last 28 years, destined to help the people of that country. In fact, we should try to be proud and to stand up for the fundamental truths that we have tried

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are good, but shift the blame when times are harder or more uncertain. The challenge in any crisis is how to handle it. It is a hallmark of good government to be prepared for a crisis and take control, rather than be buffeted by events.

We saw yesterday at the Prime Minister's weekly press conference that he has no room for manoeuvre. He was looking to others to bail him out of a situation he has created for himself. He was encouraging the Bank of England to cut rates to boost growth—the Bank of England that he made independent. He has set an inflation target for the Bank, but he was looking for it to put that target to one side. He also called for the European Investment Bank to offer loans to businesses.

The reality is that the Prime Minister, having mishandled public finances for the past 10 years, has no room for manoeuvre. Unlike Governments elsewhere in the developed world, he cannot offer tax cuts to help hard-pressed families or to lift the burden on businesses, because this month we are seeing increased taxes on families, small companies and wealth creators. So at a time when families are facing economic uncertainty, they cannot expect the Government to help them. There is no denying the fact that families are facing economic uncertainty; I accept that. People need to use more measured language, however. Interestingly, the hon. Member for Eastleigh used far more measured language than his colleagues on this issue. Perhaps he is auditioning for another part in the future.

Lembit Öpik *rose—*

Mr. Hoban: I shall give way to the hon. Gentleman, as I named him earlier as someone who was creating and then stoking up that atmosphere in the housing market.

Lembit Öpik: I am grateful to the hon. Gentleman for flattering me by saying I have such awesome power over the British economy. Perhaps my party does not need to be in government, and instead we can just run the country from the Opposition Benches.

Given that the hon. Gentleman seems to be striking a middle way between our position and the Government's, I am at a loss to know whether he will vote for the Government amendment or have the courage—of our convictions, certainly—to stick up for the people who are suffering in the housing market and vote for the Liberal Democrat motion.

Mr. Hoban: I am not sure I would ever look to the hon. Gentleman for guidance, and certainly not on how to vote, as I think that so far he has not backed a single successful candidate for leader of the Liberal party. *[Interruption.]* He refers from a sedentary position to the right hon. Member for Sheffield, Hallam (Mr. Clegg). I read part of the *GQ* interview this week. I do not know whether the hon. Member for Montgomeryshire wants to share his experiences of running for office. I shall move on, however, Mr. Deputy Speaker, as I suspect you would like me to do so.

Despite cuts in the Bank of England's base rate, many families' mortgage repayments will increase when more than 1 million fixed rate or discounted deals come to an end this year. The widening gap between the base rate and the LIBOR is a sign of continued uncertainty about and a current lack of trust in the financial markets. That means that home owners will not necessarily receive the full benefit of recent base rate reductions.

In addition, the restriction on the availability of credit means that lenders are tightening their conditions. For example, the Co-op has cut its maximum loan-to-value ratio from 95 to 90 per cent.; and the Nationwide's subsidiary The Mortgage Works has withdrawn its offer of 100 per cent. mortgages, as has Scottish Widows which yesterday withdrew its 100 per cent. mortgage aimed at young professionals, who will now have to find a deposit. First Direct closed its mortgage business to new customers because it could not process the volume of applications it received. The problems in the global credit market therefore mean not only that customers will face higher rates when existing deals come to an end, but that credit itself is being rationed through tougher rules and conditions. Those with equity in their homes or with substantial deposits may well be able to meet tighter conditions imposed by lenders. For those without either, existing mortgage customers will be forced to stay on relatively high standard variable rates, and those aspiring to get on the property ladder will have to save for longer.

In times of economic uncertainty, people naturally turn to the Government for help and they hope that the Government will do something to lift the tax burden from them or will understand that costs are rising. However, because this Government failed to prepare for difficult times, no relief is on offer. Last month's Budget saw taxes increase on alcohol and new cars—tax increases that are in place to plug the hole opening up in the Chancellor's numbers, and that will raise the cost of living as well as take money out of families' pockets. Also, this month we will see tax increases such as the scrapping of the 10p band.

The hon. Member for Llanelli (Nia Griffith) certainly understands what is happening, judging by an article in *The Guardian* today. She said:

"We have always wanted to support those on lower incomes, we have done an enormous amount with things like the minimum wage to raise people out of poverty"

and

"I think therefore anything that hits people on lower incomes is perhaps something we are particularly sensitive to in the Labour party."

I think the hon. Lady had a point.

Apparently, the Prime Minister claimed that no one would be worse off as a consequence of scrapping the 10p rate, but that is certainly not the evidence that was given to the Treasury Committee in its inquiry into the 2007 Budget. The Exchequer Secretary to the Treasury was a member of that Committee, and I think signed off the report that was published. Robert Chote of the Institute for Fiscal Studies said in an evidence session that 5.3 million families would lose out as a consequence of the scrapping of the 10p rate, and Mark Neale, managing director of the budget, tax and welfare directorate at the Treasury, said that

"the figures that Robert Chote gave you are in the right ball-park".

Therefore, many people will be worse off as a consequence of the scrapping of the 10p rate—older pensioners, and many couples and single earners without children. No Labour Member should be fooled by the Prime Minister's reassurances of earlier this week. The change will hit their constituents, and mine, hard.

Mr. George Mudie (Leeds, East) (Lab): I do not know whether the hon. Gentleman has spoken to Robert Chote since, but at a presentation in Parliament on this year's pre-Budget report he put the figure much lower. He has seriously reduced the number of those who would lose because of the scrapping of the 10p rate. Will the hon. Gentleman make arrangements to meet Robert Chote?

Mr. Hoban: I am always happy to meet Robert Chote, who came up with some important figures. Interestingly, when the then Chancellor was quizzed last year, he was unable to refute them. Last year, when the Treasury put the policy forward and it was announced in the Budget, it also regarded those figures as being in the right ball park. The figures may have changed, but last year's decision was made on the basis of 5.3 million families losing out as a consequence of scrapping the 10p rate.

Julia Goldsworthy: Does the hon. Gentleman agree that although there may be some variation in the number of people thought to be affected, the income profile is most likely to be those who work part time, those on low incomes, and single people under 25 without children who are not eligible to benefit from the changes to the tax credits?

Mr. Hoban: The hon. Lady has produced a reasonable and helpful analysis of the people who will lose. Female pensioners in their early 60s are the group in my constituency who are particularly concerned and vocal about this matter. A number of groups will be affected, so for the Prime Minister to brush aside the impact, as he appeared to do at Monday night's parliamentary Labour party meeting, is to seek to minimise an important and growing concern for our constituents.

Not only is the 10p rate being scrapped, but taxes are increasing on wealth generators, small companies' tax rates will be increased again and entrepreneurs will be hit by an 80 per cent. increase in the capital gains tax they pay on selling their businesses. That is hardly a move designed to encourage new business investment and formation at a time of economic uncertainty.

While our competitors used 15 years' global economic growth to prepare for difficult times, the Prime Minister, who was the then Chancellor, taxed, spent and borrowed his way to a position in which our deficit exceeds that of our EU counterparts. Even Italy has a lower budget deficit than UK. It seems that prudence, which was a feature of his first Budgets, has left the UK and is happily living in Tuscany—a place that seems to be one of relative fiscal rectitude compared with the UK. While our competitors can use their reserves to pay for tax cuts, Britain has no such luck.

Of course, it is not just bad decisions on tax and borrowing that have created some of the problems in the housing market. It is a pity that the Chief Secretary to the Treasury is not in the Chamber this afternoon, because in her former role as a Minister of State with responsibility for housing she was the mastermind behind one of the biggest cock-ups in the housing market for many generations—home information packs. They have had an impact on the housing market. Their early introduction has led to concerns about the number of properties coming on to the market and the additional costs that they will impose on home owners. They are part of the problem in the housing market, and people are rightly expressing concern about them.

Alistair Burt: Before my hon. Friend leaves the topic of the Chief Secretary, perhaps he will persuade one of the Ministers present to give us a statement that the Government have so far not given us. Why was the chief executive of the Thames Gateway project sacked barely a year after her appointment by the Chief Secretary, whereas she received a promotion following a series of reports on the Government's poor handling of that project?

Mr. Hoban: My hon. Friend makes an important point. I have yet to work out how competence and promotion work in this Government. It is a mystery to us all, but perhaps the Exchequer Secretary to the Treasury will be able to explain it in her winding-up speech.

The Exchequer Secretary to the Treasury (Angela Eagle): That was way above my pay grade.

Mr. Hoban: The Exchequer Secretary says that it was way above her pay grade, but of course it was not way above her pay grade at the time to recognise that 5.3 million households were going to lose out as a consequence of scrapping the 10p rate of income tax.

Before we got slightly distracted, we were discussing the impact that the introduction of home information packs has had on the housing market. It is not surprising that *Which?* has said:

> "The new 'half-HIP' will be a useless but a very expensive waste of time...This half-baked compromise will result in something that is of little value but of real expense to consumers and Which? cannot therefore continue to provide support".

One can always rely on *Which?* to come up with a pithy judgment: one of its former directors, who is now a No. 10 employee, said:

> "Gordon Brown doesn't need a new speechwriter. He needs a magician".

As one can see, *Which?* is very good at identifying the issues in consumer problems; it does not always identify the solution, but it identifies the cause of the problem.

The Government's interference in the housing market has not helped the situation. The poor state of the housing market, a squeeze on the cost of living, and higher taxes and higher borrowing costs make it more difficult for families to make ends meet, and could therefore lead to higher levels of repossessions. The rise in stamp duty revenues, which has been such a godsend for the Government's tax take, has become a problem for first-time buyers, who now pay an average of just under £1,700.

[Mr. Hoban]

When lenders were more relaxed about multiples and were happy to combine secured and unsecured loans, such as with the Together loan, which has been the topic of debate over recent months, first-time buyers could roll stamp duty up into their mortgage but now, with tighter rules and lower loan-to-value ratios, they will need to fund stamp duty up front. That will add both a further barrier to their buying their first home and another brake on the housing market. That is why we announced last October that we would abolish stamp duty for first-time buyers on properties costing less than £250,000, which would mean that nine out of 10 first-time buyers would no longer have to stump up for stamp duty. That would offer practical help for first-time buyers.

As I said, we need to be wary about talking down the housing market, but we must recognise that conditions are tough and we must strike the right balance in this debate. The combination of higher taxes, lower real earnings, a tighter housing market, higher mortgage interest rates and tougher conditions on home loans creates uncertainty and difficulty. People whose fixed-rate mortgages are coming to an end particularly need to look at the options available to them. They need to find the best deal available and secure it before they flip on to the default option of the higher standard variable rate.

The pressure of higher mortgage rates and rising living costs will mean that more families will find it harder to make ends meet, but given the relative ready availability of consumer credit, people must avoid the temptation to pay for everyday essentials using their credit cards, as that could lead to further problems. People facing financial hardship should seek advice sooner rather than later so that they can take control of their financial affairs, rather than allow someone else to do so at a later stage when their situation has deteriorated. Services such as Citizens Advice, the Money Advice Trust and the Consumer Credit Counselling Service all offer advice to people struggling with their bills.

The scale of any problems will depend in part on the overall economic circumstances. Four key factors have driven economic growth in recent years: finance, housing, public spending and immigration. Finance has grown four times as fast as the economy as a whole; housing has grown twice as fast as the economy as a whole; and the size of government has grown a third more than the economy itself. So the credit crunch will have a growing impact on the fast-growing financial services sector. That factor was borne out by yesterday's CBI survey of employers in that area: future job losses in the sector were predicted, as was the impact on housing of the tighter availability of credit. Both those factors will impact on tax revenues in the year ahead.

Problems are potentially on the horizon, which is why we need to broaden the base of economic growth and encourage a series of reforms to get the economy back on track again so that we have broader base of growth in future. Because the Government failed to prepare for a rainy day, they have been forced through necessity to rein in the growth of public spending below the rate of growth of the economy as a whole. We have that policy by conviction; it is the sort of policy that allows a Government to prepare for a rainy day.

We are heading towards difficult and uncertain times, but the hon. Member for Twickenham has done hard-working families no favours by talking up the problems in the market. Having said that, we cannot afford to be complacent either. The Government have failed to prepare the economy for these times and they have let the public finances get out of control. While our competitors can cut taxes to support families and businesses, this Government have had to raise them. Householders see the rising cost of living and increased mortgage payments, but they cannot expect the Government to help, as this year's Budget showed. It included tax increases on alcohol and cars, and the scrapping of the 10p rate. This Government have let our families down at a time of uncertainty by failing to prepare. They will pay a price for that.

2.49 pm

Mr. George Mudie (Leeds, East) (Lab): I think I understood why the Minister was upset with the Liberal Democrats about the motion. They have done the serious subject of repossessions no service through the motion. For example, the Conservative shadow Minister spoke for 20 minutes, 15 minutes of which concerned the economy, but because of the careless, lazy ritual and the Punch and Judy system that we have—

Dr. Cable *indicated dissent.*

Mr. Mudie: It is all right for the hon. Gentleman to shake his head, but it is lazy and it has played into the hands of the Minister and the Conservative shadow Minister. It has taken valuable debating time and taken the Conservatives, in particular, away from discussing the problem and putting suggestions forward, which was what the hon. Member for Twickenham (Dr. Cable) did. That is outrageous. The title given in the Order Paper for the debate is "The economy, repossessions and the housing market". If the object of the exercise is to deal with the emerging problem of repossession, which hon. Members in their constituencies know to be a real problem as they sniff the wind, speak to people and attend surgeries, the hon. Gentleman and his party—or whoever wrote the motion—are not doing us any service by lumping it in with the economy. The motion allows us all to have a ritual run around the economy. I think that the Minister was right about the motion.

I do not tend to view politics from London or this Chamber. I prefer to consider politics through the constituencies. I do not see how anyone can table a motion that suggests that we are nearing a recession and that we are in all sorts of economic gloom. I used to sit on the Opposition Benches, and Members were accused of talking down the economy. I can see now, from the Government's point of view, where that sort of mood comes from. There is an element of talking ourselves into trouble by talking down the economy.

If the hon. Member for Twickenham wants to suggest that we are near a recession, he should remember that during the recessions that we had before the Labour Government took over, some 3 million people were unemployed. The hon. Gentleman dug around the Red

Book and suggested that unemployment would possibly grow by 200,000, which would take the figure to 1 million, but such a figure is far different from 3 million unemployed, which caused such misery in our communities. We are still trying to dig ourselves out of that misery, even after 10 years of this Labour Government.

Julia Goldsworthy: I have been looking at the motion tabled by my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg) and my hon. Friend the Member for Twickenham (Dr. Cable), among others. It does not predict a recession as a certainty, but simply notes that there is a "risk of recession". That risk has been identified by JPMorgan and Lehman Brothers: is the hon. Gentleman disagreeing with them?

Mr. Mudie: The Minister read out fairly and factually the forecasts from a range of sources: the private sector, the Treasury and the CBI. I have seen no forecasts—the Treasury Committee certainly did not hear of one from any of the experts who came to us—that suggest that we will not have growth this year and more growth next year. The argument, of course, is that we will have lower growth than was forecast last year, but it is still growth. I cannot see how anyone can come to the House and say that there will be a recession when the Red Book, the private sector, the private commentators and the private forecasters suggest that there will be growth. They suggest different degrees of growth, but it is still growth. Where does the risk of recession come in? There is always a risk of recession, but we are now talking about the economy rather than housing repossessions.

The hon. Member for Twickenham was in the Labour party at some stage in his career, at a time when every motion had to be scrutinised because we all knew that motions mattered. People would table motions and say, "You don't want to pay any attention to that." That is probably why the hon. Gentleman left the Labour party. Some of us, with the Minister, fought on to make it the great party that it is.

Words do matter and it does not help people who have a real problem if, when we have the opportunity to debate that problem, we obscure it by allowing the Opposition off the hook with a long preamble about a mythical state of recession.

Mark Hunter: I have listened carefully to what the hon. Gentleman has had to say. He makes an important point about the tone of the debate, but because he makes that point I, like many Opposition Members, am not clear about what specific point in the motion he does not agree with. Is it the point about rising levels of personal debt? Is it the point about the slowdown in the UK housing market? Is it the point about the number of people requesting help because they are concerned about mortgages and repossessions? What is the exact point in the motion with which he does not agree?

David Wright (Telford) (Lab): They are talking down the economy.

Mr. Mudie: I am primed by my hon. Friend, who is seated on my left, to say, "Talking down the economy", but I would not say that. I can tell the hon. Member for Cheadle (Mark Hunter) that I object to the fact that we have had days of debate on the Budget. He was not with the hon. Member for Twickenham and me last night—perhaps it was the night before—when we debated the economy and Northern Rock for an hour and a half. The hon. Member for Cheadle had gone back to bed by then. The economy has had more airtime over the past few months than we would wish, but people outside are in danger of losing their homes, which is the most traumatic thing that could happen to most people and families in their lifetime. The Liberal Democrats, through careless framing, have allowed the Conservative shadow Minister to spend three quarters of his time running around the economy and only five minutes dealing with repossessions. They have allowed the Minister to spend a fair amount of time, as she has a responsibility to do, rebutting the lazy and careless framing of the motion on the economy. I do not think that that is sensible.

I want to speak quietly and seriously about the emerging worry about a credit crunch—the Opposition can blame Government and the Government can blame this or that—that has come from America, which is affecting and has affected the economy, particularly the financial sector. Like a virus, it is continuing to mutate so that when we think we have the measure of it and will be able to deal with it, it moves on. We are seeing that mutation and those worries. It is not a question of sub-prime mortgages. As we sit here, 2 million people have mortgages that they took out in 2006 which will run out.

I do not know whether hon. Members or the Minister have read the example given in the Library notes. A young couple with two children from Northamptonshire, who are both working, have been caught out by this problem. Their mortgage runs out this year, and it is with Northern Rock. One would think that, with it being nationalised and owned by a Labour Government, there would not be any trouble—something else that we discussed the other night. Northern Rock is operating very fiercely, however, like other building societies, because it does not want the business. The credit crunch has mutated and moved on, and mainstream building societies and banks are finding it difficult to get money to service mortgages. When a mortgage is up, they are encouraging people to move on. They are doing so in a pretty bad way: the offer that pulled people in disappears.

A particularly appropriate point was just thrown away by the hon. Member for Twickenham. It is outrageous that the very same building society or bank that brought someone in with a low mortgage has often encouraged them to take a further loan that is not secured. The hon. Gentleman indicated that such loans are now not just a couple of per cent. on top of what people were paying for their mortgage, but can shoot up to about 15 or 16 per cent. The young couple that I mentioned were hit with a double whammy. Their mortgage is going up by £200 a month, which is about £40 to £50 a week. To a young couple with a young family, every penny matters, and that bill comes on top of something that is outside the control of anyone in central Government—energy and food costs. They have to pay the extra £40 to £50 a week on that part of their mortgage, and 15 to 16 per cent. on the capital sum that the institution giving the loan was so anxious for them to take. When the deal runs out, people

[Mr. Mudie]

discover that that institution does not want them, and that there is a heavy penalty for staying with it.

I think—no, I do not think, I know—that that is happening. The word on the street is that two months ago, there were 100 main mortgage lenders. There are now 20. Nobody is anxious to pick up mortgages, so they are being shuffled around. Just yesterday, as we have heard, First Direct stopped giving mortgages because it was overwhelmed by the number of people coming to it. It just put a block on them. That takes us back to times that elderly Members on the Opposition Front Bench will remember—*[Interruption.]* I mean the Conservative Front Bench. They will remember when people used to have to get in a queue for a mortgage, and had to save with the institution for a period of time to prove that they were good customers. Even the young fellow on the Opposition Back Benches, the right hon. Member for North-West Hampshire (Sir George Young), remembers those days. We are getting to that stage now, and it is very worrying.

Advice is a good idea, but although it is easy to give and relatively non-costly, I always worry about whether it gives a solution to a young couple such as I have mentioned. How will they get through the coming months and keep their family intact? That is the problem that we have.

A lack of liquidity is affecting the banks and building societies. The Governor of the Bank of England has referred to it. A month ago or so, he thought that the financial economy had a problem but that it would not move into the real economy. It is now in the first stages of moving on into the real economy, and it is doing so in housing. Youngsters and families are having difficulties, and I say to the Minister that those difficulties will grow. At the moment, we can be calm and think that the situation is under control, but we should look a few months ahead. If the situation continues, repossessions will move at a rate. We should be considering and discussing measures to take to nip that in the bud, so that we can get through this temporary period of credit crunch and liquidity crisis, and keep people intact in their own homes.

The hon. Member for Twickenham mentioned the business of social security. One thing that the Conservative Government did was to ensure that, if someone lost their job, they could move on to income support. As part of that, the interest payment on their mortgage was met. That Government ruled that for a person to be eligible, they had to be unemployed for nine months. The trouble with that in relation to mortgages is that most building societies or banks make a move after three months of non-payment. The hon. Gentleman seemed to suggest that the Government should restore the nine-month provision, but that might not be appropriate in the current financial crisis. What would be appropriate would be for building societies to agree not to take action against an individual for nine months, unless a lack of equity in that person's home made the problem impossible to get around.

I ask the Minister to imagine a situation whereby the young couple mentioned in the Library notes continued to pay their mortgage and then got hit with this problem, perhaps because one of them lost their job. They would not be helped for nine months. I have a history on this matter: I raised it with the Governor of the Bank of England when he first came before the Treasury Committee to talk about the credit crunch, last September. He makes a shop steward in a shipyard look weak in terms of demarcation, and he told me, "This is not my responsibility." I still pleaded with him to say whether something could be done in financial circles, because the way the market was going was obvious. We have obviously had no luck.

The Government have set up a working party—a review, I suppose we would call it. The trouble is that it is not—*[Interruption.]* I am not sure whether the signal that I have just received was to keep going or to sit down. I shall sit down. One never knows with the usual channels. *[Interruption.]* Thank you. If my hon. Friend the Member for Motherwell and Wishaw (Mr. Roy) had given me that message some time ago, he would have saved me a lot of work.

The working party has two faults: it is not reporting for the purposes of the pre-Budget report in the autumn, and it seems to me that it is preoccupied by the Government's preoccupation, which is long-term mortgages. That might be good, but let us park it up somewhere for the moment, because it is not too useful in the present circumstances. I rather fear that the working party's main preoccupation is how to get such mortgages accepted and deliver them. If we are to have a working party of all the financial people, I plead with the Minister to get it to shove that work aside and do some quick work on the looming crisis. That would allow us to do things without necessarily baling out or calling on Government expenditure.

One criticism made by both Labour and Conservative Members was that the Bank of England and its Governor did not act when the credit crunch started and we had the Northern Rock crisis. Unlike Bernanke and the Fed, and even unlike US Treasury Secretary Paulson, there was no sign in this country that anyone thought it worth getting the interested parties together for the sort of beer-and-sandwiches meeting that happened under Harold Wilson. At those meetings, heads were knocked together and people were told that they could not leave until a solution had been found. We did not do that with Northern Rock, and we have regretted that. I think that, in the interim, the working party should be reconstituted, and that its members should kick around possible solutions to a crisis that I hope the Minister realises is very serious.

DEFERRED DIVISION

Mr. Deputy Speaker (Sir Michael Lord): I have now to announce the result of a Division deferred on the motion relating to banking.

The Ayes were 124, the Noes were 322 so the motion was disagreed to.

[The Division List is published at the end of today's debates.]

Repossessions and the Housing Market

Question again proposed.

3.10 pm

Sir George Young (North-West Hampshire) (Con): It is a pleasure to follow the hon. Member for Leeds, East (Mr. Mudie), who is a formidable and knowledgeable member of the Treasury Committee. Unlike him, however, I will need no prompting about when to sit down, as I propose to make a relatively short contribution. The best bit of his speech was when he described the pressures facing an ordinary family: already hit by rising fuel and food costs, such a family could now be forced to come off a fixed-rate mortgage in favour of a more expensive standard rate loan. That simply adds to the problems confronting them and in some cases could lead, sadly, to repossession.

I want to focus my remarks on the second and third legs of the debate title—repossessions and the housing market. We have heard about the impact of the banking crisis on the housing market, and there have been some powerful speeches about those who face repossession and those who cannot afford to make their mortgage payments. I want to focus on some of the less obvious casualties in the housing market, namely those who look to the social housing sector for a solution to their housing difficulties. They are also tied up in this crisis and, paradoxically, their numbers will be swollen by those who find that they are repossessed and those for whom home ownership is no longer a practical possibility.

There has been a fundamental change over the past 25 years in how we fund social housing. If we had had this debate in the early 1980s, the trends that we have been talking about this afternoon would have had no impact at all on social housing, because the Government used to give local authorities powers to borrow, and they built local authority homes. Alternatively, the Government gave grants to housing associations that went on to build housing association properties. So in those days the social housing market was insulated against the broader trends that we have discussed this afternoon; the liquidity problems in the banking sector would have had no resonance in the social housing sector.

That has all changed today, for two principal reasons. First, housing associations now have to borrow significant sums from the banks. Secondly, social housing is now a by-product of market housing. Some 48 per cent. of the Housing Corporation's programme of affordable homes is being delivered through section 106 of the Town and Country Planning Act 1990, on the back of market-led housing. As a result, it is dependent to some extent on a buoyant housing market.

Let me deal with that point first. On a typical new-build site, where a private developer is building market homes, 25 or 30 per cent. of them have to be affordable. That form of provision has many advantages: it provides mixed developments rather than the polarised ones that we had in the 1960s and 1970s, and it also saves the taxpayer a lot of money because the cost of providing social housing is, in effect, borne by the land owner, who makes slightly less of a windfall gain. Using the planning system to generate affordable homes is an enlightened policy—introduced, by the way, by the previous Conservative Government—that has enabled many people to access decent homes far more quickly than under the old system.

However, that use of the planning system also has a downside. Far from being insulated against the broader housing market, social housing is now, crucially, dependent on it. My concern is that the softening of the broader housing market will mean that the target of 3 million new homes, and the social housing component of that target, will not be achieved. If one looks at the annual reports and the share prices of the country's major house builders, and at the comments of the Council of Mortgage Lenders, one finds that the outlook for housing is not good. That means that the outlook for social housing is not good either.

That brings me to the second factor: the reliance by housing associations on private finance to top up the Government grants that they get to deliver the housing programme. The National Housing Federation—the housing associations' trade body—is aware of the considerable challenges faced by housing associations in the current financial climate. Between now and 2011, housing associations will have to borrow £16 billion of private finance to provide 155,000 new affordable homes, on top of the £8 billion of grant. I do not want to be over-dramatic about that, as housing associations are well run, regulated bodies that remain attractive prospects for lenders who want to retreat to quality investment. While there is no sign of lending supply drying up, some lenders are withdrawing from the housing association market and the cost of borrowing is rising.

As a result of the credit crunch there is more competition for finance. Lenders report that they are becoming much more selective, and it is inevitable that individual housing associations—especially those with less attractive risk profiles—will find it difficult to raise the money to sustain the build programme. The Council of Mortgage Lenders has warned the Housing Corporation not to push associations to build "at all costs" amid growing uncertainty in financial markets. Andrew Heywood, deputy head of policy at the CML, has said that, in the short to medium term, there is "no certainty" about the lending capacity of the banks. He added:

> "In this situation it would be important for the Housing Corporation to remember its fundamental role as an independent regulator primarily concerned with the viability of housing associations, rather than with attainment of external development targets at all costs."

In response, the Housing Corporation said:

> "We are keeping the position of individual associations under close review to ensure that services to existing tenants are not put at risk from development activity."

Several housing associations have been told by lenders, after deals were agreed in broad outline, that the price of the borrowing would go up. Signs that the property market has peaked will make it more difficult for those housing associations that top up their building programme by selling houses to maintain momentum.

This morning, I contacted one of the larger housing associations in my constituency to get a report from the front on how those broader problems are having an impact. I was told that all the funders were being very cautious, with some having stopped lending while others were looking at selling on their mortgage books, or were putting up margins by varying degrees. As a

[Sir George Young]

result, the biggest problem would be for housing associations that would be looking to raise more money because their facilities needed reviewing or increasing. The conclusion reached by the housing association that I contacted was that, if the crisis goes on much longer, it will start to impact on the sector's ability to purchase sites and property from the private sector.

My point is that it is not just the private housing sector that is affected. The social housing sector is also affected. If the Government want to hit their 3 million target, they may have to act to maintain their social housing programme. They do not have much headroom on the public finance side, and we have not yet reached the stage where dramatic action is needed, but it would be prudent for Housing Ministers and the Treasury to have some contingency measures up their sleeves. Such measures may be needed to maintain the momentum in the housing programme and if we are to hit the housing target, which I am sure we all want to happen.

3.18 pm

Lembit Öpik (Montgomeryshire) (LD): I was very interested in the earlier contribution from the Minister. I like her; she did a good job in Northern Ireland as I guided her towards securing peace there. That is no more of a claim to power than what has been foisted on us from both sides of the House this afternoon, but all the negativity that the right hon. Lady showed makes it clear that she seems to have a real downer in the Liberal Democrats.

The Minister has nothing to fear from the contributions made by me and others this afternoon, as we are trying to offer insights and, I hope, some sage counsel. Any self-respecting Government should take such offerings seriously, regardless of their source. Getting help and support from us is nothing to be embarrassed about, and it should not be shunned. Indeed, the Minister should be proud that we are offering the advice for nothing. If she were to meet Liberal Democrats socially, I am confident that she would quite like us. The crucial point is that the observations made by my hon. Friend the Member for Twickenham (Dr. Cable) are right, regardless of party position, because they are based on the facts of the current economic situation.

The hon. Member for Newcastle upon Tyne, Central (Jim Cousins), who had to go to another event, to some extent underlined the power that we Liberal Democrats have by suggesting that my hon. Friend the Member for Twickenham was single-handedly responsible for the collapse and withdrawal of the Together mortgage scheme. That is power indeed. Perhaps most interesting of all was the way in which the Minister, who sadly is not in the Chamber at the moment, likened my hon. Friend the Member for Twickenham to Private Frazer in "Dad's Army". She suggested that he was effectively saying, "We're all doomed". To take up that analogy, she surely takes on the role of Corporal Jones by suggesting that we should not panic.

I cannot resist suggesting that the hon. Member for Fareham (Mr. Hoban) has taken on a Vicky Pollard role, as his party's position this afternoon is "Yeah, but no, but yeah"; I still have not got a clue whether the Conservatives will vote with the Liberal Democrats or support the Labour party. That is a bit of intrigue and excitement to look forward to. On the subject of the Conservative position, I must correct something that he said about my choice of leadership candidate. He is right that I had a bit of a bad run of supporting unsuccessful leadership candidates, but my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg) is so good that I backed him and he still won. *[Interruption.]* I am willing to give way the hon. Member for West Chelmsford (Mr. Burns); I did not hear what he said from a sedentary position, but I am sure that it was very entertaining. Perhaps he should quit while he is ahead on that one.

The hon. Member for Fareham went on to claim that my words are so powerful that the very utterance of the phrase "brink of repossession catastrophe" will cause such a catastrophe to happen. If that is the case, I must be more cautious about my predictions that we will be hit by an asteroid. In practice, the prediction is not the same as the event. The purpose of the Liberal Democrats calling for today's debate was to try to avert a repossession catastrophe by trying to get the Government to take a cross-party attitude, rather than a partisan bunker mentality, towards a problem that is obviously coming our way. Perhaps that was optimistic of us, in light of some of the comments made today.

I was interested in hearing what the Conservative position was, but I do not mean this in a rude way; it is just an observation it seems that the Conservatives have a series of bits-and-pieces ideas, but no clear philosophical narrative to their housing and economic policies. That is the case in other policy areas, too. They can tell us what they do not like, but I have no idea what economic policy on repossessions in the housing market would be if the Conservatives were in charge. Perhaps we will hear that narrative in the speech of the hon. Member for Fareham, which will immediately follow mine, but I fear that we have not heard that narrative because there is not one. I shall reserve judgment until we hear what the hon. Gentleman says in about 10 minutes' time.

The hon. Member for Leeds, East (Mr. Mudie) spoke in an erudite, insightful way, as ever. He berated us for talking about the risk of recession, but what kind of debate will this be if we are censored, and prevented from discussing the real and present danger of a recession in this country? I have some disturbing statistics from my constituency. Between 2006 and 2007, average wages in my constituency went down, for the first time in years, by 4 per cent. That is not even a real-terms decrease; it is an absolute decline. The constituency of Montgomeryshire is therefore already displaying signs of recession. We ignore such statistics at our peril. If we take the mature attitude that my hon. Friend the Member for Twickenham has consistently taken in debates on the economy, we will collectively consider the issues and move forward.

Repossessions are rife and are on the up. They, among other leading indicators that we discussed, are harbingers of the doom that we were accused of spreading. Each of us has specific examples from our constituencies, where repossessions and problems with finding housing are arising all the time.

Julia Goldsworthy: I have two examples from my constituency that may inform my hon. Friend's further comments. First, the local citizens advice branch

informs me that it is concerned about the number of people who turn up in court for repossession hearings having not sought any advice at all. Does that not underline how important it is that advice is made available when people first experience difficulties? Secondly, it is not just mortgage lenders who are serving repossession notices. Some councils are now serving repossession orders for arrears of council tax. That is of great concern. There are pressures from all sides putting people's homes under threat.

Lembit Öpik: My hon. Friend illustrates the precise problem. This is not a theoretical debate about what might happen, but a practical debate about what is happening. When councils act in the way that she describes, and when individuals face the desolation of homelessness, we have to take ideas seriously. I ask the Exchequer Secretary to the Treasury to offer us a crumb of hope when she sums up, by saying that the Government will consider the points made by my hon. Friends the Members for Twickenham and for Falmouth and Camborne (Julia Goldsworthy), and by me. I hope that the Government will be willing to work on those ideas on a cross-party basis.

It is implicitly accepted—I shall now say it explicitly—that the problem is not necessarily that loans were given in an inappropriate way in the past. The debt crisis arose because loans were given at a time when the economic circumstances were more stable and promising. Now that we find ourselves in a more precarious position, some loans that previously looked reliable look rather less reliable. The Government cannot be blamed for all the changes in economic circumstances, but they are responsible for responding now, at an early stage, when we can still prevent repossessions—the number of which is relatively small, given the total number of householders—from becoming a big macro-economic problem due to the decelerator effect that a change in fortunes often heralds.

About £7.5 trillion-worth of real estate is in the British public's possession, but the fact that debt is coming up to £1.4 trillion is a concern, due to the sheer size of the debt and the difficulty in managing it. The British people now pay £1 million of debt interest every nine minutes. That is one reason interest rates are so important, and have such a powerful effect on the general fortunes of our country. So what can we do about it? My hon. Friend the Member for Twickenham—or, as I like to call him, the next Chancellor of the Exchequer—has put forward a cohesive strategic package that we look forward to implementing, but the country cannot afford to wait two years for that. The Minister is perfectly welcome to plagiarise our ideas; what we are talking about is a strategic narrative, to use that word again, that brings us out of the danger of massive numbers of repossessions being made, with the knock-on effect that that would have on recession.

The right hon. Member for North-West Hampshire (Sir George Young) made a very good point about house building and changing circumstances. We can consider other tools in addition to house building, such as shared ownership schemes, modular construction—that can bring down the cost of high-quality housing—restoration and the release of about 1 million homes that are lying vacant for various reasons that include financial or planning restrictions. That would immediately increase supply and deal with fixed demand, which is hard to alter.

So we have a basket of opportunities before us, which we can implement; not all of them cost a great deal of money, and some require only creativity, but it is important that we do that now, because we will not alter the demand for housing. We can alter the supply and therefore take some heat and pressure out of the system, reducing the risk of a crash as the market readjusts.

I would say in parenthesis—this is not directly related to what we are discussing today—that I hope that the Government revisit their home information pack policy. The HIP scheme does not seem to be delivering anything particularly useful to householders and, in the words of my hon. Friend the Member for Taunton (Mr. Browne), it is time for a HIP replacement. I hope we get that sometime soon. The evidence that we have seen from the Government's own surveys shows little faith in the HIP process among purchasers and, indeed, vendors of houses.

Julia Goldsworthy: Does my hon. Friend agree that the Government should be a little more open-minded on the success of some of their other schemes, which are aimed at helping first-time buyers into the market? We see from the figures that uptake of the first-time buyers initiative has been very low. Just last week, I received an e-mail from a constituent who has been trying to take part in the home-to-own programme for more than three years. It concludes:

"For a company and scheme that is supposed to be designed for young working couples or first time buyers, they are not giving us a chance. I also think 3 years to be on a waiting list is ridiculous. It's not as if we are waiting for council accommodation".

Do not the Government need to accept the failings of their own schemes?

Lembit Öpik: Individuals such as the one my hon. Friend quotes are not politicians; they are real people who are looking for real solutions. To that extent, I hope that the Government accept the circumstantial and anecdotal evidence, which adds up to clear mood music that this country is experiencing frustrations with some of the laudable proposals made by the Government. I understand that, so far, only 700 individuals have been assisted by the £100 million first-time buyers scheme, so while some of those schemes have potential, they are not realising it yet.

I thank my hon. Friend the Member for Taunton for his HIP replacement joke, which I shall not use again, and conclude with these thoughts. Liberal Democrats, like members of any party, like to compete with the Government and spar for advantage. It is perfectly legitimate for us to make party political points. Indeed, I was quite impressed with the Minister when I saw that normally mild mannered and gentle lady turn into a ferocious tiger at the merest scent of a Liberal Democrat "Focus" deliverer. But this issue is too important for that. If we get it wrong, we all lose.

Whatever the Minister says here in the Chamber, I hope that the Government are listening privately to the sage and considered advice from my hon. Friend the Member for Twickenham and others on the Liberal Democrat Benches who are more concerned with

[Lembit Öpik]

averting a housing catastrophe than they are with winning short-term points off the Government. The Minister, if she is listening, will accept that we raise those issues with good intentions and in good faith, and we hope that the dialogue can proceed in that way on a cross-party basis.

Ignoring the warnings is the psychology of denial. The path thereof can spell disaster. Accepting the dangers rationally and working together to do something about them may yet avert a repossession catastrophe and prevent some social damage that goes beyond words but which it is in our power to prevent.

3.32 pm

Mr. Jeremy Browne (Taunton) (LD): I am grateful for the opportunity to speak at the conclusion of this important and timely debate. The context of our discussion is a Government who have lost a degree of control and ability to self-analyse with regard to economic policy and who are, as my hon. Friend the Member for Montgomeryshire (Lembit Öpik) has just said, in a state of denial. It was truly bizarre to hear the Financial Secretary to the Treasury at a time of global credit crunch and when the country is on heightened economic alert talking about the good old days when Derek Hatton ran Liverpool city council. Surely even Labour Members must regard that as a truly incredible reaction to the circumstances that we face.

It is worth going through in turn the bald statistics on the current state of the British economy. Personal debt stands at £1.4 trillion. House prices are more than nine times average earnings, compared with five times at the start of the last housing crash back in 1990. As my hon. Friend the Member for Twickenham (Dr Cable) said, house prices have fallen for five consecutive months. Real inflation for real people is far in excess of the official Government figure.

It is also worth pausing to consider the tale of the two Opposition parties and two very different approaches to a state of national alert. One tale is that of the Conservative party, whose future policies are as embarrassing as its past failures. Furthermore, it is worth looking back to the grim statistics – the record of the Conservative party in government – in case we forget quite how catastrophic its stewardship was of the British economy.

Between 1990 and 1997, 420,000 families had their homes repossessed. Between 1990 and 1995, house prices fell by 14.5 per cent., on average. Average interest rates when the Conservatives were last in office were around 11 per cent. and at one point reached 15 per cent. The average rate of inflation when the Conservatives were in power was 5.8 per cent. That is a truly embarrassing and appalling record and I am not surprised that they do not wish to dwell on it.

What about the Conservative party today? Its position, as I understand it, was summarised by the leader of the party, the right hon. Member for Witney (Mr. Cameron), in his Budget response on 12 March, when he said that

"in the years of plenty, Labour Governments put nothing aside. They did not fix the roof when the sun was shining. . . in good years you put aside money for the bad years". [*Official Report*, 12 March 2008; Vol. 473, c. 300-301.]

That point was made by the hon. Member for Fareham (Mr. Hoban) but it is not what the Conservative party was saying during those so-called good years, seven or eight years ago.

When he was the shadow Chancellor, Michael Portillo, speaking at a Conservative conference on 3 October 2000, argued for more funding and tax cuts. This is what he told the conference in the good years:

"We will cut taxes on business, so that they can compete and create prosperity and jobs. We will reform Labour's taxes on entrepreneurs and on inward investment. . . We will help pensioners and hard-working families. We will restore a married couple's allowance. We will cut the duty on fuel. That gives you a flavour of my budgets".

That fiscal incontinence was not a one-off. At a repeat event, Michael Portillo as shadow Chancellor speaking at the next Conservative conference on 1 March 2001 – again, in the good years that we hear so much about from the Conservative Front-Bench team – said:

"Analysts believe the Chancellor has about £5 billion more than he thought. It is perfectly possible to cut the fuel tax this year without any impact on government spending or public services. Everyone knows that Gordon Brown has a war chest."

In other words, he wanted lower taxes and higher spending.

The truth is that the Conservatives now have just two economic policies. The first, policy is to criticise the Labour party for taxing and spending too much. The second policy is to tax and spend exactly the same as the Labour party is suggesting. The Conservative shadow Chancellor told "BBC Breakfast" news on 3 September 2007:

"The Conservatives will spend the same as Labour – if there is a Conservative government there will be real increases in spending."

I urge the House not to believe too readily the Conservative analysis and their changing tale about the economic circumstances in this country.

The Conservative shadow Chancellor started his time in office back in 2005 by making a trip to Estonia to see how he could introduce a flat-rate tax in Britain. He is now instructing his shadow Chief Secretary not to bring forward any proposals for Conservative tax cuts until 2015. It is no wonder that on 15 February the online version of *The Spectator*, a journal generally sympathetic to the Conservative party, commented:

"The Conservative leadership attacks Gordon Brown for being a ditherer and ordering endless reviews to put off making decisions. But the Tories are not averse to such delaying tactics themselves. The Conservatives' policy on taxation in recent years feels like one colossal dither".

I agree with that assessment. The shadow Chancellor and the Conservative party have no policies on the credit crunch, Northern Rock or tax.

The other Opposition party, the Liberal Democrats, by contrast, have led the debate. My hon. Friend the Member for Twickenham is too modest to say so himself, so I will quote on his behalf what he told the House on 13 November 2003—almost five years ago, before I was elected. It is worth Members listening to this. My hon. Friend said:

"On the housing market, is not the brutal truth that with investment, exports and manufacturing output stagnating or falling, the growth of the British economy is sustained by

consumer spending pinned against record levels of personal debt, which is secured, if at all, against house prices that the Bank of England describes as well above equilibrium level?"

It is amazing that someone could have made that speech in the House five years ago and that the Government paid so little heed to it. In response to my hon. Friend, the then Chancellor, now Prime Minister, said:

"The hon. Gentleman has been writing articles in the newspapers, as reflected in his contribution, that spread alarm, without substance, about the state of the British economy." [*Official Report*, 13 November 2003; Vol. 413, c. 398.]

No wonder the Prime Minister has acquired a reputation for complacency and dithering.

In an interview in *The Independent* on Monday this week, the right hon. Member for Norwich, South (Mr. Clarke), the former Home Secretary, was asked:

"What has been Gordon Brown's biggest mistake since taking over as Prime Minister?"

The right hon. Gentleman's answer was:

"Allowing a sense of indecision to develop".

For understatement, that almost matches the first line of the recent annual report from our most high-profile financial institution:

"2007 was a difficult and challenging year for Northern Rock".

Members who are in government at the moment are equally critical. The Under-Secretary of State for Health, the hon. Member for Bury, South (Mr. Lewis), quoted in *Progress*, described the attitude of the British public. He said:

"at a time of growing insecurity their anger"

that is, the British public's anger—

"is ignited when they feel the government is losing touch with what fairness means to the mainstream majority who work hard, play by the rules and are feeling squeezed by rising utility bills, the cost of petrol and rising council tax."

According to *The Mail on Sunday*, the solution to that problem has been identified at No. 10: the Prime Minister is to try a new speechwriter. The newspaper ran an article in which an insider at No. 10 is quoted at length, saying that the Prime Minister's

" 'cluttered' way of delivering the Government's messages, the lack of 'personality' in his speeches and the 'stilted language that he tends to use' "

were among the problems stopping the Government getting over their apparently entirely positive record. The helpful, loyal source went on to say that what was needed were a "few good jokes". We have been listening to Labour Members this afternoon and when it comes to a few good jokes, they were pretty good—although not in the way they meant to be.

Indeed, the Financial Secretary came up with this solution to the current problems in the housing market: better primary school education so that people can do their sums. As the average first-time buyer buys a house in their mid-30s, that sounds an excellent way of starting to address housing problems 30 years from now. However, it may not be an immediate solution.

The hon. Member for Newcastle upon Tyne, Central (Jim Cousins) appeared to blame all the country's economic woes on the speeches of my hon. Friend the Member for Twickenham. If it is that simple to stop the Government's economic problems, I am sure that, as an act of charity, my hon. Friend will make fewer speeches.

Julia Goldsworthy: My hon. Friend has been speaking, ironically, about the success of the child trust fund—

Mr. Hoban: No he hasn't.

Julia Goldsworthy: He talked about the long-term potential of the child trust fund.

Mr. David Gauke (South-West Hertfordshire) (Con): No he didn't.

Julia Goldsworthy: He did mention it. Although I can imagine the Secretary of State for Children, Schools and Families in his school playground aged seven discussing the rise and fall of the value of his trust fund, does my hon. Friend agree that the funds are not likely to have such an effect on the vast majority of primary school children?

Mr. Browne: I agree with that excellent intervention. I regret that Members of the Labour and Conservative parties do not recognise its importance. The salient point is surely this: it is woeful for a Minister to say that the Government are putting in place measures to deal with today's housing problem and, when asked what they are, to reply, "We have a programme for better education in primary schools so that the children can add up better when they take out a mortgage in future." Can the Government do no better than that? It is no wonder the Blairite spin doctor Phil Collins, whom No. 10 begged to rescue its drifting ship of state, is reported to have said:

"Brown doesn't need a speechwriter. He needs a magician."

The Prime Minister certainly needs the hard-headed, practical policies that address the current malaise and were outlined and proposed by my hon. Friend the Member for Twickenham at the start of this debate. I will dwell on three key points that he made.

First, we must stop mass repossessions and fire sales of property. Before repossessions, banks must have offered free financial advice and explored all other alternatives, such as renegotiating the terms of the loan and offering shared-equity schemes. Secondly, we must change the Monetary Policy Committee's mandate so that house prices are taken into account when setting interest rates, which would be more flexible and responsive and enable the Bank to damp down housing booms. Thirdly, we must have better regulation. We need to come to terms with the fact that the Financial Services Authority has been found wanting and that banking regulation should include active, counter-cyclical management of bank reserves to prevent future cycles of excessive lending and contraction. Those are positive and responsible suggestions.

Instead, we have a Government with their head in the sand. The disaster at Heathrow airport provides a perfect metaphor for this Administration—huge budgets, inflated expectations, management incompetence, communications ineptitude, public anger and a state of total denial. This is a terminal 5 Government who are in terminal decline.

3.45 pm

The Exchequer Secretary to the Treasury (Angela Eagle): The Liberal Democrat motion has been much commented on, possibly because it reads like the

[Angela Eagle]

storyboard for "Apocalypse Now", or perhaps even "Bleak House". According to the motion, we are facing an

"extreme bubble in the housing market"

and the "risk of recession", and we must

"act to prevent mass home repossessions".

Presumably that is why the hon. Member for Taunton (Mr. Browne) got through his entire speech without mentioning any of those things until the last minute—they obviously keep him up late at night.

Fortunately for all of us, however, that colourful and lurid fiction has no real bearing on the macro-economic reality. In difficult economic times—here I find myself in agreement with the hon. Member for Fareham (Mr. Hoban)—*[Interruption.]*—at least in part; I do not want to get him into trouble. In difficult economic times, it generally pays to remain calm and to apply a cool, analytical mind to the situation. Hysterical over-reaction, as this motion demonstrates, might attract a few cheap headlines and some doom-laden Lib Dem press releases, and it might even frighten a few voters ahead of local elections, but it is not mature or responsible, as my hon. Friend the Member for Leeds, East (Mr. Mudie) took some time to point out.

Now that we have had "Apocalypse Now" and "Bleak House", I am going to talk about "An Inconvenient Truth", which is that the economy is strong and stable. That underpins our whole response to the Liberal Democrat motion.

Lembit Öpik: If the Minister is telling us that the economy is in good shape, what message does she have for the people of Powys and Monmouthshire, whose average income fell by 4 per cent. in absolute terms between 2006 and 2007? Is that not a clear indication that the concerns raised by my hon. Friend the Member for Twickenham (Dr. Cable), myself and others are not theoretical but practical, as they are affecting my constituents now?

Angela Eagle: We are not complacent about the situation that we face, but we do nobody any good by being hysterical about it and talking down the prospects. When there are difficult times, economic or otherwise, it pays to remain calm, cool and analytical; it does not pay to scaremonger and run around talking about housing bubbles and, in the hon. Gentleman's phrase, repossession catastrophes. I would caution him on his use of language.

Lib Dem Members tried to suggest that Britain's economy is in a similar position to the early 1990s, but that simply is not the case. The truth is that the macro-economic position is much healthier than it was in the early 1990s. Britain's economy is strong and stable. We have had over 15 years of growth, according to Treasury and independent forecasts and, as my right hon. Friend the Financial Secretary pointed out, Britain is forecast to be the joint fastest growing economy in the G7 this year having achieved the fastest growth in the G7 economies last year. We have seen the highest rise in income per head of any G7 economy since 1997. That does not mean that we are complacent about the issues that face us, or about the financial turbulence happening around us at the moment. We are, however, in a better position to get through the turbulence that we see ahead than many other economies.

Inflation in the UK is lower than it is in the euro area or in the United States, interest rates remain relatively low, and there are more people in work than ever before. That is an important aspect of our resilience; we have to ensure that we do our best to keep the economy growing, albeit at a slower rate, during the current situation, so that we can bounce back to better levels of growth faster. Instead of being the first in and last out of any recession, which always used to be the UK's fate, the changes that we have made to the way in which the economy is run have demonstrated that we can be more resilient and recover quickly.

In the early 1990s, unemployment topped 10 per cent. Liberal Democrat Members are attempting to persuade us in their motion, and in some of their contributions, that we have somehow returned to that period. In fact, the hon. Member for Twickenham (Dr. Cable) said that we are in a worse position now than we were in the 1990s. Potentially, we are always in a worse position, just as, potentially, we are always in a better position. Tomorrow may come, and it probably will. We can forecast that that might happen. In the early 1990s, unemployment topped 10 per cent., inflation hit nearly 11 per cent. and interest rates rose to nearly 15 per cent. In comparison, unemployment is now at 5.2 per cent., inflation is at 2.5 per cent. and interest rates are at 5.2 per cent.

Mr. Siôn Simon (Birmingham, Erdington) (Lab): For the benefit of those of us who struggle with sums and things, I wonder whether the Exchequer Secretary would be kind enough to couch what she is saying in the language of the motion that we have been subjected to by the hyperbolic Liberals—perhaps she could do so in terms of bubble size. It is alarming me to discover that people as esteemed as the Liberals think that we are in the grip of an "extreme bubble". If we are in an "extreme bubble" now, could she tell us what sort of bubble we were in during the early 1990s when people's homes really were being repossessed by the hundreds of thousands?

Angela Eagle: With respect to bubbles, I am not sure whether size matters or not. How large is the bubble? How long is a piece of string? It is difficult to know. The important part of coming out of a housing bubble, or the unwinding of any economic situation, is whether it is done chaotically or with stability. Because our economic fundamentals are right, we can look forward with reasonable expectation to getting out of this situation. The housing situation will be unwound in a relatively calm and orderly way, which is what people need to know.

If chaotic unwinding happens, we will be in a 1990s-style situation. If we had mass unemployment, the situation would be a lot more fragile than it is now. It does not do the Liberal Democrats any good to hope that tabling a hysterical motion, upsetting people and scaremongering will help them in the local elections. That is not mature or responsible, as my hon. Friend the Member for Leeds, East pointed out. Britain is in a far better position today than it was in the 1990s.

Chris Huhne: Will the Exchequer Secretary give way?

Angela Eagle: I am happy to give way to the hon. Gentleman. I would have been even happier to do so if he had had the courtesy to stay for the whole debate.

Chris Huhne: Given that circumstance, I am especially delighted that the Exchequer Secretary is giving way. Can she name previous occasions on which the house price to earnings ratio has been as high as it is today—there have been four in the past 30 years—when the position has unwound in a stable and orderly manner?

Angela Eagle: The answer is to ensure that supply matches demand more carefully. There have been increases in house formation and a need, as the Government announced and for which they provided finance, to build more houses. That will assist the ratio.

I do not accept the Liberal Democrats' comparison of today's economy with the 1990s. They can talk our economy down as much as they like—they have been at it today—but it is forecast to grow this year, next year and in future. That is an inconvenient truth, but we should put it on the record.

The second main charge is that personal debt is too high. It is true that it has risen, but so have total household assets, against which the debt is secured. They stand at £7.5 trillion. Household balances remain strong and net household wealth has increased by 72 per cent. in real terms since 1997.

Of course, consumers need to be able to make the right financial decisions when they take out debt, be it in mortgages or in other forms. The Government are helping with that through our work on financial capability. With the Financial Services Authority, we have agreed to provide £12 million to run a pathfinder project in the next two years, following Otto Thoresen's recommendations on financial capability. That will test the best ways in which to ensure that everyone in the country can get free, impartial and high-quality advice on their money when they need it. Advice is also available for people who get into difficulty, and our financial inclusion fund is helping to ensure that that is available to those who need it.

Let me deal with the Liberal Democrats' third point on the housing market and repossessions. It is hard to take Liberal Democrat forecasts on the housing market seriously since they have been predicting a crash for most of the past 10 years. Regardless of the objective conditions in the economy, they trade on gloom and fear and predict a collapse. They were at it again today. I suppose they think that, if they keep saying it for long enough, one of these days it might turn out to be true, a little like the stopped clock, which tends to be right twice a day.

What do the facts tell us? The Liberal Democrats drew comparisons with the 1990s, but they are easily dismissed. House price inflation is declining relatively gradually and house prices are still higher than they were a year ago. Our expectation, as set out in the Budget, is for sluggish or flat house price growth this year. The Liberal Democrats do no one favours by scaremongering about 25 per cent. falls.

There were high numbers of repossessions in the early 1990s, but the picture is different today. Last year, despite 2 million extra mortgages and 1.8 million more home owners, there were less than half as many repossessions as in 1991 or 1992. The Liberal Democrats were at it again on the Treasury Committee, when they questioned Bank of England chief economist, Charlie Bean, about the so-called housing crash. He told the Committee last Wednesday that repossessions are still at low levels and that special measures were simply not called for at this juncture. The Government would be ready to consider special measures if, objectively, they were required. Currently, they are not.

The hon. Member for Taunton said that the Conservative party did not have any policies. He was being a bit cruel; they have a couple of policies and I want to spend a little time on mortgage regulation. The Conservatives issued a document not long ago called, "Freeing Britain to Compete: Equipping the UK for Globalisation". The right hon. Member for Wokingham (Mr. Redwood) was in charge of the document, which I shall quote. He said:

> "We see no need to continue to regulate the provision of mortgage finance, as it is the lending institutions rather than the client taking the risk."

Tory party policy only a couple of months ago was to deregulate mortgage finance provision to prepare us for globalisation. I cannot think of a more ridiculous, pathetic and dangerous policy than the one that the Conservatives developed and were trumpeting, until the beginning of the credit crunch taught them that perhaps regulation of mortgages is a good thing.

Britain's economy is in a far stronger position than it was. Personal debt is far lower than the amount of household assets and support is in place for those who get into difficulty. The signs are that house price inflation is declining relatively gradually and the number of repossessions is small. That does not mean that we are complacent. We will be keeping a close eye on how things go and will stand ready to act if the situation should deteriorate.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 71, Noes 299.

Division No. 140] **[4 pm**

AYES

Alexander, Danny	Harris, Dr. Evan
Baker, Norman	Harvey, Nick
Barrett, John	Heath, Mr. David
Beith, rh Mr. Alan	Hermon, Lady
Bottomley, Peter	Hogg, rh Mr. Douglas
Brake, Tom	Holmes, Paul
Brooke, Annette	Horwood, Martin
Browne, Mr. Jeremy	Hosie, Stewart
Burstow, Mr. Paul	Howarth, David
Burt, Lorely	Hughes, Simon
Cable, Dr. Vincent	Huhne, Chris
Campbell, Mr. Gregory	Hunter, Mark
Campbell, rh Sir Menzies	Keetch, Mr. Paul
Carmichael, Mr. Alistair	Key, Robert
Clegg, rh Mr. Nick	Kramer, Susan
Davey, Mr. Edward	Lamb, Norman
Dodds, Mr. Nigel	Laws, Mr. David
Farron, Tim	Leech, Mr. John
Featherstone, Lynne	Llwyd, Mr. Elfyn
Foster, Mr. Don	MacNeil, Mr. Angus
Gidley, Sandra	Moore, Mr. Michael
Goldsworthy, Julia	Mulholland, Greg

Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Ruane, Chris
Ruddock, Joan
Russell, Christine
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Taylor, Dr. Richard
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Mr. Frank Roy and Tony Cunningham

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Bacon, Mr. Richard
Baker, Norman
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Cable, Dr. Vincent
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Herbert, Nick
Hermon, Lady
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Jack, rh Mr. Michael
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mulholland, Greg
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Öpik, Lembit
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rogerson, Dan
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John

Willetts, Mr. David	Winterton, Ann
Williams, Hywel	Winterton, Sir Nicholas
Williams, Mark	Wishart, Pete
Williams, Mr. Roger	Wright, Jeremy
Williams, Stephen	Yeo, Mr. Tim
Willis, Mr. Phil	Young, rh Sir George
Willott, Jenny	
Wilshire, Mr. David	**Tellers for the Noes:**
Wilson, Mr. Rob	**Mr. Crispin Blunt and**
Wilson, Sammy	**Mr. Richard Benyon**

Question accordingly agreed to.

MR SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House acknowledges the resilience of the United Kingdom economy, which grew faster than any other major economy in 2007 and in which employment is at record levels; notes that the record of economic stability since 1997 has laid the foundation for rising home ownership, with the number of owner-occupier households rising by 1.8 million since 1997; further notes that household finances remain strong, with household assets worth over £7.5 trillion, more than five times the level of personal debt; believes that the United Kingdom is well placed to respond to the challenges arising from the continuing international financial turbulence; applauds the Government for managing the public finances within its fiscal rules; recognises that the Bank of England Monetary Policy Committee has cut interest rates twice in recent months; further acknowledges that mortgage interest rates are currently around half the level of those reached in the early 1990s and that the proportion of repossessions is less than one third of the rate in the peak year of 1991; welcomes the Council of Mortgage Lenders' recent statement, which sets out the steps that the industry is taking to support borrowers facing repossession, including working with debt advisers, pro-actively identifying at-risk borrowers and only repossessing as a last resort; and supports the Government's initiatives to assist home ownership, including new measures to encourage long term fixed rate borrowing and new forms of shared equity.

Heathrow

Mr. Deputy Speaker (Sir Michael Lord): I must advise the House that Mr. Speaker has selected the amendment standing in the name of the Prime Minister, and that there is an eight-minute limit on Back-Bench speeches in this debate.

4.28 pm

Norman Baker (Lewes) (LD): I beg to move,

That this House recognises the urgent need to curb carbon dioxide emissions to tackle climate change; condemns the Government for following policies that will instead lead to significant growth in emissions from the aviation sector; particularly condemns plans to allow a third runway at Heathrow; believes that the consultation paper Adding Capacity at Heathrow Airport was deeply flawed and is concerned at the undue influence BAA played in the drafting of the paper; notes that the paper significantly overstated the economic case for a third runway while greatly underplaying the serious environmental consequences, including, as well as the extra emissions from flights, the increase in intensity and distribution of noise for those living under the flight path through runway alternation and the threat of forced relocation for the inhabitants of Sipson village; and calls on the Government to withdraw permanently plans for a third runway at Heathrow; to keep the present cap of 480,000 flights per year as opposed to the 700,000 envisaged in the consultation document, to rule out any further increase in airport capacity in the South East, and to indicate to the aviation sector that it will have to live within its existing infrastructure capacity.

We are starting the debate marginally later than I thought we would. I can conclude only that the Conservatives have some reason for delaying its start—perhaps they do not want to talk about their chaotic policy on Heathrow and aviation. I note that an eight-minute limit on speeches applies, so it was rather unfair to take 15 minutes away with an unnecessary Division.

The Government's policy on aviation is described in their amendment to the motion as a

"balanced and sustainable aviation strategy".

I wonder whether the person who wrote that had any shame—I do not know whether it was written by a Minister, a Whip or an official in the Department for Transport—whether the Government are past that stage or, indeed, whether, as with much of the consultation paper, it was in fact written by someone from BAA plc, with glee rather than with shame.

As far as aviation is concerned, it seems that the Government live in a sort of bubble, in which climate change does not exist. The rest of Government policy is designed to drive down carbon emissions, making a 60 or 80 per cent. cut by 2050, but aviation somehow does not come into that picture and has to live on its own. I am interested in the comments made by the hon. Member for Sunderland, South (Mr. Mullin), a former Environment Minister. He said:

"During my 18 undistinguished months as a minister"—

I think he was being ungenerous—

"whose responsibilities included aviation, I learned two things. First, that the demands of the aviation industry are insatiable. Second, that successive Governments have usually given way to them. Although nowadays the industry pays lip service to the notion of sustainability, its demands are essentially unchanged. It wants more of everything—airports, runways, terminals."

That is still the case.

Alan Keen (Feltham and Heston) (Lab/Co-op): I might have been tempted, because of my constituency interest, to vote for the Liberal Democrat motion. Unfortunately, it seems to have got mixed up. Lines nine and 10 refer to

"the increase in intensity and distribution of noise...through runway alternation".

In fact the increase in intensity and distribution of noise for my constituents and those who live in the neighbouring constituencies to the east would be caused by the end of that runway alternation. I am afraid I shall have to vote against the motion.

Norman Baker: Noise will increase because of the ending of runway alternation; that is quite true.

Justine Greening (Putney) (Con): The Lib Dem motion calls for the end of the thing that my constituents value most, which is the half-day respite from aircraft noise that results from runway alternation, which the motion says is a bad thing. Furthermore, the motion does not call on the Government to rule out that problem, although it calls on them to rule out a third runway. That leaves the door open for flights over my constituency all day, every day.

Norman Baker: That is not the intention of the motion, as the hon. Lady knows very well.

Mr. David Wilshire (Spelthorne) (Con): Will the hon. Gentleman give way?

Norman Baker: I have already given way twice; I must make some progress. *[Interruption.]* All right, go on.

Mr. Wilshire: The hon. Gentleman has admitted that one bit of his motion is a load of rubbish. Will he tell us which other bits are a load of rubbish?

Norman Baker: I knew I should not have given way. That intervention is not worth responding to, I am sorry to say.

I quoted the hon. Member for Sunderland, South. It is worth mentioning that in 1995 BAA put in an application for a fifth terminal, as we know, which opened with all the chaos that we saw last week. At the time, it promised that that would not lead to a third runway. Permission was given on that basis. Whenever the aviation industry says, "This is all we want," it always goes further. It always comes back for more. It is never the final line.

BAA is like some kind of fiendish drug addict and the Government are its willing dealer, and they do not even charge a decent price or the market rate. I shall come on to the consultation document in a moment, but there are serious questions about the Government's independence in relation to the aviation industry and whether it is subject to regulatory capture.

Mrs. Claire Curtis-Thomas (Crosby) (Lab): I am rather alarmed by some of the descriptions of BAA. Does the hon. Gentleman acknowledge that BAA's expansion plans for Heathrow are a direct result of its being the largest international airport in the world and the unprecedented demand, which produces a significant number of jobs in the UK and provides us with a robust industry that we want to support?

Norman Baker: I do not agree with all that. For a start, I do not agree that that is a cause. BAA has continually asked for expansion, and the Government have followed the predict-and-provide policy. Of course, if space is provided it fills up. The Government recognise that with roads. They abandoned the idea of predict-and-provide for roads but not for aviation. However, I shall come on to the economic case later.

Mr. John Redwood (Wokingham) (Con): Will the hon. Gentleman give way?

Norman Baker: I must make some progress. I have taken, I think, six—[HON. MEMBERS: "Come on!"] All right.

Mr. Redwood: I am very grateful to the hon. Gentleman for giving way, because this is a debate. Why does the Liberal party believe that if we restrict capacity at Heathrow that will reduce aviation? Those on the continent would be massively grateful. Charles de Gaulle, Schiphol and all the rest would expand their capacity and we might end up with more emissions rather than fewer. Surely the solution to the emissions problem is to press for a new generation of more fuel-efficient and quieter aircraft, which are what we need, rather than trying to hamstring our industry at home.

Norman Baker: I note the unholy alliance between the right hon. Gentleman and Government Front Benchers, who agree on that point. That is part of the problem. Of course we want improvements in aircraft design and want to limit emissions per aircraft if we can do so. However, providing extra capacity generates more flights. That is the point the right hon. Gentleman refuses to accept. The flights generated will partly be short-haul flights, the need for which could be met by long-distance, high-speed rail. The right hon. Gentleman, who does not like railways, refuses to acknowledge that point.

The right hon. Gentleman also refuses to acknowledge the serious impact of climate change, which nobody has so far mentioned. The impact of aviation on climate change is quite clear. It contributes about 6 per cent. of the UK's carbon emissions, compared with 24 per cent. from road traffic, but since 1990 the proportion of carbon emissions from aviation has more than doubled. Emissions from air travel are due to rise by 83 per cent. from 2002 levels by 2020, and could amount to a quarter of the UK's total contribution to climate change by 2038. How does that significant increase in carbon emissions from aviation square with the Government's stated policy of securing a 60 per cent. cut in carbon emissions by 2050? Why is aviation exempt from that target?

Justine Greening: I am slightly perplexed, because the Liberal Democrat motion mentions ruling out any further expansion in the south-east. It therefore seems to suggest that a plane taking off from Manchester somehow emits less CO_2 than one taking off from Gatwick. Is that what the hon. Gentleman is saying, or is it another mistake in the motion?

Norman Baker: The reality is that the motion does not mention flights from Senegal, but that does not mean that we are not interested in flights from Senegal. That was a ridiculous intervention by the hon. Lady.

I shall move on to other aspects of the environmental impact of the proposed third runway.

Mr. Wilshire: Will the hon. Gentleman give way?

Norman Baker: I will not, because I have given way on eight or nine occasions and I am six minutes into the debate.

Let us consider the other impacts of the third runway, apart from the impact on climate change. The Government admit that air pollution at Heathrow will exceed the EU legal limits if a third runway is built. They have had to get BAA to try to massage the figures to find a way of getting round that problem.

There are particular issues in relation to road transport. The Department for Transport estimated in a parliamentary answer I received the other day that a third runway at Heathrow would create an extra 1.2 million journeys on the underground, 2.3 million journeys on heavy rail and 10.2 million journeys by car and taxi. The assumptions made in the "Adding capacity at Heathrow" document—a loaded title if ever I heard one—are simply not credible. It estimates that the public transport annual mode share will increase from 36.2 per cent. in 2004 to 41.7 per cent. in 2030, more than doubling the number of passengers. Where will that capacity on public transport come from? There are no plans to provide it in the Government's expansion plans.

The Secretary of State for Transport (Ruth Kelly): What about Crossrail?

Norman Baker: Crossrail is very welcome, but it will not provide sufficient capacity to enable more than double the current number of passengers to be transported to Heathrow airport. That increase is in addition to the anticipated growth in demand for London underground services, which is estimated to be 50 per cent. by 2020.

The consultation document also states that a third runway would require the provision of rail services to manage 1,600 passengers an hour—two thirds of the current capacity available on the Heathrow Express and Heathrow Connect services. Those calculations are based on actual passenger numbers and do not include a consideration of the additional journeys to be made by people accompanying friends and family to the airport. It is perfectly plain that the Government are making no plans to take properly into account the extra journeys that will be made to the airport, whether by road, underground or heavy rail. There are no plans for investment to meet the predictions of the journeys that will be generated.

Mr. Wilshire: The hon. Gentleman has got some facts wrong, and clearly some of his research has not gone very far, either. Has he not come across the proposal to build a brand new railway, AirTrack, through my constituency, which will go a long way towards solving the problems he is talking about?

Norman Baker: I maintain my point that the more than doubling of the number of people expected to travel by public transport cannot be accommodated by one project.

Susan Kramer (Richmond Park) (LD): Will my hon. Friend confirm that the Government have not committed the funding that would enable AirTrack to be built in such a way that it did not completely close off most suburban commuter services through south-west London, including by bringing down level crossings for 45 minutes of every hour at peak time?

Norman Baker: That point is very relevant, and of course the Conservative party has not committed itself to that project, even if it did have the beneficial effects to which the hon. Member for Spelthorne (Mr. Wilshire) referred.

There is also a problem with air pollution. The 2003 aviation White Paper stated that air quality levels must remain consistently within EU limits coming into effect in 2010. Of course, that would represent an improvement in air quality in residential areas compared with what obtains today.

How is it possible for that target to be met, if the Government are anticipating yet another expansion of Heathrow? It seems to me incredible that the Government can imagine that more flights, runways and terminals will lead to less pollution, lower emissions and fewer environmental problems. However, that almost seems to be what the Government's consultation document claims.

Another problem is the impact on the local area. If plans for a third runway were to go ahead, BAA has estimated that at least 700 homes in the area would have to be demolished, affecting some 1,600 people. In addition, the village of Sipson would disappear off the map by 2020, and many ancient buildings would be destroyed. Residents at Harlington and Harmondsworth would be evicted, and thousands more would be seriously hit by the increase in noise and air pollution. Other villages such as Cranford and Longford would also be affected.

Dr. Nick Palmer (Broxtowe) (Lab): I have some sympathy with some of the hon. Gentleman's points about the aviation industry, but is he aware that the union Unite has said that a cap on the number of flights such as the one proposed in the motion would cause as many as 20,000 jobs to be lost in the local area?

Norman Baker: No, I do not accept that.

Andrew Mackinlay (Thurrock) (Lab): I should like to say something about Unite, of which I am a member. Employers always find the unions that they need when it suits them, and unions always foolishly swallow it. It was always claimed that there would be social and political armageddon in south-west London when duty-free finished, but that was nonsense. By the same token, it is utter rubbish to suggest that there will be employment implications if the Heathrow expansion does not go ahead. Moreover, accepting that proposition on employment for terminal 5 means accepting it for terminals 6, 7, 8 and so on forever. I love the Unite union very much, but that suggestion is complete rubbish.

Norman Baker: I am grateful for that intervention, and for the hon. Gentleman sharing his knowledge on the matter.

I deal now with noise pollution in particular. There is no doubt that the expansion of Heathrow will result in extra noise pollution for local residents. The key figure quoted by the Government is 57 dB, as that is the level at which community annoyance sets in. BAA has estimated that more than 250,000 people now live inside the 57 dB contour. They are therefore affected already, but the proposed expansion will make the problem much worse.

In fact, the problem is even more serious, as the World Health Organisation has challenged the Government's view on noise thresholds. It has argued that 50 dB is the appropriate level for determining annoyance, and that 55 dB constitutes serious annoyance. Therefore, even according to the BAA figures, it is clear that all the people in the immediate area are experiencing serious annoyance, according to the WHO definition.

In November 2007 the Government published a study entitled "Attitudes to Noise from Aviation Sources in England", and Ministers will know that it reinforces the WHO's argument very strongly. Although there are "only" 250,000 residents in Heathrow's 57 dB area, another 2 million people live within the 50 dB area. Adding those figures together gives us the total number of people the WHO believes are being affected by noise pollution at the present time, so what will the total be if the planned expansion goes ahead?

The Government said that they would not go ahead with Heathrow expansion if the number of people living in the 57 dB area increased. How will the Government square having a third runway with that pledge on noise? We have heard nothing about that.

In addition, the new flight path will pass over such places as Heston, Chiswick, north Hammersmith, Kensington and Chelsea, Langley, Slough and Maidenhead. A total of 150,000 people live in those areas, but do the Government believe that they do not count?

On top of all that, Heathrow expansion would have significant impacts on health. The 1999 study into public health impacts at large airports that was carried out for the Dutch Government found evidence to suggest that exposure to the air pollution levels observed within an airport's operations system—and in that sense Heathrow is the largest airport in the world—was linked to higher mortality rates, and to more frequent hospital admissions as a result of the aggravation of respiratory and cardiovascular problems. The study also found that air pollution was linked to decreased lung function, and an increase in chronic respiratory conditions. What assessment have the Government made of the current health implications for people who live near Heathrow, and what assessment have they made, seriously, of the implications if a third runway is given the go-ahead?

Mr. Wilshire: Will the hon. Gentleman give way?

Norman Baker: I have given way to the hon. Gentleman twice, and the last time it was not worth doing so, so he will forgive me if I do not give way now.

Mr. Wilshire: I was going to be helpful to the hon. Gentleman.

Norman Baker: The hon. Gentleman said that he would be helpful last time. On the issue of children and education, I refer the Secretary of State to the European Commission's RANCH project on road traffic and aircraft noise exposure, which found a clear link between aircraft noise and delays in reading age. A 5 dB increase in noise level was linked to children being up to two months behind in their reading age. Those are serious issues for people who live in the Heathrow area, and they are not being addressed; they are being skated over. The Government are not taking into account health or the environment; they are considering only BAA.

A third runway would increase flights at Heathrow from 477,000—we were promised that that would be the maximum—to 720,000 a year. That is a huge increase, and it is contrary to a statement made in 2001 by one of the Secretary of State's predecessors, the right hon. Member for North Tyneside (Mr. Byers), who said of terminal 5:

"we are making it a planning condition that there will be a limit of 480,000 flight movements a year." [*Official Report*, 20 November 2001; Vol. 375, c. 183.]

That pledge was made firmly by her predecessor less than seven years ago, but it is being torn up, and the Government apparently anticipate a virtual doubling of flights into Heathrow.

Susan Kramer: I thank my hon. Friend for making that point, because it touches on the sense of betrayal that my constituents feel. Not only did the Government agree that they would cap flights at 480,000, but Sir John Egan, chairman of BAA, said that BAA would urge the Government to rule out an additional runway at Heathrow if permission were given for terminal 5. On the basis of that trust, approval for terminal 5 was given, only for that agreement to be torn up three weeks after the planning inspector's decision.

Norman Baker: My hon. Friend is absolutely right, and we can draw three lessons from that. The first is that the aviation industry is insatiable, as the hon. Member for Sunderland, South has said; the second is that Governments always give way; and the third is that when it comes to aviation, they do not keep their promises. In fact, they forget their promises and pretend that they have not made them. Another issue—the number of issues to do with Heathrow is almost endless—is the question of whether expansion is safe. That is an important and serious consideration.

Mr. John Horam (Orpington) (Con): The hon. Gentleman makes an important point that he has not mentioned in his motion, although it is very much on my mind following the tragic air crash in Farnborough in my constituency on Sunday, in which five people died in a plane. It is a miracle that more people were not killed in the residential area that abuts Biggin Hill. When planning airport expansion, the Secretary of State ought to pay attention to the question of how close expansion should come to built-up residential areas with hospitals, schools and houses. It is a serious issue.

Norman Baker: I thank the hon. Gentleman for that intervention; he makes an important point. Of course, because we are expanding Heathrow incrementally and constantly, the expansion will come up against existing settlements; some will be demolished, but others will be left very close indeed to runways. That is worrying and needs to be considered.

Another safety issue is the question of how much traffic we can accommodate in the skies around Heathrow and over London. Will we have a system of stacking, which is environmentally unsustainable and churns out huge amounts of carbon emissions for no benefit? It is also suggested that stacking will result in a greater number of planes attempting to land at Heathrow than air traffic control can deal with. At the last Transport Question Time I put that point to the Under-Secretary of State for Transport, the hon. Member for Poplar and Canning Town (Jim Fitzpatrick), who is responsible for aviation, and who is present today. I quoted to him a report in *The Sunday Times* that said that NATS and the CAA were of the view that there was insufficient airspace to accommodate the scale of predicted traffic growth, according to current predictive technology. In his response, the Minister said:

"The CAA has examined our White Paper proposals and believes that the necessary airspace capacity can be provided safely." [*Official Report*, 4 March 2008; Vol. 472, c. 20.]

I wrote to NATS, because I am a suspicious sort of person, and I got a letter back from it only yesterday. It is from the corporate and technical centre, so I suppose that the writers of the letter know what they are about. It says:

"NATS has not yet carried out detailed work as there has been no requirement for us to do so. We are not therefore able to advise at this stage on any specific airspace changes that may be required in support of any change in Government policy to permit expansion at Heathrow".

NATS has not carried out detailed work, and it has not been asked to carry out detailed work. How does that square with the assurance that the Minister gave me in Transport questions? More to the point, why has it not been asked to carry out that work? I should have thought that that was one of the first things that the Government ought to do.

Let us move on to the economic case. If there are all those environmental downsides to Heathrow, which there undoubtedly are; if there are concerns about health, which there are; and if there are concerns about safety, which there are, what are the overriding benefits that suggest that we should go ahead with the proposal? The Government keep saying that it is terribly important for Britain's economy, so it seems that in the equation they have set out for themselves we have the economic benefits on one side and virtually everything else on the other. Are those economic benefits so strong and so enormous that they outweigh all the disbenefits that I and many others have identified in the last weeks and months?

A couple of days ago, the Aviation Minister dealt with the urgent question on terminal 5 and told the House that

"the expansion of Heathrow is of fundamental importance to the economy of the United Kingdom. We believe that we have demonstrated that. It must take place and we have demonstrated how it can take place with the environmental protections that we have laid down...We are confident that, when we analyse the consultation...and publish our findings in the summer, our validation will be proved to be correct." [*Official Report*, 31 March 2008; Vol. 474, c. 434.]

That does not suggest that there is much of a consultation exercise going on, as the Government have already concluded that they will be proved right.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): Does the hon. Gentleman agree that, whether we like it or not, the situation with Heathrow is as it is, that it is important to protect the landing slots from Scotland and, in particular, that there should be an expansion of landing slots from Inverness? We should have direct access to Heathrow from the highlands of Scotland, which is a large area. I hope he supports that.

Norman Baker: I understand the position of those remote communities in particular, which have a stronger case for aviation links to London than do, dare I say it, those who are rather nearer to London but still arguing for expansion.

We have heard the arguments about Heathrow being important to the national economy, but how important is it? On the question of who uses Heathrow—this comes from another parliamentary answer that I received—26 per cent. of those passengers are international-to-international transit passengers. Apart from the benefits to BAA's airport shops, I am not clear about exactly what benefit is brought to the UK by 26 per cent. of passengers transferring from international airline to international airline. I say to the Minister that if all those people went to Schiphol, I do not see what the impact on the British economy would be.

There is a further contingent of passengers, which is those who transfer from domestic to international—a substantial number of people. Those passengers, of course, could be better served if there were perhaps more flights from places such as Manchester out to international destinations, rather than flights always going from Heathrow. But it suits BA to use Heathrow as a hub, moving planes into Heathrow and passengers

Mr. Wilshire: Will the hon. Gentleman give way?

Norman Baker: I am not giving way to the hon. Gentleman again in this debate. I am sorry, but I have already given way to him two or three times.

It very much suits BA and BAA to move passengers into Heathrow and then move them out again, because it means that those people can stay at Heathrow and use BAA's shops, spending lots of money. It does not much suit passengers, who would benefit from more direct flights. Nor does it suit the environment to have two flights instead of one. Does the Government's consultation paper consider whether there is a prospect of moving flights from Heathrow to other UK airports, which would obviate the need for a third runway?

Mr. MacNeil: Unfortunately, I am a frequent traveller to Heathrow and, unfortunately, I had the largest travel expenses of any Member of this Parliament last year, given geography and the many flights that I have to take each week. I am often struck by the fact that, after coming down from Glasgow at high speed, flights end up stacking at Heathrow. Is there any way to slow flights down so that the need for stacking would be

by the Government—in other words, that priority will be given to meeting demand, not to dealing with emissions?

Ruth Kelly: No. I thank the hon. Lady for her comments, but "predict and provide" is not the policy of this Government. She should look back at the 2003 transport White Paper, which makes it clear that even with the expansion of all the airports that were supported in that document we would not meet predicted demand for air travel in future. We need a tough approach that recognises the impact on the environment as well as the genuine concerns of local people. We have put forward a balanced approach.

I am not surprised by the opposition of the hon. Member for Richmond Park (Susan Kramer) or by that of her Front Benchers, but I find it remarkable that the Conservatives have reversed their position and adopted the Lib Dem policy as their own. A party that once stood for choice and for a strong economy is now in favour of restricting choice and ready to put the economy at risk in the cause of short-term political gain. I am sure that many Tory Back Benchers will be horrified at that change of position.

Mrs. Villiers: Before we can take a responsible decision on the future of Heathrow airport, we want the Government to answer the key environmental questions and to produce objective, trustworthy data on the key environmental tests that have to be met.

Ruth Kelly: That is precisely what we are committed to doing, and it is not in the wording of the Conservative amendment.

Mrs. Villiers: How can the Secretary of State possibly say that she is answering the questions on, for example, NOx—oxides of nitrogen—with legally binding limits applicable from 2010? The Environment Agency has said that her evidence is not sufficiently robust, so even her own advisers on environmental matters do not believe the Government's case.

Ruth Kelly: We need to examine the local environmental conditions that we said are necessary to be met in order for us to decide, if that is indeed the case, that this should go ahead. We have put these proposals and the scientific evidence out for consultation to be publicly tested and scrutinised by the Environment Agency and others, and I will not make a decision until all the responses have been analysed.

John McDonnell (Hayes and Harlington) (Lab): The Secretary of State mentioned the decision. Can we have clarity about how it will be made? At the end of the consultation process, will the decision be made through a vote on the Floor of this House before we move to any future stage—if we do so at all?

Ruth Kelly: It will be important for the Government to take a decision and for the proposals to go through the planning inquiry. One of the options for the House to consider is how planning p ocedures should be speeded up in future, and we will have to consider a national policy statement on aviation; and the point at which that comes in. Those decisions are yet to be determined.

Mrs. Villiers *rose*—

Ruth Kelly: I give way to the hon. Lady, who is obviously desperate to join the debate again.

Mrs. Villiers: I am grateful to the Secretary of State; she is generous in giving way so many times. How can she possibly say that decisions have yet to be made when she stands at that Dispatch Box month in, month out, expressing fulsome support for building a third runway at Heathrow? She has already made up her mind. The consultation is a complete sham.

Hon. Members: Absolutely.

Ruth Kelly: Absolutely not, and in the course of my speech I intend to set out the arguments that were expressed in the 2003 air transport White Paper for more capacity at Heathrow. At the same time, however, we have always said that we would not go ahead unless the strict local environmental conditions were met. We promised then—I shall return to this point—that we would present the detailed modelling evidence for public scrutiny in order to test the robustness of the case before any decisions were made.

Mrs. Villiers *rose*

Mr. Redwood *rose*

Ruth Kelly: I am delighted to see the right hon. Gentleman rise to his feet. I am sure that he is distressed by the U-turn on the part of those on his Front Bench.

Mr. Redwood: I think it is time for me to ask questions, rather than answer them. Will the Secretary of State tell us how long she thinks it will take to reach a decision, assuming the accelerated planning processes are approved? People on both sides of the argument would like to know when we will get a decision on this crucial matter. Were the decision to be in favour, could she promise generous compensation for those adversely affected?

Ruth Kelly: I am afraid that it is not possible for me to predict the length of the planning process because decisions have yet to be taken. It is important that the planning process is robust, and that all considerations, such as the health impact, which was raised by the hon. Member for Lewes, are taken properly into account. If there were a decision in favour, of course it is right that BAA would compensate individuals and communities that were affected. I am delighted that the right hon. Gentleman got to his feet. He has been brave in taking on these arguments in his own party, like the hon. Member for Havant (Mr. Willetts), who valiantly confronted the sceptics at Hounslow, no less, when he said that

"no responsible party can simply say that we can put up the shutters and there's not going to be any more runways anywhere in the South East if we want London to remain a serious global city".

The Conservative amendment demonstrates the lack of leadership and the short-term political opportunism of a modern Conservative party that is prepared to put short-term political gain ahead of the long-term national interest of the country.

Justine Greening: The Secretary of State says that she has put the detailed environmental data in the public domain. She has not; that is simply not true. I have been trying since May last year to get the Government to release detailed environmental modelling data under the Freedom of Information Act. What I have got are memos, minutes and board meeting minutes, just as the hon. Member for Lewes (Norman Baker) described. What I have never been given, and am still prevented from getting, are the environmental data. If the Government are so convinced of their case, why will they not give me those data so that we can all be convinced?

Ruth Kelly: I certainly congratulate the hon. Lady on her tenacity. She has been a brilliant campaigner on these issues. The Department has already given her much material to peruse at her leisure, but the fact is that the experts have been out there with work—peer-reviewed in many cases—that has involved some of the most eminent scientists in this country. That process has been led by the Department, and we have presented our evidence.

Justine Greening: On that point, will the Secretary of State confirm that the peer reviewer was the company WS Atkins, which was sought, employed and then paid by BAA?

Ruth Kelly: It is certainly the case that Atkins has peer-reviewed some of the work, but it was not responsible for peer-reviewing all of it. Much of the work was peer-reviewed by the Civil Aviation Authority and independent experts. Noise modelling, which I know the hon. Lady is interested in, was carried out by the CAA, whose expertise is internationally respected. Air-quality modelling followed a two-year programme of research that drew on panels of eminent experts in the field, and a peer review found its conclusions to be

"justified in the light of the current state of knowledge"

and "fit for purpose". BAA's air traffic forecast, to which the hon. Lady may be referring, was also subject to careful quality assurance by the Department. I shall deal shortly with the local environmental tests, but I want to cover some of the other points that the hon. Member for Lewes raised.

Mrs. Curtis-Thomas: I am worried that the reputation of WS Atkins could be besmirched. The implication of comments today is that WS Atkins can be bought. As a member of the profession, I stress that engineers, who make up the vast majority of WS Atkins, cannot be bought. We offer impartial advice and judgment because we are reviewed by our peers and, frankly, we take no notice of politicians' views. Our job is to offer advice—that is it.

Ruth Kelly: I congratulate my hon. Friend on her point. Every hon. Member should listen carefully to those comments. It is important that we do not cast aspersions on the integrity of those—some of the most eminent reviewers in the world—who have done the work.

Mr. MacNeil: Will the Secretary of State give way?

Ruth Kelly: I promised that I would make some progress and I am going to do exactly that.

I shall deal with the comments of the hon. Member for Lewes in three parts. First, I shall tackle his point on the Government's overall aviation policy and the case for additional capacity. Secondly, I shall set out the steps that the Government are taking to ensure that we have a sustainable aviation policy, which is compatible with our climate change goals. Thirdly, I want to tackle some of his specific points about the consultation.

Let me begin by tackling the hon. Gentleman's claim that we should rule out any further increase in airport capacity in the south-east. Air traffic is hugely important for this country. As a global centre for finance, trade and culture, this country's competitiveness relies on good international links. Our recognition of the economic and social benefits of flying is precisely why we support the sustainable growth of aviation, as set out in the transport White Paper in 2003.

Mr. MacNeil *rose*

Ruth Kelly: Not yet.

Given the title of the debate, let me focus on the importance of Heathrow. If the hon. Gentleman's point is about capacity there, I will gladly give way.

Mr. MacNeil: Perhaps some of the pressures on Heathrow are due to the lack of a high-speed rail link. I have already flown four times this week in relation to my parliamentary duties. On some of those occasions, I have flown over water, although when I land in Glasgow, I would be more than happy to take a train to London, but it is not practical. A few years ago, I had cause to go to Seville. The journey from Seville to Madrid is an equivalent distance to that from London to Glasgow. One can travel from Madrid to Seville in less in two hours. The Secretary of State would find it difficult to travel from Glasgow to London in two hours. Lack of a joined-up transport policy is part of Heathrow's problem.

Ruth Kelly: The hon. Gentleman feels passionately about the points that he makes, and he makes them well. Unfortunately, he is wrong. I have not considered a high-speed rail link from London to Glasgow, but I have examined in detail the case for such a rail link from London to Manchester. There may be a case for high-speed rail, but it is not the one that he makes. If we introduced a high-speed rail line between London and Manchester, the energy consumed would increase by 90 per cent. Indeed, we would get nearly two thirds of the carbon emissions of a domestic jet on a short-haul flight between London and Manchester. High speed does not necessarily equal green. Some people who oppose aviation expansion often propose high-speed rail as an easy way out. There may be arguments for it, but that is not one of them.

Mr. Wilshire: On travelling from Scotland, would the Secretary of State prefer to travel from Glasgow to, for example, Los Angeles directly, perhaps changing at Schiphol, or travel all the way down to a London station, get the underground or a taxi and struggle out to Heathrow to catch another plane? Which is more likely?

Ruth Kelly: The hon. Gentleman makes a good point about the importance of a hub airport. All short-haul domestic journeys by air will never be replaced by rail. It is important for the regions and the nations of the United Kingdom to have access to Heathrow.

reduced and people could arrive in some sort of sequence, rather than spending their time stacked up over London, which, believe me, is very frustrating for passengers?

Norman Baker: The hon. Gentleman makes a good point and what he refers to is a fault of the current system. We could eliminate some carbon emissions if we had better planning of flight arrivals. Trains do not all arrive at Victoria at the same time and have to wait outside the station for a platform to become vacant. There is a timetable, which brings those trains in at the appropriate time. That works most of the time at least. It ought to be possible for NATS to introduce a better system to avoid stacking. I am disappointed that the Government have not progressed that satisfactorily. If there are so many downsides to Heathrow environmentally, on health grounds and economically, what is the Government's amendment about? What is their consultation paper about? What is the motivation behind what they are trying to achieve? One must look carefully at the links between BAA and the Government to try to find some rationale for the position that the Government have adopted.

People in London particularly have been badly served by the consultation process so far. The Minister will know that the consultation form, which was eight pages long, was widely regarded as full of jargon and technical language and difficult for the average person to understand, so already people were excluded from the consultation process. My hon. Friend the Member for Richmond Park (Susan Kramer) reported the consultation process to the Plain English Campaign, which described it as "atrocious" and stated that

"no ordinary person with an interest in the plans could be expected to read and understand this".

BAA had a significant role in the consultation document. I notice that it even has the copyright for the photograph on the cover. The Government came out in favour of a third runway in 2003. They insisted that strict environmental targets should be met on air and noise pollution. That was a sensible policy, but what happened?

We found out from an article that was published recently in *The Sunday Times* that a senior civil servant, David Gray, was tasked with showing how the runway could be built without negative impacts, and showed that an additional runway would mean a lot more air pollution. How could that be avoided? That was his task. He was not tasked with receiving the data and producing a neutral report; he was tasked with fiddling the data and producing a report that was skewed towards BAA and produced the right result at the end.

I congratulate the hon. Member for Putney (Justine Greening) on her freedom of information request, which showed that the unsatisfactory initial results led to executives from BAA being given unrivalled access to Whitehall and confidential data so that they could select alternative input data for environmental predictions until they got the right results. That is a disgrace and it shows that the Government concluded in the consultation paper that a new airport the size of Gatwick, effectively, could be bolted on to Heathrow as a new runway without any adverse environmental impact. It is astonishing that they could have reached that conclusion.

We know from BAA that it now has as its director of public affairs Tom Kelly, Tony Blair's former Downing street spokesman, who famously called Dr. David Kelly a "Walter Mitty" character. It is perhaps Tom Kelly who is a "Walter Mitty" character living a fantasy life where there is no pollution from aircraft, where clean cars exist so there is no impact from the road movements to Heathrow, and where international flights can be discounted in the calculations of the air pollution that will result from any third runway.

Even the Government's advisory body, the Environment Agency, has unpicked the Department for Transport document and concluded that it is not sufficiently robust to support the construction of a third runway. It states:

"There are arguments for postponing irreversible investment decisions in the face of uncertainty".

I have not heard that uncertainty from the Government or from BAA. They appear to be quite certain that the environmental impact will be negative. They seem to dismiss concerns about health. They appear, however, to be sure that the economic benefits will be substantial. Is it not curious that the position that they have adopted is very similar to that adopted by BAA?

We know from BAA's previous predictions that they are unreliable. In the mid-1990s, BAA predicted that smaller aircraft would disappear, and when it lobbied for terminal 5 it said that there would be 453,000 flights at Heathrow by 2013. That is what BAA said in 1995. That figure was reached by July 2000. What it predicted would take 18 years took only five years.

Can the Minister answer one specific question? Why was it thought appropriate to exclude international flight arrivals from any calculation of the environmental impact arising from the third runway?

There is a revolving door between the Government and BAA; not only Tom Kelly is involved. Joe Irvin was a special adviser at Downing street and went on to become a director of public affairs at BAA. Another former BAA public affairs director is Stephen Hardwick, a former policy adviser to the right hon. Member for Kingston upon Hull, East (Mr. Prescott), the former Deputy Prime Minister. That new revolving door syndrome is a new version of Labour spin that goes round and round between BAA and the Government.

Mrs. Curtis-Thomas: I am concerned about the notion that BAA, which at the height of the construction project for the new terminal had 60,000 employees on site and a budget of £4.3 billion, might operate on its own without any reference to the Government. Frankly, I am delighted that it went to the Government and sought consultation on the exercise. Any investment of that scale, employing such numbers of people, should be of interest to the Government.

Norman Baker: It is perfectly proper for any institution in this country to seek investment, and it is appropriate that a consultation exercise is undertaken. It is perfectly normal for large corporations, bodies, pressure groups or others to engage with the Government at the appropriate juncture; there is nothing wrong in that.

What is wrong about this issue is that a line has been crossed because BAA has been involved in writing the consultation paper. It has not simply provided facts and figures, as it maintains—the memos that the hon.

Member for Putney helped to secure show that it went much further than that. They show that BAA was helpfully redrafting and suggesting to the Government how particular information could be eliminated and how particular environmental outcomes could be redrafted. It was sending memos to that effect to the Government.

That worries me, because the Department for Transport appears to be subject to regulatory capture by BAA. That should worry the hon. Member for Crosby (Mrs. Curtis-Thomas); she is getting a response not from her Government, but from BAA. BAA is perfectly within its rights to lobby and make its case, but not to take over the aviation policy of the Department for Transport, although it appears to have done that to a large degree in respect of Heathrow.

Mr. John Randall (Uxbridge) (Con): I would like clarification on where the hon. Gentleman's party stands on runway alternation, bearing in mind the text of its motion.

Norman Baker: We are in favour of ending— *[Interruption.]* No, I mean that the motion should have said "ending".

Susan Kramer: As the hon. Member for Uxbridge (Mr. Randall) will undoubtedly have noticed, a cap of 480,000 is permanently and firmly placed on flights at Heathrow. Ending runway alternation would add another 45,000 flights; it is therefore impossible for the motion to be read in any other way than that runway alternation should be preserved and that mixed mode should not be introduced.

Norman Baker: I am grateful to my hon. Friend. I referred to the word "ending"; I concede that, unfortunately, it is missing from the motion. I accept that it is missing, and I am sorry about it. That one word is missing. I suggest that Conservative Members will have their own explaining to do in a moment about their own policy. The motion leads to no interpretation other than our total opposition to a third runway at Heathrow. We are clear that a third runway there has to be stopped at all events and under all circumstances. The House should be in no doubt whatever about that.

Mrs. Theresa Villiers (Chipping Barnet) (Con): Will the hon. Gentleman repeat what he said a few minutes ago—that the Liberal Democrats support ending runway alternation at Heathrow?

Norman Baker: I have already answered that. Let me read the sentence from the motion:

"the increase in intensity and distribution of noise for those living under the flight path through"

the word "ending" is missing—"runway alternation". Our policy could not be clearer. *[Laughter.]* Well, let me tell the House what the policy is in one sentence: it is to oppose any third runway at Heathrow under any circumstances. I challenge the Government and the Conservative Front Bencher to match that pledge. We would not build or support any third runway at Heathrow under any circumstances. I invite the hon. Member for Chipping Barnet (Mrs. Villiers) to make a similar pledge when she speaks in due course.

Voters in London will have to look at three parties in the local elections, the mayoral election and the general election in respect of policy on Heathrow. We know that the Government have been captured by BAA in terms of policy, and we will find out where the Conservatives stand with their chaotic policy on Heathrow. We are the only party in this House that will oppose the third runway at Heathrow under any circumstances.

5.4 pm

The Secretary of State for Transport (Ruth Kelly): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"recognises that the Government's policy on airport expansion is consistent with its long term, balanced and sustainable aviation strategy as set out in the 2003 White Paper The Future of Air Transport, that its support for emissions trading represents the most effective way of tackling climate change concerns, that the Adding Capacity at Heathrow Airport consultation is a robust document that is the product of a lengthy period of comprehensive analysis, that the consultation process followed best practice as set out by the Cabinet Office, that the economic case for the expansion of Heathrow Airport, as set out in the consultation, accurately reflects the Government's current understanding of all the relevant costs and benefits, and that Ministers should base their forthcoming decisions on the future of Heathrow on all the evidence available, including the responses to the consultation."

Let me start by congratulating the hon. Member for Lewes (Norman Baker) on securing this debate. As is already clear from his characteristically robust speech, we are not going to agree on much today, but at least we agree on the importance of the subject, which, as he knows, raises strong passions. I understand that, and I also understand that the decision that we make on Heathrow, and indeed our wider aviation policy, will have a major impact on the continued prosperity of our country, our quality of life and our freedom to travel.

I find it a little odd that the successors to the Liberal party now appear to see it as their role to tell millions of people how and when they can travel, but that is the result of the decisions made by the hon. Gentleman and his colleagues. As he clearly stated, they have set themselves against any expansion not just of Heathrow but of any airport in the south-east. They clearly want the growth in air travel in the UK to be thwarted, and at least they are consistent in their opposition. They do not, of course, want to be quite so clear in telling millions of people in the UK that they intend to make it much more difficult for them to enjoy a holiday abroad, and neither are they quite so clear in explaining that one of the key factors in a global marketplace is good links with the rest of the world and that their policy would worsen those links, with a serious impact on jobs and prosperity. Nor do I recall the hon. Gentleman clarifying the point that restricting capacity at Heathrow would merely mean that passengers who want to use a hub airport would continue to use other hub airports in Europe, damaging Britain but with zero impact on the level of carbon emissions.

Susan Kramer: Can I take it from what the Secretary of State has said that she backs "predict and provide" and that the principles she has outlined will guide aviation taxation and other green tax policies provided

Norman Baker: Is the right hon. Lady aware that flights between Paris and Brussels have been eliminated as a consequence of high-speed rail, as have many other flights in mainland Europe? How can aviation and road capacity be expanding in this country, but railways be constrained within the existing lines?

Ruth Kelly: I was not making a case against high-speed rail per se; I was just saying that it is not necessarily a green form of travel. It can be a green form of travel, depending on the energy mix, which is different in France from in the United Kingdom, for obvious reasons. I do not know whether the hon. Gentleman supports the energy mix and production in France—

Norman Baker *indicated dissent.*

Ruth Kelly: The hon. Gentleman shakes his head. There may be a case for putting more investment in conventional rail—indeed, we are doing that—but high-speed rail is not a panacea. There will always be a need for short-haul flights.

Mr. MacNeil *rose—*

Ruth Kelly: No, the hon. Gentleman has had his chance.

We rely on good international connections to support our national and regional economies, and we need to plan ahead, so that Heathrow is in a position to continue supporting economic growth in 10 or 20 years' time.

Mr. Nick Raynsford (Greenwich and Woolwich) (Lab): Does my right hon. Friend accept that there are many Labour Members, including me, who accept her argument about the country's economic need for continued expansion and the importance of a hub, but who nevertheless do not agree that Heathrow is the right location for it? That is not least because of the clear decision of the inspector, who sat for a disproportionate amount of time considering the previous proposal for Heathrow expansion, which led to the terminal 5 decision, and who, having considered all the evidence, including the importance of a hub, concluded that there should be no further expansion at Heathrow beyond terminal 5. Is it not time to accept that logic and begin work on planning for the one location where a suitable hub airport for the United Kingdom could be established, in the Thames estuary?

Ruth Kelly: I thank my right hon. Friend for his comments. Indeed, I read with interest his article on the issue at the weekend and I know that he has considered such matters in depth. However, let me remind him that in the course of preparing the 2003 White Paper, more than 400 different airport locations were examined, some in great depth. Indeed, the Government actively considered the possibility of an offshore airport, and the preferred site was Cliffe.

Mr. Raynsford: Cliffe was onshore.

Ruth Kelly: The preferred site for a new airport, an offshore airport having been considered, was Cliffe. All the relevant factors were taken into consideration, including the distance from London, the up-front cost in infrastructure investment, the labour supply that would be able to work in the airport and the impact on the local environment, particularly the ecosystems, including birds and wildlife, yet none of the sites was considered suitable.

Alan Keen (Feltham and Heston) (Lab/Co-op): Does the Secretary of State regard the birds as more important than my constituents in Feltham and Heston who live adjacent to Heathrow airport? Also, does she accept Lord Soley's argument that if Heathrow does not expand, it will become a desert? However, if it expands dramatically, where will the fourth runway go and how many thousands of houses would have to be knocked down?

Ruth Kelly: I know that my hon. Friend feels passionately about the subject and has championed his constituents' interests with force and tenacity, in this place and elsewhere. No, it is not the case that the birds have priority. In fact, the presence of so many birds is a safety hazard for planes. That was one of the issues taken into account when examining different locations.

I understand that my hon. Friend refers, too, to commitments that BAA made at the time of the previous planning inquiry. The Government then did not commit themselves to a decision at that point, but we considered all such matters afresh in the 2003 White Paper. I know that he disagrees with the Government's position, and he is entitled to his views, representing his constituents.

Mr. Randall *rose—*

Norman Baker *rose—*

Ruth Kelly: I must make some progress, although I will take one intervention from the hon. Member for Lewes, whose debate this is, after all.

Norman Baker: On commitments made in the past, I referred in my contribution to the right hon. Member for Newcastle upon Tyne, East and Wallsend (Mr. Brown), who promised in 2001 that the number of flights was capped and that there would be no further increase, but now the Secretary of State is proposing to go back on that. Will she stick to that pledge?

Ruth Kelly: The hon. Gentleman knows that the 2003 White Paper stated the Government's position. One of the things that we are considering in the consultation is whether that cap should be lifted. Indeed, the mixed-mode proposal—ending the alternate use of runways, as he may prefer to put it—contains two options to be considered: one within the existing cap and one raising it. The Government have an open mind on those issues. We want to hear what local people have to say, particularly on how noise would affect them in the intervening years before a third runway could come into operation.

The sad fact is that, no matter what changes are made in the short term in terminals at Heathrow, it will count for little unless we really tackle the fundamental problem of capacity on Heathrow's runways—and the truth is that those runways are nearly full. Indeed, Heathrow is falling behind because its runways are operating at 98.5 per cent. capacity, compared with 75 per cent. at Paris. Our most important international airport has lost a fifth of its routes since 1990 and has fallen from second to fifth in the EU for routes served.

China is building 60 new airports over the next five years but, as things stand, Heathrow will have no extra capacity to serve emerging markets, which has clear implications for our economic competitiveness and for the passenger experience in the future. At Heathrow, which still has the same two runways it had when it was built in the 1940s, even a small amount of fog in the early morning can disrupt services for the rest of the day. Of course, operating at peak capacity gives its competitors abroad a huge advantage.

So there is a clear need for additional runway capacity at Heathrow—a point recognised even by the hon. Member for Chipping Barnet (Mrs. Villiers) at the launch of the consultation, when she said that the Conservatives

"recognise that the economic arguments for expanding Heathrow are much stronger than any other airport in the South East".

Mrs. Villiers *rose*—

Ruth Kelly: But perhaps she has changed her mind.

Mrs. Villiers: The point that I was making was that the Government's misconceived plans for expanding Stansted have no justification whatever—*[Interruption.]*

Ruth Kelly: The hon. Lady is clearly flip-flopping on this issue, like so many other Opposition Front Benchers. Perhaps she would agree that, for London to be a world capital, it needs excellent links with the rest of the world.

Several hon. Members *rose*—

Ruth Kelly: I will not give way at the moment.

Our analysis shows that a third runway at Heathrow would provide net economic benefits of about £5 billion, even after taking account—full account—of climate change and noise costs.

Justine Greening *rose*—

Susan Kramer *rose*—

Ruth Kelly: Let me turn to my second theme and make some progress, as I know that many Back Benchers want to speak in the debate. I must set out the steps that we are taking to ensure that we have a sustainable aviation policy that is compatible with our climate change goals.

There are, of course, huge challenges in how we enjoy the benefits of air travel while still meeting our climate change objectives. We all know that climate change is one of the biggest threats facing the global community today and that if it were left untackled the implications for our way of life would be catastrophic. There are no easy answers, but when Sir Nicholas Stern looked at the question of how to tackle climate change without putting economic growth at risk, he suggested a three-pronged approach: making sure that carbon costs are reflected in prices to consumers; promoting greener technology; and offering consumers information and choice. Those three elements are clearly applicable to aviation. Let me take each briefly in turn.

First, it is clearly important that the cost of air travel reflects its impact on the environment. I turn here to the point raised by the hon. Member for Richmond Park in an earlier intervention. We consulted on the emissions cost assessment, which was specifically designed to consider how far aviation was meeting its external climate change costs. The consultation document used figures that pre-dated the increase in air passenger duty, on which the Treasury is currently consulting. Since APD was doubled, aviation will meet its climate change costs, taking account not just of carbon dioxide emissions, but of the other aviation greenhouse effects such as NOx emissions and contrails.

Susan Kramer: I thank the right hon. Lady for her generosity in giving way. Just on that issue of the shadow cost of carbon, to which I assume she is referring, will she confirm that it is based on an assumption, first, that the Government have the right target for emissions and, secondly, that they will hit that target? The calculation is, therefore, that there will be only modest carbon costs because the risk of climate change will have been mitigated by those other measures. In other words, the pricing used in this calculation depends on a perfect world scenario rather than being within the range of pricing that most of us would consider prudent at a time when we are debating even what climate change targets should be. It is, in other words, inadequate.

Ruth Kelly: I may be out by a pound or two, but I think that the price that we are putting on carbon is about £25 per tonne of CO_2, increasing by 2 per cent. in real terms year on year. As Nicholas Stern pointed out, there is a range of carbon prices that could be used, but when he was asked on the "Today" programme whether we could view our current policy on aviation expansion and road building as compatible with meeting our CO_2 targets, he said, "I believe we can". Not only that, the figures that we have put forward are robust to different scenarios for the shadow price of carbon. We have estimated the net economic benefit to be about £4.8 billion, and it would clearly be possible to increase the shadow price of carbon significantly without cancelling out that benefit.

Ultimately, however, the international nature of the aviation industry means that action to tackle environmental impacts is most effective if it is delivered on an international basis. We have been pressing for greater worldwide progress on the environment in the UN's International Civil Aviation Organisation, but perhaps most important is the fact that we have been leading negotiations in Europe to include aviation in the European Union's emissions trading scheme. If that happens from 2012, as is currently proposed, any extra carbon emissions from an expanded Heathrow will be balanced by a reduction in emissions from other, more cost-effective parts of the economy. In effect, net carbon emissions would be stabilised at 2004 to 2006 levels, which would constitute a significant improvement on the position today.

Justine Greening: As has already been mentioned, the carbon cost was calculated on the basis of just half the total number of flights that would depart from Heathrow and the extra capacity that would be created. The calculation also left out the emissions from the new terminal, and those resulting from any of the journeys of the 40 million-plus non-hub passengers who would have to travel to and from the airport. How can the Secretary of State claim that the figures are "robust" when she has gone against DEFRA's own guidelines in calculating the emissions for this policy?

[Jane Kennedy]

factor and does not let the truth get in the way of a good story. I shall give an example. The motion

"notes with concern that repossession orders are now at the same level as in 1990".

If we look at the number of repossessions that are actually taking place, we see that that is not true.

Chris Huhne: Will the Minister give way?

Jane Kennedy: No, I have given way to the hon. Gentleman a number of times and I want to make some progress. Many other hon. Members want to speak in the debate.

The number of repossessions in Britain remains relatively small. There were just over 27,000 repossessions in 2007 compared with 75,000 in 1991, despite there being almost 2 million more mortgages today than there were then. Last year, the number of properties taken into possession was just 0.23 per cent. of all mortgages, which is about a third of the rate in the early '90s.

Chris Huhne *rose—*

Simon Hughes *rose—*

Jane Kennedy: I can see that the hon. Member for North Southwark and Bermondsey (Simon Hughes) does not agree. I shall give way one last time and then make significant progress.

Chris Huhne: The key point is that we are talking about a leading indicator. Orders are a leading indicator of what will happen. The Minister insists on talking about actual repossessions, which are merely a backward indicator. I hope that Ministers can distinguish between leading and lagging indicators when they are attempting to manage the economy; it would be very worrying if they could not.

Jane Kennedy: What the hon. Gentleman has said about orders returns me to the point made by the hon. Member for North-East Bedfordshire (Alistair Burt), who rightly spoke of the impact of a change in the way in which the state supported people who faced mortgage and repayment problems. It meant that mortgage lenders had to be far more interactive in their dealings with people. That is exactly what happens. A court order does not necessarily mean that individuals lose their homes, and banks and building societies now try much harder to use repossessions as a last resort when dealing with people in financial difficulties. Indeed, the regulatory regime requires them to do so.

As I have said, both interest rates and mortgage rates are far lower today than they were at the start of the last decade, and have increased more gradually than they did then. I do not think it reasonable to compare the present position of the United Kingdom housing market with the position in the early 1990s. I also do not agree with the comparisons drawn by the hon. Member for Twickenham with the United States, where house prices are experiencing significant falls. In fact, there are three reasons to believe that the UK market is better placed than that in the United States.

First, the falls in US housing prices are being driven by a very large overhang of unsold houses. Here in the UK, by contrast, housing supply is not currently meeting demand. That is why we have a target of more than 240,000 net additional homes a year by 2016. We intend to deliver 2 million new homes by 2016, and 3 million by 2020. Secondly, mortgage lending regulation is stricter in the UK than it is in the US. Many of the regulatory changes suggested in response to the problems in the US market have already been made in Britain. Thirdly, although it is generally accepted that the UK also has a sub-prime mortgage sector, it is much smaller than that in America, where it was seen as the trigger of the current difficulties.

The Government have taken a number of steps to help ensure that lenders lend responsibly and borrowers can make informed choices, including the statutory regulation introduced in 2004. The FSA's regime places specific requirements on firms to take account of the affordability of loans, and to treat customers fairly. Like the hon. Member for Twickenham, we welcome the recent statement from the Council of Mortgage Lenders setting out the steps that the industry is taking to support borrowers who are experiencing difficulties. They include working with debt advisers, proactive identification of at-risk borrowers, and considering repossession only as a last resort.

More generally, the Government have been focusing increasingly on improving people's financial capability so that they can make better decisions about how to handle their money. For the long term, we have put aside £11.5 million for personal finance education in schools over the next three years. That will include developing ways of helping primary school pupils to start thinking about money, using their child trust funds to make it relevant to them. From September this year, financial education will also be part of the secondary school curriculum.

We must think about today's adults as well. Otto Thoresen has been considering the best way in which to ensure that everyone in the country can obtain free, impartial, high-quality advice on money when they need such information. His final report, published earlier this month, recommended a pathfinder project to test the best ways of offering that, and, with the FSA, we have agreed to provide up to £12 million to run it over the next year.

Simon Hughes *rose—*

Jane Kennedy: I meant to give way to the hon. Gentleman earlier, but his hon. Friend the Member for Eastleigh (Chris Huhne) jumped in. I will ensure that I give way to him on this occasion.

Simon Hughes: I am grateful to the Minister. As she will have heard, I intervened on my hon. Friend the Member for Twickenham on exactly that point: the need to ensure that "one-stop shops" are available throughout the country, so that people can go to a single location to obtain advice on a range of debt issues. Can she assure me that the response to the report to which she has referred will not be so extended and protracted that it will be of no benefit other than as a pilot scheme? Will she and her colleagues give serious consideration to an early advertising campaign

with maximum reach, providing the addresses of the places to which people will be able to go? Millions of people are in need of free, independent, impartial, sound advice.

Jane Kennedy: The hon. Gentleman has made a sensible suggestion, and we will consider it. The pilot that we propose is a significant piece of work that will make a real difference to people.

Jim Cousins: I am grateful to my right hon. Friend for allowing me to intervene before those set in authority over us send me off to discuss the draft Land Registration (Network Access) Rules 2008.

The hon. Member for Twickenham (Dr. Cable) has been consistently and relentlessly snobbish about what he calls Together mortgages. As a result of both his remarks and what is happening in the markets, such mortgages are now being withdrawn. That is leaving a large number—*[Interruption.]* It is a great pity that the Liberal Democrats are so snobbish about low-income owner occupation. Low-income home ownership ought to be precious to us, but now that Together mortgages are being withdrawn, a large number of low-income home owners are in real difficulties. What has my right hon. Friend to say to that?

Jane Kennedy: My hon. Friend has made a valid point. I acknowledge the strength of what he has said and the passion with which he has said it. I know that he may have to leave soon, so let me simply say that we are doing a great deal to help people in those circumstances.

As I have said, free debt advice is hugely important to those who do experience difficulties. For the next three years the financial inclusion fund will be increased to £130 million, and £76 million will be spent on providing free, face-to-face money advice. There is also targeted support for vulnerable people through support for mortgage interest, which provides a backstop for some people who have fallen out of work. It helps about 200,000 people each year to cope until they can return to employment.

I want to make three main points. First and most important, Britain's economy is in a strong position. It is stable, it is continuing to grow, a record number of people are in work—for which I give thanks—and we have seen over the last decade that it is more resilient than it has been in the past. The present position is very different from the position in the early 1990s.

Secondly—because of that different economic position—I do not agree with the hon. Member for Twickenham's predictions of a house price crash and a huge increase in the number of repossessions. House price inflation is declining, but it is doing so relatively gradually, and house prices remain higher than they were a year ago. Although the number of repossessions is expected to rise a little in the year ahead, they remain far below their levels at the start of the last decade.

Finally, the Government are continuing to take action to ensure that people are able to make better financial decisions, and to ensure that support and advice are available to those who do get into difficulty.

I urge Members to oppose the Liberal Democrat motion, and I commend the Government's amendment to the House.

2.29 pm

Mr. Mark Hoban (Fareham) (Con): The hon. Member for Twickenham (Dr. Cable) managed to paint a very bleak and gloomy picture of the economy and the housing market, and he was helped to paint that picture of doom and gloom by his hon. Friends. The hon. Member for North Southwark and Bermondsey (Simon Hughes) spoke of a "huge and terrifying" financial hole facing millions of families, while the hon. Member for Montgomeryshire (Lembit Öpik) said that people were on the brink of "a repossession catastrophe". Language like that does little to help home owners. We do not want to be seen to be talking down the housing market. People's hopes and aspirations rest on it, and it is irresponsible and opportunistic to whip up an air of crisis and panic.

Mark Hunter (Cheadle) (LD): The hon. Gentleman makes great play of Liberal Democrat Members' concern about the increasing number of repossessions. Is he aware that in my area—to give just one example—the repossession rate is currently running at 10 per cent., which is twice the national average? Does he not think that a repossession rate of 10 per cent. is something to be concerned about?

Mr. Hoban: I think that every Member of this House is concerned about repossessions and the fact that people across the country are at risk of losing their homes. However, we should address this issue reasonably and rationally, instead of seeking to talk down the housing market and create an air of panic.

Lembit Öpik *rose—*

Chris Huhne *rose—*

Mr. Hoban: I shall give way to the hon. Member for Eastleigh (Chris Huhne).

Chris Huhne: I am grateful to the hon. Gentleman for giving way, not least because he is my neighbouring MP and as a result we share the same county courts in respect of repossessions. Is he aware that repossessions in southern Hampshire and the county courts of Southampton and Winchester are up by more than 20 per cent. over the past year? Does he not regard that as a matter of considerable concern, as I do? I hope he will not be complacent about the considerable personal suffering involved in those horrifying figures.

Mr. Hoban: No, I will not be complacent about that, but I think we need to look at this matter objectively and carefully, instead of being irresponsible and seeking to create an atmosphere of panic and chaos, which is what the Liberal Democrats have done. The Financial Secretary has gone in the other direction: she sought to paint a much more rosy picture of the economy than the reality warrants and overstated the case, but she has minimised some of the legitimate concerns people have about the current state of the economy.

Too often over recent months, all that we have heard from the Government is that all our problems have been caused by the global credit crunch. It is typical of this Government that they take the credit when times

Oaten, Mr. Mark
Öpik, Lembit
Pugh, Dr. John
Reid, Mr. Alan
Rennie, Willie
Robertson, Angus
Robinson, rh Mr. Peter
Rogerson, Dan
Sanders, Mr. Adrian
Shepherd, Mr. Richard
Simpson, David
Smith, Sir Robert
Spink, Bob
Stunell, Andrew
Swinson, Jo
Taylor, Matthew
Teather, Sarah
Thurso, John
Webb, Steve
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Sammy
Wishart, Pete

Tellers for the Ayes:
Bob Russell and
John Hemming

NOES

Abbott, Ms Diane
Ainger, Nick
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael
(Worcester)
Foster, Michael Jabez
(Hastings and Rye)
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Key, Robert
Kidney, Mr. David
Kilfoyle, Mr. Peter
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra

Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Taylor, Dr. Richard
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mr. Frank Roy and Tony Cunningham

Question accordingly negatived.

Question, That the proposed words be there added, put forthwith, pursuant to Standing Order No. 31 (Questions on amendments):

The House divided: Ayes 291, Noes 209.

Division No. 141] **[4.14 pm**

AYES

Abbott, Ms Diane
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris

the analysis in the Oxford Economic Forecasting report, which has been the foundation for the economic case since its publication.

The consultation document published by the Secretary of State last November includes increased tax revenue from air passenger duty as a benefit to the economy, but of course it is only a transfer from the private to the public sector. Crucially, neither the consultation document nor the OEF report puts a credible price on the impact of expansion on local air pollution or noise. Those who live under the flight path tell us clearly that noise has an obvious economic impact, not least on the value of their homes.

The Secretary of State has simply failed to address the four key environmental tests that we set for her when she published her consultation document. The Opposition believe that they must be met before a responsible decision can be made on Heathrow's future. The tests are: whether expansion is consistent with meeting EU rules on oxides of nitrogen emissions, which will become binding from 2010; whether expansion is consistent with ensuring that there is no increase in the overall noise footprint in the airport and with a progressive reduction of that footprint in the medium term; whether expansion is consistent with meeting our climate change targets on CO_2 reduction; and whether all the alternative ways to free up capacity at Heathrow have been fully considered, including serious and urgent consideration of high-speed rail. The Government have failed to meet those tests and to produce the objective and reliable data that would allow a sound judgment to be made on the pros and cons of expansion.

Steve Webb (Northavon) (LD): If the hon. Lady receives satisfactory answers to her four questions, will she confirm for the avoidance of doubt that in some circumstances the Conservatives will approve of a third runway at Heathrow?

Mrs. Villiers: We have had no satisfactory answers to the questions, and that is my point. The Government have failed to produce objective and reliable data and the documents obtained by my hon. Friend the Member for Putney (Justine Greening) under the Freedom of Information Act demonstrate the Government's efforts to fix the figures to suit the case that they want to make. They show close involvement by BAA in the data and modelling used by the Government in those critical environmental issues, despite the fact that the company's direct and obvious commercial interest in the outcome of the debate means that it cannot possibly be disinterested.

Ruth Kelly: I would be delighted if the hon. Lady could confirm that she disagrees with the statement made by the Leader of the Opposition last Friday to a business audience. He said of Heathrow that it

"should go through the planning system in the proper way".

Mrs. Villiers: I do not know whether the Secretary of State thinks that cosy meetings at BAA headquarters to "reforecast" and fix the figures to get the answer that is wanted are a proper way to conduct the planning process, or indeed any other process. I do not think it was proper for the Secretary of State to make up her mind before the planning process even started.

Mr. MacNeil: A further question sprang from the one intervention that I managed to make on the Secretary of State. It seemed from her answer that she prefers to fly between Glasgow and Edinburgh rather than using high-speed rail. Of course, she is free to clarify that point if she wants to. What is the Opposition Front Benchers' preferred form of travel between mainland cities in the UK? Is it air or rail?

Mrs. Villiers: I am delighted that the hon. Gentleman has brought up that issue. Frankly, I was enormously disappointed by what the Secretary of State had to say about high-speed rail. It was astonishing. At the end of my speech, I shall talk in detail about how we think we should progress with that issue.

Ruth Kelly: I am really confused. The Leader of the Opposition said to a business audience—we know that the CBI, the British Chambers of Commerce and London First all support the expansion of Heathrow that once the consultation process the Government are carrying out is complete the policy should proceed through the planning process. I do not know whether the hon. Lady understands that we have not gone through a planning process but, rather, consultation on the evidence. Does she disagree with the Leader of the Opposition that it should now proceed to the planning process and go through that detailed level of inquiry?

Mrs. Villiers: I have already answered that question, so I shall go back to my speech.

Let me take each of the four issues in turn. NOx pollution probably provides the greatest practical hurdle for the Government's expansion plans.

Norman Baker: Will the hon. Lady give way?

Mrs. Villiers: No. The hon. Gentleman has had his chance.

As we have heard, NOx pollution can worsen bronchitis, asthma and respiratory problems. It is a serious issue. Heathrow's proximity to the M4 and the M25, which are some of the busiest roads in Europe, means that there is already a significant problem with NOx emissions from cars travelling to the airport. As we have heard, tough new EU limits on NOx emissions will become legally binding from 2010. Already, the combined emissions from air and surface traffic see limit values regularly exceeded around the airport. The Government simply have no credible plans for how to meet the limits in the EU directive with an expanded airport that will have nearly 50 per cent. more flights and a possible increase in the number of passengers a year from 67 million to about 135 million. The only hope of dealing with that problem would be to secure a major modal shift on to public transport, yet Government targets set eight years ago to increase public transport use for travel to Heathrow have not been met. BAA has actually reduced its targets in that area.

The Government have effectively abdicated responsibility for the issue, leaving it to BAA to solve. That, of course, leaves open the possibility that cheaper options such as M4 congestion charging or a £20 airport drop-off fee might be the preferred commercial solution, regardless of the views of local people and the impact on local business, as opposed to more imaginative, but I would

have thought, more expensive proposals such as that from Ove Arup for a Heathrow northern hub to link in with the national rail network.

On NOx, the Government are making an enormous leap of faith. They are banking on a major advance in vehicle technology providing the headroom to allow the number of cars to increase significantly without an overall increase in NOx emissions. Astonishingly, they are basing their optimistic assumptions at least partly on data and analysis supplied by BAA. Even the Environment Agency, the Government's own environment adviser, stated that the Government had not produced robust evidence on dealing with that serious problem.

Mrs. Curtis-Thomas: Will the hon. Lady give way?

Mrs. Villiers: I will in one moment.

The agency also highlighted the morbidity and mortality impact of such pollution on a dense local population around Heathrow. If the hon. Lady can give me the answer to the NOx question, I shall happily give way.

Mrs. Curtis-Thomas: I suspect that I am one of the very few Members who has actually done NOx emission testing, as well as SOx—sulphur oxides—emission testing, for more than 18 months, so I think I know what I am talking about. On NOx emissions, I was fortunate to be one of the first people in the country to implement Tory legislation on NOx emissions. It was immensely difficult, because the legislation was passed but there was no instrumentation to measure the level of NOx emissions. There is always a dispute between technologies when we come to measure NOx emissions. There will be a dispute here, and we should surely seek a correlation of opinion that satisfies the majority. All companies that produce the equipment could be prosecuted by Europe, and I hope that they would be. They are striving to achieve the emission levels that we are seeking.

Mrs. Villiers: Of course it is essential that we have reliable measurement, but that still does not explain how the Government will deal with the NOx problem and achieve the shift on to public transport that is needed to deal with it.

Secondly, we all know that aircraft noise is hugely important in terms of its impact on the quality of life of thousands across the south-east who live under Heathrow's flight paths. The Government assume—we have heard it again today from the Secretary of State—that by the time a third runway becomes operational, a whole new fleet of quieter aircraft will be in the air. I certainly hope that there will be significant improvements in the fleet mix and a shift to quieter engines, but again the Government's predictions depend at least partly on data supplied by BAA, and Ministers have wholly disregarded the "Attitudes to Noise from Aviation Sources in England" report, which they themselves commissioned. It concluded that annoyance from aircraft noise starts at a much lower level than is set out in the criteria that the Government are using. Furthermore, after their shameful bid to lift the cap on night flights, the Government still refuse to give long-term guarantees that that vital protection will be retained. Frankly, the obligations that they place on BAA to pay for noise insulation for schools and homes affected by Heathrow are wholly inadequate.

Thirdly, the Government have simply made no proper effort to explain the impact that a projected increase to 702,000 flights at Heathrow will have on the fight against climate change. Even if they promised to cap flight numbers, which they have yet to do, who would believe them? They were, after all, the Government who started pressing ahead with proposals to dispense with the 480,000 limit set for T5 before the terminal had even opened for business. Controversially, as we have heard, the Government's carbon calculations failed to include the impact of inbound international flights, but they also failed to include the impact of thousands of cars arriving at the airport every day to drop off passengers.

Fourthly, and finally, the Government have failed to look with any real seriousness at the alternatives to a third runway or mixed mode. HACAN ClearSkies, which has campaigned on the issue for many years, has highlighted the significant number of flight movements at Heathrow to destinations where there is a viable rail alternative. As the Aviation Minister told the House on Monday, the experience with high-speed rail in France has shown that, where a good rail alternative is available, consumers will frequently choose it over flying.

Ruth Kelly: I have a simple question for the hon. Lady: does she support aviation expansion in the south-east? Yes or no?

Mrs. Villiers: We need answers to the environmental questions about the future of Heathrow.

Even conventional rail can help to deliver modal shift, as the Secretary of State has pointed out. That has been demonstrated by the reduction in flights between London and Manchester as a result of even the limited improvement to the west coast main line in recent years.

If we could find a way to make progress towards building a north-south high-speed rail link to Heathrow and the channel tunnel, we could dispense with hundreds of the flights now clogging up the airport. On the eve of the launch of the channel tunnel rail link, I called on the Secretary of State to work with me in taking forward the case for more high-speed rail in this country, but she declined. The Government have set their face against high-speed rail, and the right hon. Lady made that even clearer today than she has in the past.

The Government have missed a huge opportunity to transform the debate on airport expansion. I urge the Secretary of State to reconsider the Government's position and to make a full and proper assessment of whether high-speed rail could provide solutions to a very difficult problem.

In conclusion, the Government have fiddled the figures on Heathrow, and they have failed to address the key environmental test or to give proper consideration to the viable alternatives to Heathrow expansion. They have also failed to make the case for expansion, and that is why we shall vote against the Government amendment this afternoon.

Several hon. Members *rose*—

Madam Deputy Speaker (Sylvia Heal): Order. Mr. Speaker imposed an eight-minute time limit on Back-Bench speeches. However, because of the limited amount of time, I am going to impose a six-minute limit on Back-Bench contributions in the hope that all those who wish to speak will be able to do so.

5.56 pm

Alan Keen (Feltham and Heston) (Lab/Co-op): I shall be as brief as possible, although even eight minutes would not have been enough for me to make a proper argument about the important issues that we face.

The Secretary of State said that I was passionate about Heathrow airport and air transport. I used to be very proud of Heathrow, and in fact 45 years ago this week I first started work only a few miles away from the airport. I have lived and worked within six miles of it ever since, and I understand the air transport industry very well. More than anything else, however, I am passionate about my constituents who suffer from the noise. Improvements to aircraft engines may lead to greater quietness, but that is irrelevant: unless engines become completely silent and planes are able to take off and land vertically, many thousands of people in west London will still be affected to their detriment.

I shall put a very simple argument on behalf of my constituents, but if I get time I shall also read out some of the comments that I have received from them. I shall then leave it to you, Madam Deputy Speaker, to stop me.

If I seem a bit shaken, it is because a note from my office was passed to me a few minutes ago. The note said that the Under-Secretary of State for Health, my hon. Friend the Member for Brentford and Isleworth (Ann Keen)—who has campaigned against a third runway for five years—would be unable to attend the debate because she was on a maternity visit. I only hope that she is making the visit in her capacity as a Health Minister. If that is not the case, I hope that the House will wish me well—and that it is a girl. *[Laughter.]* She will kill me later.

In the short time available to me, I shall concentrate on the two main problems facing my constituents. The first is the Cranford agreement; the consultation asked whether people wanted it to be scrapped. The agreement has existed since the 1950s. It has never been written down, but it ensures that planes always take off from the southern runway when the wind is blowing from the east. The agreement does not suit everyone, but it means that people in the village—which is very close to the airport fence—do not have to suffer the dreadful roar of engines when a plane takes off. If the agreement were done away with, life for the people in Cranford ward would be absolutely unbearable. We would have to give them money to move—an awful lot of money.

If the continued expansion of Heathrow is so desperately important for Britain's economy, where would a fourth runway go? I can tell the Secretary of State that no such proposal is going to work. If we are to expand the air transport industry, we will have to look for a site for a new airport, where the noise will not affect people. The industry is very short of sensible, long-term planning, and we cannot trust the people who lead it. They lied during the terminal 5 inquiry, as has been noted in the debate already. I previously always supported expansion at Heathrow. I supported terminal 5 because we needed extra capacity in Heathrow. It is relevant to note that three Members of Parliament who previously supported expansion—my hon. Friend the Member for Brentford and Isleworth, John Wilkinson who was a previous Member for Ruislip-Northwood, and I—changed our minds. It is significant that people who always supported expansion changed their minds when it came to expanding outside the present boundaries, and I support my hon. Friend the Member for Hayes and Harlington (John McDonnell). It is a desperate situation.

To return to my constituents, I have mentioned the Cranford agreement, which prevents planes from taking off on the northern runway when the wind is from the east, as the noise is absolutely unbearable. For 13 years, I worked under the flight path half a mile from the touchdown point on the southern runway—half a mile from where a plane crash landed a few weeks ago. The mixed mode is absolutely unacceptable; I could read quotes from constituents who say that they cannot enjoy their gardens at all when planes are landing or taking off. That problem extends a long way—to Richmond Park and even further east. If mixed mode comes in, it will be the end of runway alternation. I do not need to explain that to people on the Liberal Democrat Benches; I am sure that the hon. Member for Richmond Park (Susan Kramer) will get her own back on colleagues later this evening. If we bring in mixed mode, thousands of people will never again be able to enjoy their gardens. We are not talking about 1,000 or 2,000 people, but many thousands, and that is not acceptable.

Let me address the Ministers. I know how the system works. Ministers are suddenly transferred into a new Department. The technology on air transport is not straightforward, but there are civil servants who understand it, and obviously the air transport industry understands it pretty well. People like me are never asked for advice by Ministers. Only one Minister has asked me for advice, despite the fact that I have lived under a flight path for 45 years. I understand the position, and things are very difficult for Ministers. It is difficult to come into a new Department determined to change the policy that is already in place. The Under-Secretary of State for Transport, the hon. Member for Poplar and Canning Town (Jim Fitzpatrick), and the Secretary of State have a chance to show that they have guts and determination—that they are politicians who will work for the people of the United Kingdom. By that I mean that they will look at the long-term future of air transport. I care about the industry, and so do the people in my constituency who suffer its noise. They care about it because it is they who built up and worked for the industry.

Madam Deputy Speaker: I am afraid that the hon. Gentleman's time is up.

6.2 pm

Mr. David Wilshire (Spelthorne) (Con): May I start by declaring some interests? I represent 70,000 people who live right up against the boundary fence of Heathrow, and a work force 26 per cent. of whom depend directly on the airport for their jobs. I represent a constituency in which the majority of residents support another runway, and I represent a borough council that formally supports another runway. Heathrow has serious problems, and those problems are already costing it business and will soon cost us jobs.

Mr. Chris Mullin (Sunderland, South) (Lab): Am I right in thinking that there is more or less full employment around Heathrow, and therefore that the creation of more jobs is not part of the case for continuous expansion?

Mr. Wilshire: The hon. Gentleman is absolutely right. I have never argued for more jobs at Heathrow; all that I

have argued is that there should be no redundancies in Spelthorne. That is the job-related issue that bothers me.

Before terminal 5 was built, there was a lack of terminal capacity. Heathrow's capacity was 40 million people, but 60 million were using it. Hopefully—I stress, hopefully—terminal 5, the replacement of terminals 1 and 2 and the renovation of the other terminals will solve the terminal problem, but it will not solve the problem of the lack of runway capacity. Solving the lack of runway capacity at Heathrow is crucial and urgent, and I advance that argument not only for economic reasons. I accept the environmental problems, but there are, curiously, further environmental issues that we should consider.

For example, another runway would mean that those living under the flight paths of the existing two would have fewer flights overhead. If we end up with mixed mode operation—I oppose but fear we will get it—another runway would mean that we could bring back alternation. That would stop fuel being wasted as aircraft queued at the end of runways. It would stop fuel being wasted by aircraft going round and round and round until somebody found them a runway slot. It would stop some minor events, such as bad weather, causing enormous local Heathrow problems, which again, damage the environment.

Add to that little list the advent of much quieter, far less polluting aircraft and the new rail link, which the Liberal spokesman, the hon. Member for Lewes (Norman Baker), did not seem to know anything about, and we have the beginnings of a case—a much lengthier case, which I cannot make in six minutes—that the environmental issues can indeed be overcome.

I want to discuss for a moment the details of the Liberal Democrats' motion and their spokesman's ill-researched speech. He began by admitting that there is a mistake in his motion, but the mistake is what he will vote for. That is extraordinary. He spoke about alternation, but when challenged he demonstrated that he has no idea what mixed mode and alternation are. He went on to say that transit passengers are irrelevant. That proves that he does not even begin to understand what the significance of a hub airport really is. Without those transit passengers, many long-haul routes at Heathrow, irrespective of which airline operates them, would no longer be viable and the UK would suffer from the lack of international communications through a major hub airport.

Susan Kramer: In relation to a hub airport, will the hon. Gentleman not concede that increasing the number of transit passengers has a diminishing return? The requirement is an adequate number of destinations with an adequate number of flights. An ever-increasing number of destinations with an ever-increasing number of flights brings nothing additional to the economy. That is the point that has been missed in the economics of this farce.

Mr. Wilshire: The hon. Lady fails to point out to the House the fact that the problem is that Heathrow is losing routes. It is a question not of gaining them, but of stopping the haemorrhage and getting back the ones we have lost.

The hon. Member for Lewes went on to show even more clearly that he did not have the slightest idea what he was talking about when he said that a new high-speed rail link was an effective alternative. In an intervention on the Secretary of State, I rather made the point that the choice of flying to Amsterdam or of catching a train to London and then a tube is a no-contest. People would simply fly somewhere else. High-speed rail is essential for people who want to travel to London from the north, but not if people want to go to Tokyo.

The Liberal Democrat motion claims that the consultation is "deeply flawed". The justification advanced for that is that the Department for Transport has consulted with BAA. I should have thought that we would condemn the Department for not consulting BAA, because when, tragically, there is a crash, I have never yet heard anybody say that the crash inspectors must not consult the airframe and engine manufacturers. It is common sense to talk to those people.

Norman Baker: That is a gross distortion of what I said. I said that there was nothing wrong with BAA talking to the Government and that it was perfectly proper that it did so. My concern was that BAA had influenced the Government to an unnecessary and unhealthy degree.

Mr. Wilshire: I hear what the hon. Gentleman is saying, but I do not have time to get locked into a debate. I will happily answer him afterwards.

The Liberal Democrat motion claims that the economic case is overstated. It is not. Heathrow is this country's only hub airport. Its continuing success is essential for the future of the British economy and for the UK's ability to compete internationally. It is essential for Heathrow to see off foreign competition. It is essential to safeguard tens of thousands of jobs, many of which are those of my constituents.

A Labour Member raised the question of a brand new hub airport somewhere else. Yes, if the map was blank, we could have a discussion about whether Heathrow was a sensible place for our hub airport, but we are where we are. If we built a brand new airport somewhere else, the first thing that would happen, as happens at any other new airport, is that people would build houses next to it. It would require the most massive subsidy from public funds. It would result in a huge number of jobs in west London and in my constituency disappearing, even if all they had to do was move across to the Thames estuary. It would lead to a serious loss of foreign business and foreign investment. If the foreign people round Heathrow were forced to go somewhere else, my guess is that they would go to Paris or Frankfurt rather than scuttle out to the Thames estuary.

My case is simple. Solving the runway problem at Heathrow is essential for my constituency, for the Thames valley, for London and for the whole of the United Kingdom. I beg the House not simply to take my word for it. Listen to the majority of my constituents. Listen to the formal opinion of Spelthorne borough council. Listen to the trade unions, which also want to protect their members' jobs. Listen to local, regional and national businesses, and then listen to the passengers. Heathrow urgently needs another runway, provided we can overcome the environmental problems.

6.11 pm

Martin Linton (Battersea) (Lab): I am grateful for a six-minute chance to explain my difficulty. I certainly

cannot support the Liberal Democrat motion, which is deeply flawed and appears to want to abolish runway alternation or, as the hon. Member for Lewes (Norman Baker) called it, runway alteration, which might be a better idea. I have sympathy with some of the other points, such as keeping the cap on flights at 480,000.

I could not have supported the Conservative amendment if it had been selected. The Conservatives are deeply divided on the fundamental issues. I also cannot support the Government amendment, because it refers to the economic case for expansion, presupposing that there is an economic case for expansion at Heathrow. The title of the consultation document, "Adding capacity at Heathrow airport", also presupposes that the outcome of the consultation will be additional capacity.

I want the present limit, 480,000 flights, to be maintained. That is about 40 planes an hour. I have confidence that Ministers will approach the consultation with an open mind. I hope that they will have the courage to say no to British Airways and to the British Airports Authority and come up with the answer that I think is the right one, which will not allow any expansion of Heathrow or any added capacity.

I shall make two short points in my brief contribution. First, I reiterate the point that I made to my right hon. Friend the Secretary of State about the 54 dB contour. People who live within the 57 dB contour suffer far more. I understand the difficulty of the constituents of my hon. Friend the Member for Feltham and Heston (Alan Keen), but they are only tens of thousands. People who live within the 54 dB contour are hundreds of thousands. The end of runway alternation and the imposition of mixed mode would increase the number of people within the 54 dB contour from the present 633,000 to 750,000. That is almost 120,000 more people being subjected to aircraft noise.

People may think that 54 dB is nothing. I had a public meeting in my constituency with 250 people there complaining about 54 dB noise. I can promise my hon. Friends in the rest of south London that if mixed mode comes in and the 54 dB contour goes right across south London, they will have public meetings full of exactly the same kind of people protesting about the amount of noise above their heads. The maps provided by the Department for Transport show that the 54 dB contour, which currently reaches as far as Battersea, would extend as far as New Cross, so a whole new slice of London will be subjected to it.

I have taken a group of nine Battersea residents to see my hon. Friend the Member for Poplar and Canning Town (Jim Fitzpatrick), the Minister, who has been understanding and co-operative. I have written to him with the bones of a solution to the problem; it lies in the part of the consultation about westerly preference. It is a huge anomaly that of every 40 aircraft that land at Heathrow every average hour, 30 land over London and only 10 land going east. Almost all those 10 land over Windsor rather than the southern runway.

There is a flight path into Heathrow that crosses Windsor great park, reservoirs and farm land; hardly anybody lives under it at all. An aircraft using that path to land would disturb only deer, fish and cattle. There is only one village under that flight path and it has a population of 1,609. I am not saying that it should get something that we do not get, but if there were fairness and equal numbers landed from each direction, that would be a huge improvement for the long-suffering residents of south London. I am advocating not that that village should bear the brunt of the noise, but that there should be a fair share through the ending of unnecessary westerly preference.

There is a huge snag, which is the Cranford agreement; I have every sympathy with my hon. Friend the Member for Feltham and Heston (Alan Keen), in whose constituency there is a small pocket of streets right up against the fence near the northern runway. Clearly, people living in them should not be subjected to aircraft taking off above their heads. As my hon. Friend said, the answer is money for them to move. That would unlock the potential for aircraft to land at Heathrow going east and save a huge amount of disturbance.

Alan Keen: I did not say that those people should be given money to move. They do not want to move; they work at Heathrow airport and are proud of it.

Martin Linton: There should be compensation of some kind because unnecessary agony and pain is put on residents around Heathrow because of this problem. I could go on to talk about the longer-term problems of Heathrow. No other capital city in western Europe has an airport situated to its west, with the prevailing winds implying that practically every aircraft has to land across the capital. However, that is a long-term problem.

As far as this consultation goes, there is every possibility of finding a way through the problems and reducing—not just capping—the impact on the whole of south-west London of noise from aircraft landing. I look forward to the Minister's finding a way to announce such a measure in respect of the consultation.

6.17 pm

Susan Kramer (Richmond Park) (LD): I am very conscious of the time available and the number of people who want to speak, so I shall take as read my very strong views on a lot of issues—climate change, the negative impact of the third runway, the damage to Sipson, the impact on schools, learning, air quality and traffic congestion, and the huge potential loss for the air-rail hub at Heathrow.

I shall also say little about the quality of the consultation, but it so offended my constituents that Richmond council put out its own survey that had almost 10,000 responses, of which 90 per cent. opposed expansion. That gives an idea of the strength of feeling locally. Furthermore, we did our own little survey, to which there have been 850 responses. Having tabulated the first 450 of them, we know that 99 per cent. of those oppose expansion at the airport.

Noise is the issue mentioned over and over—people who cannot have weddings outside or sit in their gardens whenever aircraft are overhead. There was a wonderful little letter from a certain young William, who cannot hear "Thomas the Tank Engine". The impact on kids and families is very significant. The very thought that we would end up with mixed mode makes life unbearable; a phenomenal number of people in my area have said that they would simply have to move.

I want to focus on what seems to be the heart of the Government's argument: their economic case, which I

find very specious. Listening to those arguments is like listening to the people who argued once upon a time that the way to develop London's economy was to bring motorways criss-crossing through the city to meet the demand for cars. It is exactly the same now with air travel. Of course Heathrow is a hub airport but, as I said earlier, the point about hub airports is that constantly expanding them has diminishing returns. It is attractive to the aviation industry to bring more transfer passengers into Heathrow—BA and BAA love that, because it serves their narrow business interests extremely well.

The former chief executive of BAA, Stephen Nelson, said that he thought that 35 per cent. of the expanded number of passengers would be transfer traffic. All continental airports compete for transfer traffic, not destination traffic. Having additional flights to more destinations when all the key destinations are already being served to virtual saturation point brings very little economic benefit. The Government have not absorbed that, and Heathrow is the obvious example. As the Secretary of State said, the number of destinations served at Heathrow has dropped by almost a fifth over the past few years. Passenger numbers have stayed steady and London has gone through its strongest period of economic growth, with more companies coming to London and this area than ever before. There is a complete disconnect in the thinking.

The very complex booklet on UK air passenger demand that has been part of the consultation is conceptually utterly naive, looking merely at a linear relationship between the number of passengers and gross domestic product. It is mathematically complex but has very little understanding of actual behaviour and economic drivers and of the fact that here in London business is changing. Business people do not want to be put on a flight every 10 minutes by their employers—they used to accept that, but no longer. Businesses are trying to reduce their carbon footprint. New technologies are coming through for video conferencing and other ways of communication. High-speed rail is increasingly a preferred option. We are in a period of dynamism and change, and the Government are clinging to an old technology and an old strategy just when they need not do so. The logic of what they say is that we must constantly grow and grow. If there are six new runways in Beijing, then my goodness, we must have more runways here in London. That is utterly unsustainable. If we say that at some point we must draw a line in the sand, let us draw it now before we do additional damage to London's economy and quality of life.

What brings people to this city is in large part the quality of life that is on offer. Expansion means that parts of London and the south-east that have never been affected by noise will be greatly affected by it, including the City and Canary Wharf and, may I say, Kensington and Chelsea. The minute the spouse of a major executive of an American bank says, "I'm damned if I'm going to go and live in that city, because it's bloody unbearable", is the point at which the economic change begins to be delivered in London and we start to lose out. Anyone who thinks that the number of destinations is key should take a look at Frankfurt. It has the most destinations of any of the cities in Europe, but it is not attracting businesses from the UK or anywhere else because people do not want to live there. That is the important underlying issue.

In my last seconds, I say to the Conservatives that this is the day when they must stand up for stopping this expansion now and for ever. Never mind the typo—this is the day to show true colours, stand together and bring an end to this absolutely idiotic plan to expand capacity at Heathrow.

6.23 pm

John McDonnell (Hayes and Harlington) (Lab): I abhor the nature of this debate. I am unhappy that it has become party political knockabout. *[Interruption.]* I am not being pompous. This issue is too important to most of us. To be frank, all those of us opposed to a third runway should have got together and even helped to draft the motion.

For many people out there, the message that comes across loudly is that this place is becoming good enough only for climbing on the roof and hanging their banners, and useful for nothing else. Many people think that the third runway is already going ahead because the Government have made up their mind about it. We cannot blame them for that. As my hon. Friend the Member for Feltham and Heston (Alan Keen) said, they have been lied to and deceived for decades. On the fourth terminal, they were told there would be no further expansion by a Conservative Government; on the fifth terminal, an inspector says no, and BAA writes a letter to promise no further expansion; and a Labour Government then cap that, but within six months the cap is under contest.

Even during the current process, the White Paper referred to a third runway, but did not mention a sixth terminal in any detail. It referred to one village, but it is not just one—as has been said, more than six are involved, including Harmondsworth, Harlington, Longford and Cranford Cross. First of all it was said that just under 100 homes were at risk, but we then learned that it was to be 700, affecting 1,000 people. We then discover that it is actually 4,000 homes and 10,000 people. We are told that an objective analysis has gone on and that detailed discussion has taken place based on the free flow of information. It has not. I pay tribute to the hon. Member for Putney (Justine Greening) for the work that she has done under the Freedom of Information Act to extract information.

All the way through this process, people believed that the Government sought to deceive them because they had already made up their mind. The consultation process has been a farce. The exhibitions have been meaningless and the distribution of materials has been chaotic. I say to the Under-Secretary of State for Transport, my hon. Friend the Member for Poplar and Canning Town (Jim Fitzpatrick), that it is unacceptable for the Secretary of State not to come to my constituency and meet people who will lose their homes when she has taken the time to visit Heathrow airport to meet aviation companies instead. That does not respect the standards of decency of any Government whatever.

As far as the discussions on collateral costs are concerned, there has been no planning and no meetings with any authority, or any of us, about what will happen to our constituents if they are forced out of

their homes. Let us remember that three schools, a community centre and a hospice are affected, and now we have discovered that the road network goes through the cemetery in my local community—Cherry lane cemetery, in which we are still burying our dead. That is what is happening at the moment.

There has been no financial analysis. During the discussions on the original White Paper we were told that alternatives were looked at. They were not looked at in any detail and my right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford) raised the point that there had been inadequate discussion about alternative sites. There was inadequate discussion about rail alternatives. Today, HACAN ClearSkies has submitted a letter to my hon. Friend the Under-Secretary outlining the options available to relieve Heathrow through further rail investment.

As far as economic analysis is concerned, we have not been told what the overall costs will be and what the burden will be on the public exchequer. We all know about the state of Ferrovial and the high leverage buy-out it made of BAA. Even given the increase in landing charges allowed by the CAA recently, we know about the financial problems that that company has, and we know that it is running into difficulties in other deals. I say to my hon. Friends that I resent paying public money to subsidise the profits of a company that was founded by a fascist who made his money out of his relationship with Franco and his dealings behind the scenes through Opus Dei.

Madam Deputy Speaker: Order. The hon. Gentleman will withdraw those remarks.

John McDonnell: I beg your pardon, Madam Deputy Speaker, but I am referring to the company, which was founded by a fascist who had a relationship with Franco. That is who I condemn. If that is out of order, please advise me.

Madam Deputy Speaker: I understand. You are saying the company; I thought that you were referring to an individual.

John McDonnell: Can I just explain, then, that the individual was a fascist? He fought on the side of the fascists against the republicans in the civil war. He made his profits as a result of his relationship with Franco. I understand if there has been a misinterpretation.

I return to the point that people out there feel that the decision has already been made. I shall give some examples. People have referred to the fact that the Prime Minister, when Chancellor, made statements in favour of the expansion of Heathrow. He has also made such statements as Prime Minister. We had the gaffe on Monday on terminal 5, when my hon. Friend the Under-Secretary referred to the consultation and said:

"We are confident that, when we analyse the consultation—which, as the hon. Lady knows, is being undertaken at present—and publish our findings in the summer, our validation will be proved to be correct." —[*Official Report*, 31 March 2008; Vol. 474, c. 434.]

Three minutes later, he is passed a note by the lawyers, and has to correct the statement.

I also refer hon. Members to what has happened in my own borough: The London borough of Hillingdon received a notice from the planning inspectorate and the Department saying that it had to amend its local planning framework to take into account a third runway and a sixth terminal, pre-empting the consultation on the development of the framework.

I refer to what happened to the Mayor of London, whom one of my constituents contacted because he came out against the expansion and the third runway—as have all the other candidates, on which I congratulate them. My constituent wrote to ask the Mayor why he had not included his opposition in his development plan. We received the following response:

"When the Authority published the proposed alterations to the London Plan for public consultation in... 2006, they set out firm opposition to expansion... ('additional runway capacity at Heathrow is therefore opposed'). However, the Government objected to this wording and asked that these words be removed. The Plan cannot be published without Government approval and the Authority has therefore reluctantly agreed to delete these words so that Government would allow the plan to be published".

That is why people outside believe that the decision has already been made. The Government have fixed the White Paper and the consultation process. They are bullying local authorities and even the Mayor of London to try to undermine the opposition throughout our communities, and, thereby, the decision-making process of the House.

I therefore demand that the matter be brought to the Chamber for decision.

6.30 pm

Justine Greening (Putney) (Con): I am pleased finally to be able to contribute to the debate. All I ever wanted was to have a fact-based discussion about the right decision on the matter.

The issue is clearly important in Putney, Roehampton and Southfields. We are especially concerned about the proposals for runway alternation. The current half day of respite that we get from aircraft noise is massively valued. Families live in my area and love the open space and all-day flights would fundamentally undermine our quality of life. When we held a public meeting to consider the proposed expansion, more than 700 people turned up at St. Mary's church in Putney. There were not more only because the church was full. We had to hold a public meeting because, in spite of a direct promise from the former Minister with responsibility for aviation in 2006 to hold a public exhibition in my constituency and in the borough of Wandsworth, it did not happen. Since I became a Member of Parliament and before that, I have emphasised that aircraft noise is a genuine problem.

We know that all-day noise will have an impact on not only residents but our local children. I am a governor at Hotham primary school in Putney, and it will be affected, as well as All Saints and Brandlehow schools. Those children's education will be fundamentally disrupted by the all-day noise overhead.

I am disappointed and frustrated that the Liberal Democrat motion has not been designed to gain broad support in the House. Obviously, it contains a glaring error and a mistake about runway alternation. I also believe that it is in error because it does not call on the

Government to get rid of mixed mode as well as the proposal for a third runway. I cannot support it because having all-day flights over Putney would put my constituents at risk, and that would be wrong.

Susan Kramer: Will the hon. Lady give way?

Justine Greening: I am afraid that I do not have much time. I understand the concerns of the Liberal Democrats, and our amendment states that the expansion proposal cannot and should not go ahead.

The freedom of information results that I have obtained clearly show that BAA was so involved with modelling the air pollution and noise that there was a BAA forecasting team. BAA also sat on the Heathrow project board. I do not remember being invited to sit on that board as a key stakeholder and local Member of Parliament. That applies to hon. Members of all parties. BAA was involved in writing the consultation document and was actively asked for input. Meeting minutes show that it was not only asked to do that but that, a couple of months later, it provided some input, which has been incorporated.

BAA was involved with the Department for Transport in developing joint lines to take to deal with media and press inquiries—and, no doubt, Members from the south and their constituents. That is fundamentally wrong. BAA had to seek out and employ WS Atkins to conduct part of the peer review. Again, that is wrong and gives an impression of a review of whether the environmental tests could be overcome that is led not by the Department for Transport but by BAA. The Secretary of State shakes her head, but that is exactly how the minutes come across.

As I said in my intervention on the Secretary of State, if she is so happy that the environmental case has been made, why will she not release the detailed data, after nearly a year of my trying to obtain them through every possible method? Why do the minutes say that the fleet mix used to estimate noise and air pollution was still being modified right into September last year, just weeks before the consultation?

I have notes in which BAA is asked by the Department for Transport to redo the modelling. Those notes say:

"Given the urgent timetable to which my colleagues on the Heathrow team are working, would it be possible for you to provide the required tables by the end of this week please?"

That does not sound like a DFT-led proposal. Interestingly, the people at BAA said in response that they were concerned that the re-forecasting scenarios

"would not provide you with data which is sufficiently robust to be cited in the consultation document."

I do not have e-mails from after that, however, so I do not know what eventual decision was taken, but I know that BAA was heavily involved, to an inappropriate extent.

I will wrap up. We have talked about the fact that CO_2 emissions have not been properly accounted for. It is ridiculous for the Secretary of State to say that half the flights should have been excluded. "How to use the Shadow Price of Carbon in policy appraisal", a document issued by the Department for Environment, Food and Rural Affairs, says that the impact on greenhouse gas emissions

"should be net change from an assumed baseline rate of emissions. The assumed baseline are emissions in the absence of the policy."

There would be 220,000 fewer plane movements every year in the absence of the policy, yet they have not been included at all.

The reality is that the consultation has been a sham. It has let Londoners down and shown that the Government are out of touch. It is absolutely right that we are tabling a motion to say—

Mr. Speaker: Order. I call Mr. Meacher.

6.36 pm

Mr. Michael Meacher (Oldham, West and Royton) (Lab): I am not a local MP to Heathrow, unlike others in the Chamber tonight, but I have a strong interest in two aspects of the debate. The first is the evidential basis for the forecast of air quality and noise impacts, and the second is the status and weight—or perhaps the lack of them—given to climate change considerations in the final judgment.

On the first issue, the conclusion reached—that one can bolt a new airport the size of Gatwick on to Heathrow without any adverse environmental impacts—never commanded any credibility and, frankly, has attracted a great deal of derision. However, what was so disturbing about the story in *The Sunday Times* on 9 March is the exposure—uncovered by the excellent work of the hon. Member for Putney (Justine Greening)—of just how deceptive and manipulative Departments can be in pursuit of a pre-determined objective.

The documents show that BAA gave directions to Department for Transport officials on how to strip out data in the consultative document that showed that the expansion would cause unlawful levels of pollution and extra noise. The documents show that BAA repeatedly selected alternative data for the consultation, which were devised in order to secure the result that showed an insignificant impact on noise and pollution. The documents show that the Department for Transport apparently gave unprecedented access to confidential papers and allowed the company to help to rewrite the final document.

The documents also show that the final document significantly reduced the likely greenhouse gas emissions of the third runway, by excluding incoming international flights. We also know that one official closely involved in Project Heathrow, which researched the environmental impacts of the runway, said:

"It's a classic case of reverse engineering. They knew exactly what results they wanted and fixed the inputs to get there. It's appalling."

If all that is true—I am not aware that any of it has been denied—it indicates that a line has been crossed that is not acceptable. The era of spin and manipulation in this country has done untold damage to our political culture. Politics in this country will not recover until people are confident that they are being given the truth, however hard the truth is, and that it is not simply being massaged in order to suit the interests of the powers that be.

I say all that much more in sorrow than in anger, but certain implications follow from it. Frankly, the consultative document should be withdrawn and replaced by a much more honest and accurate one, before it is legally challenged in court, which I expect it will be, and before a judge requires it to be withdrawn.

I think that there must be accountability for such behaviour. I assume that no Minister was directly involved in the massaging of these data, but I believe that leading civil servants—including, as has been mentioned, David Gray, who appears in all the documents—should be disciplined and, if necessary, removed, which is what I believe would occur in any other sector of employment.

It pains me to agree with the Opposition motion, but I believe that the Government have got to stop going through the motions of consultation, when it is clear to everyone that they have already made up their minds. It happened with GM foods; it happened with nuclear power; it happened with Trident; and now it is happening with the third runway. The Government should listen more to the voices of the people—in this case, the long-suffering and much put-upon people of west London—and listen less exclusively to the big financial and industrial barons. I simply say that what is good for BA and BAA is not necessarily good for the UK.

Mr. Wilshire *rose*—

Mr. Meacher: I have no time.

The second fundamental issue that I wish to address—in a minute and a half, or, actually, even less—*[Interruption.]* I wanted to talk about the relationship between aviation and climate change, but I shall save that for a future occasion.

6.41 pm

Steve Webb (Northavon) (LD): I shall start by picking up where the right hon. Member for Oldham, West and Royton (Mr. Meacher) left off, as the link between aviation and climate change provides the context for this debate. The right hon. Gentleman will know that only last November the Department for Transport projected emissions growth from aviation. It said that, even taking account of the radiative forcing effects, 9 per cent. of our current emissions come from aviation; by 2020 it will rise to 15 per cent.; and by 2050, 29 per cent. That means huge potential growth in the emissions from aviation, and here we are looking at expanding a major airport. The two simply do not sit together, and if we are serious about tackling climate change, we have to say no to the third runway at Heathrow.

This has been a debate of contrasts. We have had some very clear contributions, and it is noticeable that all four Back-Bench contributions from Labour Members were opposed to the Government's position. The hon. Member for Feltham and Heston (Alan Keen) provided a knowledgeable and passionate defence of his constituents and their interests; the hon. Member for Battersea (Martin Linton), who is no longer in his place, raised the issue of those just below the top decibel threshold and the many more who will be affected by the noise impact of Heathrow; the hon. Member for Hayes and Harlington (John McDonnell) talked about the growth in promises, and the dodgy consultations that we have already seen on nuclear power and we are seeing now with Heathrow; and the right hon. Member for Oldham, West and Royton highlighted, as have others, the role of BAA in all this. No one doubts that it has to supply information; no one doubts that it is an interested party, but it has to be open and transparent.

I echo the tributes paid to the hon. Member for Putney (Justine Greening) for her perseverance, which should not have been necessary. The information should have been in the public domain. If the Government have nothing to hide, why will they not—*[Interruption.]* The Secretary of State says "It is" from a sedentary position, but I strongly suspect that there is a long list of information that the hon. Member for Putney has requested that has not been put in the public domain—environmental information, for example, which needs to be in the public domain now.

Before moving on, I should also pay tribute to my hon. Friend the Member for Richmond Park (Susan Kramer), who has been absolutely unambiguous about her position on the third runway and has been a doughty campaigner. The contrast between her position and that of the official Opposition could not be more acute. The House has the right to know the position of each of the major parties. The Secretary of State is clearly pro a third runway, as she said earlier that there is "a clear need" for "extra runway capacity" at Heathrow. She did not say that it was subject to anything. The record will show that she said that—*[Interruption.]* The Minister may wish to qualify it, but that is what the Secretary of State said.

In contrast, the shadow Transport Secretary said that there were four tests, but the implication of that for another runway is that if the tests are passed, the runway goes ahead. When I intervened to ask her whether the runway would go ahead if the tests were passed, she said something to the effect that the tests were not being passed and it was all very difficult. But it is not very difficult. Either the runway should or should not go ahead or it is conditional on passing the tests. If the Conservatives are saying that it should go ahead subject to the passing of those tests, they should make that clear to the voters of London. The Conservative leader sent an e-mail to a constituent of my hon. Friend the Member for Richmond Park on that very issue. One gets a slight sense that the Conservatives—though it pains me to use the expression—say one thing to one set of people and something else to another set of people—*[Interruption.]*

Several hon. Members *rose*—

Steve Webb: The leader of the Conservative party said in an e-mail:

"The economic case for expanding Heathrow is now stronger than for expanding any other airport in the South East."

That is one of the official Conservative positions.

Mrs. Villiers: Does that mean that the hon. Gentleman supports the building of another runway at Stansted?

Steve Webb: No, we do not support that.

Where do we go from here? I shadow the Secretary of State for Environment, Food and Rural Affairs, who said on 13 March that

"aviation emissions in Europe will be capped at the 2004 to 2006 level".—[*Official Report*, 13 March 2008; Vol. 473, c. 406.]

To be fair to the Ministers who are here tonight, that is not what they are saying. They are saying that the aviation industry will just buy carbon emissions above the cap.

The Government are trying to give the impression that extra runway capacity at Heathrow does not matter because the emissions are capped, but of course they are not capped. All that will happen is that the aviation industry will buy carbon credits from other sectors of the economy. If Heathrow is allowed to expand and aviation expansion goes ahead, other sectors of the economy will not just have to meet the carbon reduction targets that we think they should meet anyway but will have to go even further, which means that the British industry will have to go even further and householders will have to go even further. Why should constant attempts be made to satiate what my hon. Friend the Member for Lewes (Norman Baker) rightly described as the insatiable appetite of the aviation industry?

Mr. Randall: Could the hon. Gentleman explain again why his party thinks it is such a great idea to end runway alternation?

Steve Webb: For the avoidance of doubt, the Liberal Democrats oppose the ending of runway alternation. *[Interruption.]* That is absolutely clear. Anyone who reads the motion as a whole can be in no doubt about that.

In the few minutes remaining to me, let me pose this question: what is the alternative strategy? At the beginning of her speech, the Secretary of State criticised us for suggesting that not everyone should be able to go on every holiday they want, and that not every business should be able to take every business flight. She criticised us for suggesting that there should be constraint. She also said, however, that she did not favour predict and provide, and that the growth would be less than the predicted demand.

There is no difference between our position and the Government's—we both accept that the growth of airport traffic will be rationed—but, as was pointed out by my hon. Friend the Member for Lewes, the Liberal Democrats have stated explicitly that that should involve substituting high-speed rail for air travel, which is far more relevant, and also demand management, which means raising the cost of flying through carbon taxation and rationing. If the Government are serious about meeting their carbon emission targets, they must accept the need for measures of that kind.

The Climate Change Bill, to which reference has been made, does not even mention aviation. It is not included in the targets. Only carbon dioxide emissions are capped by the trading scheme; other aviation emissions are not capped in the same way. It is not the case that there is no problem with emissions as a result of airport expansion. It is clear that there is a problem, even given the trading scheme. The next phase, which applies to aviation, will not be introduced until three or four years from now, and in the meantime the emissions will continue to increase. That is the key point.

As we have heard from Members representing constituencies in the area, this is predominantly a local issue, but it is also a national and a global issue. Important issues have been raised by Members such as my hon. Friend the Member for Richmond Park, but we are in danger of losing sight of the bigger picture: the soaring contribution of aviation emissions to climate change.

One of the problems with tackling climate change is that the Department for Environment, Food and Rural Affairs does not control transport policy, so Heathrow gets expanded. It does not control energy policy, so we get new coal-fired power stations. It does not control the rules on new houses, so no effective action is taken on emissions from housing. Regrettably, we have a weak Department responsible for the environment and a powerful Transport Department, with powerful friends alongside it, shaping the consultation. That is why, on an environmental basis and on a transport basis, this is a fundamentally flawed prospectus. . .

To conclude, there have been two clear positions in this debate: that of the Liberal Democrats, who oppose the third runway at Heathrow, and that of the Government, who have clearly made up their mind already. What we have had from the Conservatives is fudge and bluster, and the electorate will find them out.

6.50 pm

The Parliamentary Under-Secretary of State for Transport (Jim Fitzpatrick): This has rightly been another lively debate on the issue of Heathrow. That reflects the importance not only of the airport to the economy and as the UK's aviation hub, but of the need to balance that with proper concern for the environment.

Before trying to address some of the points that Members have made, I would like to comment on the recent consultation exercise. Several Members criticised the "Adding capacity at Heathrow airport" consultation. By any standards, it has been a major democratic exercise: summary documents were mailed to more than 217,000 households; consultation documents were sent to more than 700 stakeholder organisations; it was widely publicised, in both the national and local media and elsewhere; 13 public exhibitions were held in communities around the airport and in central London; the consultation materials were available on request and online; and a dedicated call centre was in operation throughout. Almost 5,000 people visited the exhibitions, and we have received more than 70,000 responses. That explains why the consultation has met, and in some aspects exceeded, the Cabinet Office guidance on the conduct of such exercises.

The lengths to which we have gone to inform the public and others about our proposals is a clear statement of our determination to ensure that final policy decisions are fully informed by the views of as many stakeholders as possible. So despite the criticisms of some, I am firmly of the view that this consultation—albeit on a subject that many feel passionately about—has been conducted in an exemplary manner.

Mr. Randall: Will the hon. Gentleman give way?

Jim Fitzpatrick: Against my better instincts, so as not to run the risk of appearing rude I shall give way to the hon. Gentleman.

Mr. Randall: The hon. Gentleman is always very courteous. Can he tell me why I did not receive a consultation document when I was only four miles way, whereas people in west London—miles and miles away—did?

Jim Fitzpatrick: I knew I should have listened to my instincts and not given way to the hon. Gentleman. He was fully aware that the consultation was taking place, and he could have downloaded the document. As I have said, it was sent to 217,000 households.

The analysis of the consultation responses will be used to inform final policy decisions on a third runway, on mixed mode, and on other operational procedures. As the House will appreciate, until this analysis has been completed it would be premature for Ministers to comment on the outcomes. What I can say is that we expect to make final policy decisions later this year.

The hon. Members for Lewes (Norman Baker) and for Chipping Barnet (Mrs. Villiers) made accusations of collusion, which we refute entirely. We refute the accusations that the Department has behaved improperly in its relations with BAA plc and in managing the consultation exercise.

The 2003 air transport White Paper made it absolutely clear that we expected the aircraft operator, working with the Civil Aviation Authority, NATS and the Government, to develop proposals to form the basis of consultation. It would not have been sensible, or indeed possible, to attempt this work without the technical and operational expertise of the operator.

I must also say that it is outrageous of my right hon. Friend the Member for Oldham, West and Royton (Mr. Meacher) to suggest that civil servants should be disciplined on the basis of an article in a newspaper.

Norman Baker: The article in *The Sunday Times* is important, as Members of different parties have raised it this afternoon. Does the Minister believe there are factual inaccuracies in that report, and if so, what are they?

Jim Fitzpatrick: I do not have time to go into the detail of the factual inaccuracies in the report in *The Sunday Times*. What I can say is that we refute the allegations of collusion, and that we stand by the information, the evidence and the data we published in our consultation material, which is edited by, and under the control of, the Department for Transport. I have faith in the professionalism and integrity of the officials at the Department for Transport.

The hon. Member for Lewes raised the issue of airspace availability to support expansion and my response to him at Transport questions. As he knows, safety is the Government's top priority. The Department for Transport has worked with both the CAA and NATS to ensure that proposals for a third runway at Heathrow are fully workable.

NATS has undertaken a feasibility study—I acknowledge that the hon. Member for Lewes has received a letter, but if I could explain the information that I have, perhaps we could compare notes afterwards outside—on the airspace for a third runway and mixed mode. We have published reports for both, along with the consultation document, that show that an expanded airport is operationally feasible in air traffic control terms. Naturally, further detailed work would need to be done if the proposals are taken forward, and consultation would need to take place on final designs under established CAA procedures.

The hon. Member for Putney (Justine Greening) has been raising the question of the release of the environmental data. We originally withheld partial and preliminary results ahead of the consultation, as we are permitted to do under freedom of information legislation. We have published the finished material in depth, in the consultation and the supporting documentation, and it is on the Department for Transport website.

My hon. Friend the Member for Feltham and Heston (Alan Keen) raised the question of Cranford. The Cranford agreement was introduced when the noise from departing aircraft was significantly higher than it is now. Although it benefits some residents, it is disadvantageous to other communities around Heathrow. The consultation asks for views on whether that is equitable.

I find it staggering that the Liberal Democrats intend to press their motion to a Division even though it has a word missing. That is the type of error that we would not expect from a sixth-form debating society. Forgive me: I am not comparing the Liberal Democrats to a sixth-form debating society, as to do so would be to demean sixth-form debating societies. With the greatest respect to the hon. Member for Lewes and colleagues, the words on the Order Paper are not what they meant to say and if they had any integrity they would not press the motion to a vote. They have had their say and stated their position, and they should withdraw the motion when they get the opportunity to do so at the end of the debate, rather than pressing a flawed motion to a vote.

I hope that the hon. Member for Lewes does withdraw the motion, because in my view, and that of the Department for Transport, it shows that the Liberal Democrats are in denial. The motion does not seem to acknowledge that aviation is growing, has been growing and will continue to grow. We must balance our need to provide for that expansion while addressing the challenge of climate change. We have clearly outlined our support for benchmarking emissions at 2004 to 2006 averages, and we have been leading internationally on aviation being incorporated into the emissions trading scheme. Responsible policies are the way forward. We do not have to choose between being rich and dirty or poor and green. The Government have set out their climate change strategy and the Department for Transport has published our policy document "Towards a Sustainable Transport System".

On the contribution by the hon. Member for Chipping Barnet, I must tell many of her colleagues that although she may not be persuaded that the case has been made for a third runway, the business community has not just been persuaded—it has been actively lobbying for it through most of its organisations. No one is saying that these are easy decisions, but they are important and they are in the wider economic national interest. I suspect that, to a certain extent, the Conservative amendment is partly about getting the name of the hon. Member for Henley (Mr. Johnson) on today's Order Paper, as much as anything else for the sake of the London elections.

In conclusion, the Liberal Democrat motion is plain wrong. It is wrong in its wording, wrong in respect of what is happening in the real world of aviation, wrong in attacking this Government's international efforts to tackle climate change and wrong in its basic conclusion that we can ignore the capacity constraints at Heathrow. In contrast, the amendment standing in the names of the Prime Minister, our right hon. Friends and myself restates how we will address the issue of emissions and climate change, acknowledges the economic importance of Heathrow and refers to the consultation exercise and how we will take this issue forward.

I commend the amendment to the House and ask the hon. Member for Lewes to withdraw his motion. If he does not do so, I ask the House to vote for our

amendment and against the motion, which he and his colleagues have accepted is flawed, wrongly worded and does not say what they want it to say.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 66, Noes 265.

Division No. 142] **[6.59 pm**

AYES

Alexander, Danny
Baker, Norman
Barrett, John
Beith, rh Mr. Alan
Brake, Tom
Brooke, Annette
Browne, Mr. Jeremy
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Clegg, rh Mr. Nick
Corbyn, Jeremy
Davey, Mr. Edward
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
Gidley, Sandra
Goldsworthy, Julia
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Hemming, John
Holmes, Paul
Horwood, Martin
Hosie, Stewart
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Keetch, Mr. Paul
Kramer, Susan
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Llwyd, Mr. Elfyn
McDonnell, John
Moore, Mr. Michael
Mulholland, Greg
Oaten, Mr. Mark
Opik, Lembit
Pugh, Dr. John
Reid, Mr. Alan
Rennie, Willie
Robertson, Angus
Russell, Bob
Sanders, Mr. Adrian
Shepherd, Mr. Richard
Smith, Sir Robert
Spink, Bob
Stunell, Andrew
Swinson, Jo
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Wareing, Mr. Robert N.
Webb, Steve
Weir, Mr. Mike
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Wishart, Pete

Tellers for the Ayes:
Jenny Willott and
Dan Rogerson

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Burden, Richard
Burgon, Colin
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coffey, Ann
Connarty, Michael
Conway, Derek
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Philip
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Kelly, rh Ruth
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mole, Chris
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George

MADAM DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House recognises that the Government's policy on airport expansion is consistent with its long term, balanced and sustainable aviation strategy as set out in the 2003 White Paper The Future of Air Transport, that its support for emissions trading represents the most effective way of tackling climate change concerns, that the Adding Capacity at Heathrow Airport consultation is a robust document that is the product of a lengthy period of comprehensive analysis, that the consultation process followed best practice as set out by the Cabinet Office, that the economic case for the expansion of Heathrow Airport, as set out in the consultation, accurately reflects the Government's current understanding of all the relevant costs and benefits, and that Ministers should base their forthcoming decisions on the future of Heathrow on all the evidence available, including the responses to the consultation.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

IMMIGRATION

That the draft Immigration (Registration Card) Order 2008, which was laid before this House on 5th March, be approved.

[Mr. Michael Foster.]

Question agreed to.

PETITIONS

Post Office Closures (Kent)

7.23 pm

Mr. David Evennett (Bexleyheath and Crayford) (Con): I have pleasure in presenting a petition signed by more than 2,000 of my constituents. They are angered and concerned that their local Brampton road sub-post office is faced with closure, and they urge Post Office management to think again.

The petition states:

The Petition of those concerned about the proposed closure of Brampton Road Post Office,

Declares that Brampton Road Post Office should remain open.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Business, Enterprise and Regulatory Reform to call upon Post Office Ltd to abandon its plans to close the Post Office at 301-303 Brampton Road.

And the Petitioners remain, etc.

[P000162]

Alderman Blaxill School

7.25 pm

Bob Russell (Colchester) (LD): I present the petition of Kevin Starling, Lyn Barton, Nigel Offen and pupils and former pupils of Alderman Blaxill school, Colchester, together with parents, residents and others. There are nearly 500 signatures on the petition objecting to the closure of Alderman Blaxill school and of Thomas Lord Audley school at Monkwick and the construction of an academy on the Monkwick site.

The petition states:

The Petition of Kevin Starling, Lyn Barton and Nigel Offen - and pupils and former pupils of Alderman Blaxill School, Colchester, together with parents, residents and others,

Declares that the school has a special place in the life of the Shrub End community in accordance with the Government's policies towards promoting sustainable communities; consider that its position as the town's smallest secondary school should be regarded as a positive reason for its retention rather than a reason for closure or merger; stresses in particular the important role the school has with its special relationship with the Colchester Garrison and the teaching of pupils whose parents serve in HM Armed Forces; and point out that the school is the only one in Colchester with a unit specialising in dyslexia.

The Petitioners therefore request that the House of Commons call on the Government to (a) stop Essex County Council from closing or merging Alderman Blaxill School and (b) to ensure that all necessary support, financial and otherwise, is given to enable the school to improve its performance and to continue to be an integral part of the community in the years ahead.

And the Petitioners remain, etc.

[P000166]

Post Office Closures (Surrey)

7.26 pm

Tom Brake (Carshalton and Wallington) (LD): About three years ago Carshalton and Wallington suffered post office closures in Banstead road, Westmead road, Stanley Park road and Plough lane, to name but a few. Now a further round of closures is threatened, with disastrous consequences. Local people are up in arms.

The petition states:

The Petition of Carshalton and Wallington residents,

Declares their opposition to the Government's programme of Post Office closures, in particular the proposed closure of Post Offices at Seymour Rd, Bishopsford Road, Wrythe Lane, Carshalton Road, and Gander Green Lane.

The Petitioners therefore request that the House of Commons urges the Government to find alternative business for Post Offices to enable them to continue providing an invaluable service to residents, particularly those who are elderly or have a disability.

And the Petitioners remain, etc.

[P000165]

Planning and Development (Reading)

7.27 pm

Martin Salter (Reading, West) (Lab): I wish to present a 1,500-signature petition calling on the Minister with responsibility for planning to delete the Kennet meadows in Southcote, Colney park, Calcott and Katesgrove from the draft south-east plan. That is the area covered by the Prudential proposals to build 7,500 homes on the functional floodplain of the River Kennet in south-west Reading, plans that were described by the Environment Agency as putting the whole of Reading town centre at risk of flooding.

The petition states:

The Petition of people from the greater Reading area,

Declares that the panel looking at the South East Plan were wrong to recommend development of 7500 houses north of the M4 at Reading; this area is in a functional floodplain; the Environment Agency have said that building in this area could result in floods in central Reading; the petitioners wish to see Kennet floodplain protected in line with existing planning policies.

The Petitioners therefore request that the House of Commons urges the Minister for Planning to delete Kennet Meadow as a development area from the Regional Plan.

And the Petitioners remain, etc.

[P000169]

Biosimilar Medicines

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Michael Foster.]*

7.28 pm

Dr. Brian Iddon (Bolton, South-East) (Lab): When a patent runs out on a parent conventional medicine, any other company can start to produce and distribute it as a so-called generic medicine or drug. A drug is the active constituent of a medicine. Generic prescribing is encouraged by the national health service because, in general, generic drugs are substantially cheaper than the originally marketed parent drug. That is because companies that market generic drugs do not have to conduct the research that led to the discovery of the parent drug, thus avoiding expensive clinical trials to establish its safety and efficacy in human use.

Today, more than 200 drugs are produced by the biotechnology industry, in living cells or in reaction vessels using gene technology, to treat various cancers, AIDS, neurological disorders, heart disease, diabetes and rare genetic diseases. Those so-called biopharmaceuticals, or biological drugs, benefit about 325 million people worldwide. The biopharmaceutical industry is an essential component of the British biotechnology industry in general. So far, the patents have run out on five of the parent branded biological drugs, but that number will increase significantly in the next few years.

Whereas generic copies of branded conventional drugs, prepared by conventional chemical synthesis, are relatively easy to produce and purify for human consumption, the same is not true for biological drugs, which are extremely complicated chemical molecules compared with most conventional drugs, and are mainly of protein origin. Proteins are very large molecules. They can kink, fold up and even get twisted, which can result in what can be compared with a tangled ball of wool, containing cavities in which other, smaller molecules can sit. There can be interactions between the different parts of those complex protein molecules that can facilitate this tangling of the complex molecule and even interactions between one tangled molecule and another.

When another biotechnology company produces one of those biological drugs, using a process different from that used by the company that discovered the parent drug—and invariably using a different cell line—the resulting tangled molecule will not be quite the same as the parent one. Thus, copies of biological drugs are not identical to the parent drug and are called biosimilars. For their use as drugs, we have to be sure that biosimilar drugs are as close in structure to the parent drug as possible. Otherwise their clinical profile, including safety and efficacy, will be different.

A particular characteristic of proteins is their ability to produce antibodies and a possible immune response. The time of onset of antibodies is months rather than days or weeks—normally between nine and 14 months for an erythropoietin, or EPO, for example. The parent biological drug will have been through extensive and expensive clinical trials to ensure its safety and clinical efficacy in as many patients as possible. It is important to establish that the biosimilar copy has the same safety profile and clinical efficacy.

For most biosimilar drugs, extensive clinical trials will be necessary to establish the drug in the marketplace, although in most cases they will not be as extensive as those for the parent drug. A biosimilar drug costs in the region of £5 million to £20 million to develop, compared with £500,000 to £1 million for a generic drug, with a timeline similar to the development of the parent biological drug. Savings to the NHS will be in the region of 10 to 20 per cent. However, because biological drugs are more expensive than conventional drugs, that could be a considerable overall saving to the NHS.

At present, biological drugs are mainly used in a hospital setting, but it is expected that they will be prescribed in future by general practitioners and dispensed by community pharmacists. Currently used biological drugs include insulins, interferons, recombinant factor VIII, erythropoietins, growth hormones and granulocyte colony-stimulating factors, or G-CSF. Erythropoietins are used to treat the radiation-induced anaemia suffered by many cancer patients and to treat anaemia caused by chronic kidney disease. They are made in Chinese hamster ovaries. G-CSF is a hormone that stimulates white blood cell production and its use allows the dose of a chemotherapeutic agent to be increased.

Whereas approval for generic drugs is the responsibility of each member state, the European Medicines Agency, or EMEA, is responsible for approving biosimilar drugs throughout the European Union. The term biosimilar drug is preferred by both the EMEA and the Medicines and Healthcare Products Regulatory Agency, the MHRA, as distinct from the term biogeneric drug, which some manufacturers would prefer to use. By October 2007, eight biosimilar drugs had been approved by the EMEA.

On 7 November last year, I chaired a panel of parliamentarians from both Houses of Parliament to take evidence on biosimilar drugs and the implications of making them available to patients in the United Kingdom. We gathered evidence from seven individuals from the biotechnology industry, the medical and legal professions and the Patients Association, all with a close interest in this area of medicine. On 20 December last year, a report was published entitled, "Introduction of Biosimilars: Review of the Issues", which has been widely circulated to those with an interest in health policy both within Parliament and outside. As a result of our deliberations, we made 12 recommendations, which I now want to summarise.

We recommended that biological drugs, whether the parent drug or a biosimilar, should be prescribed by the doctor and dispensed by a pharmacist only by their brand names, not by their international non-proprietary names, or INNs. It is preferable, in our opinion, for a patient to be established on one biological drug by their doctor and for the patient to remain on that drug for the duration of their treatment unless adverse drug reactions are noticed. Several countries, including France, Spain, the Netherlands and Norway, have already introduced legislation and measures to prevent automatic substitution of biological drugs.

We recommended that an urgent ban on substitution should be put in place in the UK until effective safeguards can be relied on. With the existing pharmacovigilance systems, it may not be possible to distinguish accurately or trace precisely the product dispensed by the pharmacist to the patient should they suffer an adverse drug reaction. The European Commission responsible for pharmaceuticals has written to all regulatory agencies in member countries outlining a need to improve their pharmacovigilance

[Dr. Brian Iddon]

systems in order to ensure that the arrival of biosimilar drugs such as the erythropoietins are monitored closely for adverse drug reactions.

A problem being addressed by regulators such as the World Health Organisation is the nomenclature of biosimilar drugs in order that an adverse drug reaction can be attributed to the right biosimilar product, its manufacturer and even the right batch number. Up to eight erythropoietic agents are now in existence. Until recently, only one was in use—epoetin alpha—which comes as a formulation under the brand name Eprex. There are now three different versions of epoetin alpha alone. The European Commission has approved four other formulations: erythropoietin beta; Darbepoietin; Mircera, which is a pegylated formulation; and erythropoietin delta. Other formulations are pending approval. Obviously, it is important that a nomenclature system is established which allows professionals and patients to differentiate between different versions of what is essentially the same drug.

The MHRA's black triangle symbol is applied to drugs that are new to the market and denotes a product that should be intensively monitored for adverse drug reactions by the MHRA and the Commission on Human Medicines, and to confirm the risk-benefit profile. We recommended that a black triangle symbol should be applied to all biosimilar drugs and that, at two-year or other periodic review, that symbol should remain unless the safety evidence is clear that it can be removed.

The British National Formulary—the BNF—provides doctors with information on prescribing drugs and on their pharmacology. We recommended that the BNF should flag biosimilar drugs with a black triangle and emphasised that clinician choice should be exercised in prescribing them. I am pleased to report that the BNF acted on this recommendation last month.

It is even more important for biosimilars that pharmacovigilance is strengthened, as well as the yellow card scheme for reporting adverse drug reactions that the patient may suffer. There has been criticism of the effectiveness of the current voluntary yellow card scheme, under-reporting being a serious concern, and the MHRA is committed to increasing overall reporting of adverse drug reactions. I understand that an expert group of the Commission on Human Medicines is advising on this issue at the present time.

An example of the possible risks that can arise from prescribing biosimilar drugs arose in the use of erythropoietins. A small change in the manufacturing process used by one company caused a significant and major adverse drug reaction known as pure red cell aplasia, which is a type of anaemia affecting the precursors to red blood cells but not to white blood cells. The bone marrow of a patient with this condition, which is an auto-immune disease, stops producing red blood cells. The company picked up that adverse drug reaction through its post-marketing surveillance, it acted responsibly, and it traced and arranged treatment for the patients who had received the affected batch of product all around the world.

The summary of medicinal product characteristics, product packaging and patient information leaflet should include details of biosimilar formulation and manufacture for all biosimilar drugs, and reference should be made to the possible dangers of substitution of those products. That should provide clinicians, pharmacists and patients with clear information on biosimilar drugs and the added importance of reporting adverse drug reactions.

We have recommended that Government agencies begin a consultation period with all professional organisations that represent clinicians, nurses and others, especially the royal colleges, which are involved in the purchasing and prescribing of biosimilar drugs. Those organisations, in turn, should be tasked with educating their memberships. A publicity campaign should be launched to raise public awareness of the risks of the substitution of biological drugs, and patients should be actively encouraged to monitor and report to their doctor any adverse drug reactions that they may experience.

Knowledge about biosimilar drugs is extremely limited among the general public, which is one reason why I applied for this Adjournment debate. I hope that it will help to raise awareness of this subject, particularly among parliamentarians. The International Alliance of Patients Organisations has launched an educational programme on biosimilar drugs to help patient organisations make informed judgments on their value and on the scientific, social, ethical and economic issues involved. The use of such products is low at this time and few—although perhaps serious—adverse drug reactions will be reported in the initial stages of their use. Therefore, we have recommended that a European-wide database should be established to audit adverse drug reactions that may be associated with biosimilar drugs.

Finally, we have also recommended that our findings on biosimilar drugs should be made available to the relevant authorities in the devolved nations of this country.

In conclusion, I hope that I have demonstrated that biosimilar drugs must not be regarded by Governments as equivalent products to generic drugs, and that we need to establish different monitoring regimes to ensure patient safety in their use. It is a privilege that my right hon. Friend the Minister of State is here this evening and I look forward to her response.

7.42 pm

The Minister of State, Department of Health (Dawn Primarolo): I congratulate my hon. Friend the Member for Bolton, South-East (Dr. Iddon) on securing tonight's Adjournment debate. The depth and breadth of his knowledge on this important subject are clear. I am grateful to him for sending me a copy of his panel's report, and I look forward to discussing it with him in due course.

I welcome the opportunity to clarify the general regulatory position on biosimilar medicines—a regulatory framework that already delivers much of what is suggested in the report. Biotechnology is an important and growing field within modern medicine, and the United Kingdom is home to an innovative biotechnology industry that makes a significant contribution to the development of new medicines, to the economy as a whole and to the research capacity of this country.

My hon. Friend gave examples of biological medicines that help in the treatment of some very serious diseases. They make a crucial contribution to modern health care. Innovative medicines benefit from a period of data

protection, but when they reach patent expiry, generic copies—biosimilar medicines—are allowed by law. Properly licensed biosimilar medicines increase the number of such drugs available to patients and clinicians. Biosimilar medicines are manufactured following the same robust quality standards as for all other medicines but, as my hon. Friend pointed out, the complex nature of biological medicines requires careful testing and specialised control of production processes. Owing to the complex method of production of biological medicines, the active substance may differ slightly from the biological reference and the biosimilar medicine.

It is important that those additional factors are fully taken into account when biosimilar medicines are manufactured and assessed. That is why special European regulations are in place to ensure that biosimilar manufacturers supply comprehensive data to regulators to demonstrate the safety, quality and efficacy of the product and its similarity to the original reference medicinal product. Regulatory authorities also perform periodic inspections of the manufacturing process.

I note my hon. Friend's concerns about best practice guidance to promote brand prescribing and prevent automatic substitution of biosimilar medicines by pharmacies, and the use of the black triangle notification in the British National Formulary—the BNF. I agree that it is important that those procedures are designed to safeguard best practice and offer proper patient protection. Several initiatives are under way to ensure that we can effectively monitor the safety of the biosimilar products on the market.

We are working with other European regulatory authorities to ensure that health professionals who report adverse reactions to biosimilar products know that they should provide the brand name and batch number of the suspected product. We are also making it clear that marketing authorisation holders and regulatory authorities throughout the EU should directly contact reporters for that information if it is not provided in the initial report.

It is the existing policy and current practice of the Medicines and Healthcare products Regulatory Agency to apply the black triangle symbol to all new medicinal products, including biosimilar medicines, for the first two years of marketing. The symbol denotes intensive monitoring of the new product and encourages reporting of all suspected adverse reactions through the yellow card scheme. After two years, the product's safety profile is reviewed and decisions are made about whether the intensive monitoring can be lifted.

My hon. Friend raised concerns this evening about the under-use of the yellow card scheme for reporting adverse reactions. The MHRA works continuously to increase the number of reports received through the schemes from patients and health care professionals. There has recently been a promotion in community pharmacies to raise awareness of the yellow card scheme among medicine users. The MHRA has just launched an updated online reporting form, which makes it easier and quicker to submit reports of suspected adverse reactions.

Biosimilar medicines are not identical copies of reference products, and therefore subtle differences may exist which may make a difference to their effect or side effects when taken by patients. It is preferable that, when such products are prescribed, they should be clearly identified and prescribed by brand name to ensure that the patient receives the exact product prescribed and that its safety in use can be properly monitored.

The MHRA encourages companies that manufacture biosimilar medicines to give them a brand name so that there is no possibility of the pharmacist substituting another biosimilar product when dispensing a prescription. I note my hon. Friend's concern that pharmacists may automatically substitute biosimilar medicines for prescribed, branded products. It is important to stress that UK medicines legislation does not allow such substitution of a named brand product with any other without first agreeing that with the prescriber. There is no concrete evidence that substitution is happening. If my hon. Friend has any, or it is in his report, I would be interested in considering it.

The Royal Pharmaceutical Society of Great Britain advises pharmacists that, except in an emergency, a specifically named innovator biological medicine should not be substituted with any other biosimilar medicine without the approval of the patient, carer, prescriber and, in the case of hospital drugs, the therapeutics committee or in line with other, similar, locally agreed protocols.

The February edition of the MHRA bulletin for health professionals, "Drug Safety Update", carried an article on biosimilar products. The article emphasised that it is good practice to prescribe biological products using the brand name, to ensure that a substitution of a biosimilar product by the pharmacist does not occur. The article also highlighted the need for reporters to use a specific brand name when reporting an adverse reaction to a biological product, to ensure that the reaction is assigned to the appropriate product.

I hope that that briefly explains the general regulatory provisions. As my hon. Friend said at the beginning of his contribution, he chaired a panel considering the measures and a report has now been produced. The issue is vital. I look forward to discussions in due course with representatives of the panel and my right hon.—or rather, my hon. Friend, whom I nearly promoted—on the contents of that report and any further action that should be necessary.

Question put and agreed to.

Adjourned accordingly at nine minutes to Eight o'clock.

Deferred Division

BANKING (S.I., 2008, No. 432)

That an humble Address be presented to Her Majesty, praying that the Northern Rock plc Transfer Order 2008 (S.I., 2008, No. 432), dated 21st February 2008, a copy of which was laid before this House on 21st February, be annulled.

The House divided: Ayes 124, Noes 322.

Division No. 139]

AYES

Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Burns, Mr. Simon
Burt, Alistair
Cameron, rh Mr. David
Cash, Mr. William
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cook, Frank
Cormack, Sir Patrick
Cousins, Jim
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Curtis-Thomas, Mrs. Claire
Davies, Philip
Dorries, Mrs. Nadine
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hague, rh Mr. William
Hands, Mr. Greg
Harper, Mr. Mark
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hepburn, Mr. Stephen
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Horam, Mr. John
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Milton, Anne
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Ottaway, Richard
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Randall, Mr. John
Redwood, rh Mr. John
Robertson, Hugh
Robertson, Mr. Laurence
Scott, Mr. Lee
Selous, Andrew
Sheerman, Mr. Barry
Simpson, Mr. Keith
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Begg, Miss Anne
Beith, rh Mr. Alan
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, Mr. Jeremy
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burt, Lorely
Byers, rh Mr. Stephen
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Davey, Mr. Edward
David, Mr. Wayne
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dismore, Mr. Andrew
Dobbin, Jim
Dodds, Mr. Nigel
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Featherstone, Lynne
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael (*Worcester*)
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith

Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Kramer, Susan
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Lucas, Ian
MacNeil, Mr. Angus
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oiner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, Angus
Robertson, John
Robinson, rh Mr. Peter
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Russell, Bob
Russell, Christine
Salter, Martin
Sanders, Mr. Adrian
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Simpson, David
Skinner, Mr. Dennis
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, David
Taylor, Matthew
Taylor, Dr. Richard
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek
Younger-Ross, Richard

Question accordingly negatived.

significant opportunity for significant engineering jobs as well. We should proceed along both tracks, not just one. If we can do that sensibly—and I think that we can—our people can look forward to a new generation of green-collar jobs that will provide an important opportunity for hundreds of thousands of British workers and their families to enjoy a prosperous future. We should embrace that.

Mr. Mike Weir (Angus) (SNP): Whatever the Secretary of State's plans for a new generation of Anglo-French nuclear plants, he will be aware that a majority in the Scottish Parliament, including many from his own party, are thoroughly opposed to new nuclear plants. Will he take this opportunity to deny weekend reports that he is seeking to remove the Scottish Parliament's planning powers in respect of nuclear stations?

Mr. Hutton: I am not going to comment on inaccurate and ridiculous press comment. In relation to nuclear power, we have to think seriously about energy interdependence within the United Kingdom. My concern about the stance taken by the hon. Gentleman and his party is that there is a real danger that that interdependence will be compromised. It is one thing for Scottish National party politicians to strut around with their rhetoric about nuclear, but another for them to continue, at the same time, to rely on nuclear power generated in the United Kingdom.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): Further to the Secretary of State's answer to my right hon. Friend the Member for Fylde (Mr. Jack), why has it taken until now for the Government suddenly to wake up to the fact that we should be co-operating with France over nuclear power? In 2005, for example, the Italians took a 12.5 per cent. stake in a major nuclear power plant right on the Normandy coast, our nearest geographical point in France. Is it not the case that over 10 years, the Government have been very indolent in planning for our nuclear power decommissioning and left the UK very exposed, given the length of time that it will take to build a new nuclear power station?

Mr. Hutton: There has been significant co-operation for many years between French and UK regulatory authorities. What I announced today, and what my right hon. Friend the Prime Minister agreed with the President of France, Monsieur Sarkozy, was an acceleration of that programme, not its beginning.

On the hon. Gentleman's wider point on nuclear matters, I must say that it is pretty tongue-in-cheek of him to come here and complain about dilatoriness in relation to nuclear power; I have counted four different policy changes on nuclear from the Conservative party in the past six months.

Mr. Speaker: Order. I like to give the Secretary of State a little leeway, but we should now get back to ministerial replies.

Construction Industry

2. **Mr. Roger Williams** (Brecon and Radnorshire) (LD): If he will allocate responsibility for policy on the construction industry to a Minister with sole responsibility for that matter. [198412]

The Secretary of State for Business, Enterprise and Regulatory Reform (Mr. John Hutton): My noble Friend Baroness Vadera, the Minister with responsibility for business and competitiveness in my Department, already has responsibility for the construction sector.

Mr. Williams: I thank the Secretary of State for that answer. Construction is such an important factor, not only in the local economies but in the national economy, that many of the industry's stakeholders despair at the fact that no single Minister is responsible for construction. The responsibility is spread between a number of Ministers and Departments. Indeed, the Federation of Master Builders is very concerned about skills in case the workers do not continue to operate in this country, and there is a question of design as well. The construction industry deserves a single Minister. When will the Secretary of State deliver on that?

Mr. Hutton: As I just said, there is a Minister in the Government with overall responsibility for the construction sector. I hope that the hon. Gentleman agrees that the prospects for the sector look incredibly positive. Major investment is going into Britain's infrastructure developments for the future, including Crossrail and the M25 extension. There are major opportunities for the sector. I hope that he agrees that the construction industry has prospered in the past 10 years and that it looks set to prosper in the next 10 years.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Is my right hon. Friend aware that this week we have been celebrating much in respect of "Constructing Excellence" and the training around it? Most people in the industry are pleased with the current arrangements. However, does he agree that one thing that we should look at carefully is the sustainability of construction, in terms of using the supply chain to draw through good training and apprenticeships and using our trading and subcontracting system to get more measures for sustainable construction and a low-carbon footprint?

Mr. Hutton: I strongly agree. As my hon. Friend will know, the Government are pursuing a number of initiatives in that area, including the zero-carbon housing initiative and others. In the next few years, I hope that we can make significant progress in shifting towards a more sustainable agenda, as he has suggested that we should.

Mr. Henry Bellingham (North-West Norfolk) (Con): Will the Secretary of State pay tribute to the work done by the national construction college and CITB-ConstructionSkills, both of which have their headquarters and their main training establishments in west Norfolk in my constituency? They employ a large number of people and play a vital role in nurturing our construction and skills base. Can he give a pledge that the levy will stay in place?

Mr. Hutton: The hon. Gentleman asks me to answer a very tough question. I am happy to express my appreciation and respect for the work that is done in his constituency by the CITB, which does an excellent job in sustaining the skills of the construction sector. As he will know, questions to do with the levy are a matter for my right hon. Friend the Secretary of State for Universities, Innovation and Skills.

National Minimum Wage

3. **Jim Sheridan** (Paisley and Renfrewshire, North) (Lab): What recent discussions he has had with the Chancellor of the Exchequer on the national minimum wage. [198413]

The Secretary of State for Business, Enterprise and Regulatory Reform (Mr. John Hutton): The national minimum wage is just one of a number of issues that I discuss with my right hon. Friend the Chancellor of the Exchequer. As my hon. Friend will be aware, the national minimum wage for adult workers will increase from £5.52 to £5.73 an hour from this October—around 37 per cent. higher in real terms than at its introduction in 1999.

Jim Sheridan: There is no doubt that the minimum wage legislation has enhanced the life of millions of our constituents, but elements of it need to be reviewed. In my right hon. Friend's discussions with the Chancellor of the Exchequer, will he highlight the case of workers who are given tips by the public that are then put towards the minimum wage, so that the consumer in effect subsidises unscrupulous employers? Given that America has now decided to challenge such legislation, will he do likewise and perhaps meet a small delegation of like-minded colleagues?

Mr. Hutton: I am happy to meet my hon. Friend and others who are interested in what is becoming accepted as a very important issue, and I pay tribute to the work that he has done in highlighting it. The Government are looking seriously at the points that he and others have raised, and I look forward to discussing them with him in more detail.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): How widespread is the problem of employers undermining the national minimum wage by making their employees, often foreign employees, pay through the nose for substandard accommodation, and what does the Secretary of State intend to do about it?

Mr. Hutton: I welcome the hon. Gentleman's conversion to the merits of the national minimum wage. We welcome all the sinners who repent on the Conservative Benches. There is a problem—that is why we are reinforcing the work that we are doing on enforcing the national minimum wage. Legislation currently in another place that is shortly to come here will improve the enforcement measures and strengthen the penalties. It is wrong for legislation that has been passed in this House to be flouted, and particularly unfair and inappropriate for employers to try to take advantage of migrant workers in the way that the hon. Gentleman mentions. We are determined to crack down on the problem. The law passed by this House must be properly enforced, and we are determined to do that.

Mrs. Ann Cryer (Keighley) (Lab): Further to my right hon. Friend's reply to the hon. Member for Scarborough and Whitby (Mr. Goodwill), can I take this a bit further and ask what plans his Department has to bring into the excellent minimum wage legislation workers who are involved in temporary and agency work? May I also ask about those, mainly women, who are involved in home working and who are paid peanuts much of the time?

Mr. Hutton: The national minimum wage legislation deals with the issue of home workers through the provisions on piece rates, and temporary and agency workers are covered by the legislation itself. We are in discussion with a variety of interested groups about how we can take forward discussions in Europe on the agency workers directive. I believe that progress is being made on that, and I hope that a further statement will be made in due course.

Post Office Closures

4. **Simon Hughes** (North Southwark and Bermondsey) (LD): What recent assessment he has made of the impact of post office closures on local economies. [198414]

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): The local economy is one of a number of factors taken into account by Post Office Ltd in developing its proposals. In the London area, which covers the hon. Gentleman's constituency, there will be no change to the post office currently used by some 89 per cent. of people, and more than 99 per cent. will see no change or be within 1 mile of an alternative branch.

Simon Hughes: In my area, four post offices have been proposed for closure, and the closure of three of them will threaten a parade of shops and the local economy in that part of Southwark. Can the Minister assure me at the Dispatch Box that the Post Office will take into account the effect on the whole business community of each of those closures, and in each case, before any decision, will it talk to the local authority about any alternative that might keep open post offices that are crucial and central to a business, trading and social community?

Mr. McFadden: As I said, Post Office Ltd does take the local economy into account. We have encouraged it to talk to local authorities, and although it takes all such matters into account, I have to remind the hon. Gentleman that this process is happening because the Post Office is losing £500,000 a day, and those losses have to be addressed.

Fiona Mactaggart (Slough) (Lab): In the case of a post office such as the one in Burnham lane in Slough, which is threatened with closure, one of the difficulties that local businesses have pointed out to me is that the alternatives offered are difficult to get to and a relatively long way away. People will have to queue for a long time with parcels, and those who run businesses that require them to send things from home will have their costs added to by a formula that means long queues in alternative post offices. Will the Minister think about that in his decisions?

Mr. McFadden: Another factor that has to be taken into account is the capacity of alternative branches to absorb custom. My hon. Friend is quite right to raise

House of Commons

Thursday 3 April 2008

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

BROADS AUTHORITY BILL *(By Order)*
Order for Third Reading read.
To be read a Third time on Thursday 24 April.

BOURNEMOUTH BOROUGH COUNCIL BILL *[LORDS] (By Order)*

CANTERBURY CITY COUNCIL BILL *(By Order)*

LEEDS CITY COUNCIL BILL *(By Order)*

LONDON LOCAL AUTHORITIES (SHOPPING BAGS) BILL *(By Order)*

MANCHESTER CITY COUNCIL BILL *[LORDS] (By Order)*

NOTTINGHAM CITY COUNCIL BILL *(By Order)*

READING BOROUGH COUNCIL BILL *(By Order)*
Orders for Second Reading read.
To be read a Second time on Thursday 24 April.

Oral Answers to Questions

BUSINESS, ENTERPRISE AND REGULATORY REFORM

The Secretary of State was asked—

Anglo-French Nuclear Co-operation

1. **Mr. Michael Jack** (Fylde) (Con): If he will make a statement on the Anglo-French agreement on nuclear co-operation. [198411]

The Secretary of State for Business, Enterprise and Regulatory Reform (Mr. John Hutton): At the Anglo-French summit last week, in order to improve the speed and effectiveness of nuclear development projects, our national regulators agreed to establish a joint project approach to the regulation of the European pressurised water reactor should it proceed to the next stage of generic design assessment. The project will include ways of dividing up assessment work on specific aspects of the design, sharing experience and technical findings from their safety and security assessments, and looking for opportunities for further staff exchanges.

Mr. Jack: I am grateful to the Secretary of State for providing that level of detail. It has been difficult to obtain a copy of what was agreed, so will he lay a copy of that and any other details in the Library of the House for further study? May I seek his reassurance that, welcome as co-operation with the French is in advancing the cause of new nuclear reactors in this country, the agreement in no way rules out others, such as Toshiba Westinghouse, playing their part in expanding new nuclear capacity, both in the reactor design and the provision of fuel manufactured in the United Kingdom?

Mr. Hutton: I will certainly ensure that there is a proper statement for the right hon. Gentleman and others who are interested to peruse. He is perfectly right to say that the UK Government are giving active consideration to other technologies and designs for new nuclear reactors. The agreement that we have made in relation to regulatory co-operation with the French authorities is a perfectly sensible one and I hope that it will shorten the time required for the important reactor assessment work, but we are also looking at other designs, and the agreement does not exclude proper consideration of other technologies.

David Taylor (North-West Leicestershire) (Lab/Co-op): In this brave new world that our Prime Minister and the French President have been fashioning, have they taken account of the full commercial cost of decommissioning and nuclear waste disposal? A report published by Ian Jackson just a few days ago estimated that unless the charges to the new nuclear station operators are kept at about 10 per cent. or less of the full commercial cost being charged to external and foreign disposers now, the whole project will be imperilled and we shall be adding yet further to the £73 billion national cost of cleaning up existing waste. That is not a very impressive equation, is it?

Mr. Hutton: The Government are looking at and taking advice on a variety of different sources, as one would imagine, but it is important, as we have always made clear both in the White Paper and other ministerial statements, that we expect the operators of any new nuclear plants to meet the full commercial costs of decommissioning and waste disposal. Dr. Tim Stone, my principal adviser on the matter, is in consultation with the potential developers as we speak, a document has been published and the process is full, transparent and open. We are building a proper margin into the fixed price for waste disposal and decommissioning to ensure that the taxpayer does not meet any residual liabilities, and it is important that we are all clear that we should proceed with new nuclear development in the UK on that basis.

Steve Webb (Northavon) (LD): The Government claim 100,000 new jobs from new nuclear, presumably some of them British. Will the Secretary of State place in the Library a copy of the detailed analysis on which he bases that number, and will he undertake a similar analysis of quite how many more new jobs could be created from a credible renewables and energy efficiency strategy?

Mr. Hutton: The hon. Gentleman and others want to present the argument as a choice between nuclear and renewables. My firm belief is that we should do both. Doing both will create significant economic and energy gains for the United Kingdom. I am happy to explain to the hon. Gentleman in more detail the numbers that he cited. However, in relation to renewables, there is a

that point, and it is one of the factors that Post Office Ltd will have to look at in making what are difficult decisions.

Mark Pritchard (The Wrekin) (Con): With 30 post offices in Shropshire due for closure, and three in my constituency—Sambrook, King Street Wellington and Church Aston—does the Minister share the concern of local residents and the many local businesses that have to use those post offices? If he does share the concern of my constituents, and of six of his Cabinet colleagues, will he it put on the record that if a business case is made that those post offices are viable and needed in the community, he will intervene with the Post Office and stop the closures?

Mr. McFadden: With regard to viability, the hon. Gentleman will know that the fact that the Government are putting in up to £1.7 billion in support of the post office network keeps viable thousands of post office branches that would otherwise be threatened with closure. I remind him that his own Front Bench spokesman said during a recent debate:

"we fully expect the network to shrink in size." [*Official Report*, 19 March 2008; Vol. 473, c. 947.]

His own party, therefore, accepts the need for closures, too.

Mr. Brian Jenkins (Tamworth) (Lab): May I inform my hon. Friend the Minister that on Monday I met a Post Office representative at the start of the consultation period? He told me that 2,500 post offices were to close. I said, "I think you've got that wrong. It might finish up being 1,983, but every post office should be considered on its merits." What is the point of having a consultation period when I, like many of my colleagues in the House, have been given a figure of three that will shut in our constituencies? Is it because there are three non-viable post offices in everyone's constituency, or are we just sharing the misery out? While going through the consultation period with my constituents, I have recognised that one or two post offices might be non-viable, but not three. What chance of success

Mr. Speaker: Order. I think that the hon. Gentleman has pointed out that he is not too pleased.

Mr. McFadden: Of the 14,000 branches currently in the network, some 4,000 would run as a commercial network. We do not believe that the network should be reduced to that size, which is why we subsidise it to the extent that we do. As the Post Office made clear last summer, the consultation concerns the detail of how the change is to be implemented, and the overall figures were announced to Parliament in May of last year.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): May I offer to the Minister as a working example the post office in Levenwick in the south end of Shetland, which is due for closure? It operates as part of the shop there, and if the post office closes, the community fears that the shop will not be far behind. If the shop closes, not many people will want to use the campsite in the summer months, and the campsite subsidises the village hall. When he was setting up this whole process in the first place, what instructions did he give to the Post Office about considering such a domino effect on local economies?

Mr. McFadden: The Post Office considered the special and specific circumstances of the hon. Gentleman's constituency. As matters stand, there are more than 70 post offices—I believe that the figure is 73—there, and I understand that six are to go. The access criteria are specifically designed to protect rural and sparsely populated parts of the United Kingdom such as that that the hon. Gentleman represents.

National Minimum Wage

5. **Mrs. Sharon Hodgson** (Gateshead, East and Washington, West) (Lab): How many cities were visited by the Government's campaign bus promoting the national minimum wage in the last six months; and how many people used its services. [198415]

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): The national minimum wage bus visited 64 locations during a nine-week tour this year. The team spoke directly to approximately 90,000 people and distributed around 130,000 leaflets. The bus campaign also received extensive media coverage, which reached many more people. That is only one element of the minimum wage information campaign, which also includes posters, online information and radio advertising.

Mrs. Hodgson: The minimum wage guidelines have always recognised the special role of volunteers. Can the Minister do more to remove the barriers to volunteering that some voluntary organisations believe exist under the current minimum wage regime, without leaving the door open to the abuse of voluntary workers?

Mr. McFadden: My hon. Friend asks an important question, which many leading voluntary organisations have also raised with us. I am glad to tell her that the Government have tabled an amendment to the Employment Bill, which is currently being discussed in Parliament, to broaden the range of expenses that can be paid to volunteers without unintentionally triggering entitlement to the minimum wage. That will remove a hurdle to volunteering and assist volunteers, who may need help with, for example, child care costs. It is an important step to boost volunteering in the country.

Small Business Regulation

6. **Mr. Jim Cunningham** (Coventry, South) (Lab): What recent steps the Government have taken to reduce the burden of regulation on small businesses. [198416]

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): In December 2007, the Government announced that we had delivered £800 million of annual savings for business by reducing red tape. For example, from this Sunday, private companies will no longer need to have a company secretary, saving each of them an estimated £50 to £100.

Mr. Cunningham: Has my hon. Friend any plans to reduce red tape, in addition to what he has just announced?

Mr. McFadden: Indeed, we have several other measures. For example, private companies no longer need to hold an annual general meeting, firms will have to apply for small business rate relief only once every five years rather than every year, and heavy goods vehicle operators can carry out their licensing transactions online. Those are examples of several measures that we have taken because, although the World Bank ranks Britain as the sixth best economy in the world to do business, we are not complacent. We want to ensure that Britain remains one of the best places in the world to do business.

Mr. Brian Binley (Northampton, South) (Con): The Minister knows that a batty European directive has been quietly pushed through the House without a vote. It places pub landlords in jeopardy if customers call the staff "love" or "darling"; I personally use "angel".

More seriously, the directive places a further burden of some £10 million on small business to enforce and monitor it. What steps did the Minister take to stop that farcical additional burden on small businesses? When will the Government start saying no to stupid European regulations, which are unenforceable, encourage troublemakers and generally bring the law into disrepute?

Mr. McFadden: There are certain rules about language in the House, but outwith those, the hon. Gentleman is entitled to call me anything he wishes and I assure him that I will not take offence.

This country has led the way in making the European Union alive to the need to ensure that regulation is proportionate and not over-burdensome. We have pushed hard for the European Commission to adopt a similar position to the one in this country, where we have a target of reducing the administrative burdens from the European proposals by 25 per cent. We intend to continue to push that with the Commission and other member states.

Lorely Burt (Solihull) (LD): In his Budget speech, the Chancellor announced that there would be

"radical new proposals to impose a limit on the amount of regulation that can be imposed by Whitehall Departments." —[*Official Report*, 12 March 2008; Vol. 472, c. 292.]

Given that regulation is six times more burdensome on small business than on large business, can the Minister throw any light on when those radical new proposals will be brought forward?

Mr. McFadden: The hon. Lady will also have seen the enterprise strategy that was published alongside the Budget, which precisely discussed consulting on, for example, the introduction of regulatory budgets. She raises the burden of regulation, but let me remind her to look at her party's policy programme, where she may find extensive proposals for additional regulation. Perhaps we should bear that in mind, as well as the Government's record.

Sir Nicholas Winterton (Macclesfield) (Con): The hon. Member for Solihull (Lorely Burt) is absolutely right. The burden of regulation and bureaucracy falls far more heavily on small business than on large business, which can afford to employ the staff to deal with it. Does the Minister agree that regulation is damaging for smaller business because it takes the attention of the sole proprietor—or perhaps he and a co-partner—away from the purpose of their business, thereby causing the business to suffer and the Government's tax take to fall?

Mr. McFadden: I outlined several measures that are a specific help to small businesses, such as the requirements on AGMs and the lightening of the requirements on company secretaries. We are alive to the burdens on small businesses. That is why we have brought forward those measures and why we have introduced commencement dates, so that people know when any regulations will be introduced. We published the enterprise strategy alongside the Budget precisely to work with business to ensure that any regulatory burden is not over-burdensome.

Mr. Mark Prisk (Hertford and Stortford) (Con): Since 1997, the total burden of regulation has risen by £65 billion, according to the British Chambers of Commerce. Of that total, more than £32 billion has come from one Department—the one represented by those sitting opposite on the Treasury Bench. So despite the Minister's earlier claims and offers for future action, his record shows that his Department is responsible for nearly half the total regulatory burden on small businesses. Given that, will he now stand at the Dispatch Box and tell us exactly how much of his £32 billion he will cut in the next 12 months?

Mr. McFadden: The Department has a commitment to reduce its burden by £700 million. However, I take issue with the allegation that business burdens have risen by £66 billion, because that includes a number of measures that I would not classify as a burden, but which the hon. Gentleman might, such as access to transport for the disabled. Does he think that that is a burden? Those measures also include controls over asbestos. Does he think that health and safety measures such as those are a burden? Some of those measures are not burdens on business, but appropriate regulations, which are a mark of a decent and civilised society.

Post Office Closures

7. **Mr. David Heath** (Somerton and Frome) (LD): What recent discussions he has had with the managing director of Post Office Ltd on the process of consultation on the closure of sub-post offices. [198417]

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): I regularly meet and discuss issues relating to the post office network with the managing director of Post Office Ltd, which of course include the current consultation process, which we are in the middle of, and the proposed new outreach services.

Mr. Heath: There is a widespread and increasingly desperate view that every conceivable question on post offices has already been asked, with not a single acceptable answer given, but let me try this. Of the nine closures in my constituency, at least two—Bayford and Charlton Horethorne—are close to the border with Dorset, which has a different consultation process. Many communities in Dorset will be affected by those closures, but their views are not being sought. Do people not count if they live the wrong side of a line?

Ruth Kelly: We have not gone against DEFRA's guidelines at all. In fact, terminal 5 will be one of the greenest airport buildings in the world. It would be ludicrous—the hon. Member for Lewes asked me to respond to this point—to include flights leaving London and flights arriving there for the purposes of a trading scheme, as it would be double-counting the impact of carbon dioxide emissions.

Justine Greening *rose—*

Ruth Kelly: I will not give way to the hon. Lady again. I have already given way to her several times.

The second important issue is technology. We must continue to press for greener planes, greener airports and greener skies, but we are already seeing progress. New aircraft today are typically 20 per cent. more fuel-efficient than the aircraft that they replace, their noise footprint has been more than halved, and they carry more passengers.

We can improve the way in which we manage air traffic. The single European sky proposals will harmonise air traffic control across Europe, streamline routes, and reduce the need for stacking of planes on the approach to airports. I am also keen to examine the potential of "green slots". If there is additional capacity at Heathrow, why should it not be used to try to encourage a new breed of more environmentally friendly planes?

Mr. Randall: Climate change issues are of course very important, but there is one issue that the Secretary of State has not mentioned so far. I have a feeling that she is not going to mention it, although I may be wrong. Will she tell me what consultations and discussions she has had with local authorities, or with anyone, about where she will house the people whose homes have been destroyed? Where will those communities go? It is not just people in Sipson who will be affected, but those in all the surrounding areas: Harmondsworth, Harlington, Longford and West Drayton. The area is already overcrowded, and there are an incredible number of housing problems. What thought has the Secretary of State put into that?

Ruth Kelly: My hon. Friend the Member for Poplar and Canning Town (Jim Fitzpatrick), the Aviation Minister, has met all the council leaders and residents' groups who have expressed concern, and rightly so. We would never make such decisions lightly, because people's houses and livelihoods are potentially at stake. We cannot make a decision that is based purely on the impact on the local community—we must balance that against the impact on the nation as a whole—but it is right for those people to be compensated, and the issues will be examined carefully as part of the planning process. We expect the compensation to be generous, and I think that BAA has been assiduous in providing information for local people.

Mr. Randall *rose—*

Ruth Kelly: I must make some progress. I have already been speaking for more than half an hour.

The third point raised by Nicholas Stern is how we can give people real information and choice in how they travel. I have already dealt with the issue of high-speed rail, but let me say now that we are investing in rail. We have the fastest-growing railways in Europe, and we plan to accommodate a doubling of capacity over the next 30 years. Far better than my giving that promise to the House is for me to give the facts, which speak for themselves. Whereas in 2004 two thirds of journeys between London and Manchester were made by air, two thirds are now made by rail, thanks to the £8 billion that we have spent on modernising and upgrading the west coast main line.

That brings me to my third and final theme. Of course, none of our ambitions on aviation can be realised unless we meet the strict local environmental conditions on noise, air quality and transport access set out in the White Paper.

Mr. Jim Cunningham (Coventry, South) (Lab): So far in the debate no Member has mentioned the aircraft engine manufacturers. Rolls-Royce, for example, has invested heavily in cleaner engines and reducing fuel consumption. Have the Government had any discussions with the manufacturers, because it is worth noting that that is a major factor in encouraging manufacturers to invest more in research and development in this area?

Ruth Kelly: My hon. Friend makes an important point, and I know that the Secretary of State for Business, Enterprise and Regulatory Reform in particular has been looking at these issues and talking to manufacturers of aircraft engines and other industrialists. Despite there being almost three quarters more aircraft movements in 2005 than in 1975, the number of people affected by noise has fallen by almost 90 per cent., which shows how much quieter aircraft are becoming—and they have also become much more fuel efficient.

Susan Kramer: Will the right hon. Lady give way?

Ruth Kelly: No, I must make progress.

The White Paper announced a programme of work to consider how further capacity could be added, or how to make best use of the existing runways, while meeting critical local environmental tests. It committed to consulting on the outcomes of this work, once complete. The air transport White Paper made it absolutely clear that the Government did not intend to conduct this further work on their own. Indeed, it would not have been sensible, or even possible, to attempt it without the technical and operational expertise both of the airport operator and of other key stakeholders. The White Paper explicitly stated, in paragraph 11.63:

> "We will therefore institute immediately, with the airport operator and relevant bodies and agencies, a programme of action to consider how these conditions can be met in such a way as to make the most of Heathrow's two existing runways and to enable the addition of a third runway as soon as practicable after a new runway at Stansted."

The consultation that I launched last November, and which closed in February, met that commitment. In it, we presented our evidence that the local environmental conditions could be met at Heathrow, and we invited scrutiny and comment from any interested party or individual.

There has been a lot of comment in the debate on these specific tests. However, the facts that I have quoted on noise show that over time it is perfectly possible to

have a quieter fleet of aircraft, with fewer people affected by noise and with more fuel-efficient engines. The key question is whether over time we can have more aircraft within that same 57 dB noise contour without infringing the European limits on air quality, and with sufficient transport access.

Susan Kramer: I thank the right hon. Lady for giving way. She will be aware from her conversations with aircraft manufacturers that all the quick and easy gains on both noise and fuel efficiency have been captured, and that there are no immediate major technological breakthroughs on the horizon. In terms of noise, is that not confirmed by her choice of a benchmark year when Concorde was flying? Because of the averaging techniques she used, we will be talking about keeping noise not at today's levels, but at levels as they used to be if we were able to take Concorde's allocation of noise, as it were, and average out—even if we agreed on how to measure noise.

Ruth Kelly: Unfortunately, I disagree entirely. That was the latest available year, and the Concorde issue is not significantly relevant to the calculations. The hon. Lady is right that there is no step change in technology—as there may be in car technology—which could within the next two, three, five or 10 years transform the way aircraft fly, but year by year there are significant improvements in the efficiency of the fleet. Even more important than that, the fact is that we will have a cap at European level on the amount of carbon that can be released, and trading will take place beneath that cap. That will be at the level of 2004 to 2006, which is below where we are today.

Martin Linton (Battersea) (Lab) *rose—*

Mr. MacNeil *rose—*

Ruth Kelly: I shall give way one last time, and I shall do so to my hon. Friend the Member for Battersea (Martin Linton).

Martin Linton: Does my right hon. Friend accept that she should be looking at not only the 57 dB contour but the 54 dB contour, and that under mixed mode, which is one of the proposals she is considering, that 54 dB contour would be increased enormously by more than 130,000 people right across south London? At present, it ends in Stockwell; it would go right over to New Cross and bring hundreds of thousands more people in south London into the 54 dB contour.

Ruth Kelly: My hon. Friend is certainly right to draw attention to the fact that the noise impact with mixed mode, or the potential better use of existing runways, is very different from the noise impact with the third runway. Over time—by 2030—far fewer people than at present would be affected by 57 dB, or indeed, I think, by 54 dB. The question that we are consulting on openly is whether we should try to bring forward capacity in the intervening years, which could help both to support the economy and improve the passenger experience at Heathrow. We are asking for views on whether that different distribution of noise level would be acceptable to the local—

Mr. MacNeil *rose—*

Ruth Kelly: I have said that I am not going to give way any more.

As in many areas of national policy, we face vital long-term decisions over Heathrow and air travel in this country. They require the Government to consider carefully the long-term needs of our country and to balance often conflicting interests. Even the hon. Member for Lewes would find it difficult to describe his party's position as balanced. Through policies that I believe are both balanced and effective, we can meet our economic needs and environmental obligations. This Government will put into place those balanced and effective policies, which, as this debate has already underlined, the Liberal Democrats and the Tories are determined to oppose. I therefore urge my hon. Friends to support the Government's amendment.

5.40 pm

Mrs. Theresa Villiers (Chipping Barnet) (Con): The truth is that the Government are determined to press ahead with Heathrow expansion, regardless of whether hugely important environmental questions are answered and even before they have considered the consultation results. Their consultation is simply a sham, because Ministers stand at the Dispatch Box month in, month out expressing their support for a third runway at Heathrow. The Prime Minister is also a strong and vocal supporter of expansion.

The Opposition believe that the Government have failed to make the case either for a third runway or for an end to runway alternation at Heathrow. We will therefore vote against their amendment. Our position is set out in the amendment that we have tabled, but because it has not been selected we will not have the chance to vote on it. We shall abstain on the Liberal Democrat motion. As my speech will show, we agree with elements of it, but we do not believe that it is possible for airport policy in the south-east to be set in stone for ever in all circumstances.

Moreover, I am deeply concerned that the Liberal Democrats will go through the Lobby to support a motion that condemns runway alternation and asserts that it increases noise annoyance for residents. For thousands of people across the capital, runway alternation gives a welcome respite from aircraft noise. The Government's proposals to introduce mixed mode are deeply controversial with those who wait every day for the 3.30pm switchover of runways. The Liberal Democrats have got this matter badly wrong, and that is one reason why we will abstain on their motion.

Susan Kramer: Does the hon. Lady agree that because a process of consultation is under way and the Government are going to make a decision, this is the day to draw the line in the sand and permanently to say no to the third runway? Will she refuse to join us in that stand simply because of a typo?

Mrs. Villiers: As I have just said clearly, we do not believe that the Government have made the case either for a new runway at Heathrow or for mixed mode. They have failed to make the economic case for expansion. A recent study by CE Delft for the Heathrow Association for the Control of Aircraft Noise throws into question

Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Skinner, Mr. Dennis
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilshire, Mr. David
Wilson, Sammy
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Alison Seabeck and
Mr. Alan Campbell

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments):—*

The House divided: Ayes 257, Noes 193.

Division No. 143] **[7.11pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Burden, Richard
Burgon, Colin
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Kelly, rh Ruth
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lilley, rh Mr. Peter
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Mole, Chris
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Munn, Meg
Murphy, Mr. Denis

Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Skinner, Mr. Dennis
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilshire, Mr. David
Wilson, Sammy
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Alison Seabeck and Mr. Alan Campbell

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Arbuthnot, rh Mr. James
Bacon, Mr. Richard
Baker, Norman
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Corbyn, Jeremy
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Featherstone, Lynne
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Goldsworthy, Julia
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunter, Mark
Jackson, Mr. Stewart
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Llwyd, Mr. Elfyn
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
May, rh Mrs. Theresa
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mulholland, Greg
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Öpik, Lembit
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Wallace, Mr. Ben
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Jenny Willott and Dan Rogerson

Question accordingly agreed to.

pay too much credence to the ne'er-do-wells and gloom-and-doom merchants on the Opposition Benches who predict the decline of Britain's manufacturing industry.

Topical Questions

T1. [198401] **Mr. David Heathcoat-Amory** (Wells) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Business, Enterprise and Regulatory Reform (Mr. John Hutton): My Department promotes business growth and a strong enterprise economy, leads the better regulation agenda and champions the case for free and fair markets.

Mr. Heathcoat-Amory: Is it a departmental responsibility to keep the Government's promises? Does the Secretary of State recognise the following promise made in the rural White Paper:

"we will...retain and renew the rural Post Office network and make banking, internet, pensions, benefits, prescriptions, health and other services available from rural post offices"?

That was a promise to renew and retain, not to cut, and also to make new services available through rural post offices. When will the Government keep the promise that they made?

Mr. Hutton: Obviously, we are always looking at ways to support the rural post office network with new business opportunities, and I know that Alan Cook, the chief executive, is fully committed to doing that. I should also make another point, of which I am sure the right hon. Gentleman is aware. The Government are heavily subsidising the rural post office network. My hon. Friend the Minister for Employment Relations and Postal Affairs has made clear in questions today the extent of that support and what would happen if it were not available. Post offices in the right hon. Gentleman's constituency, and in many other rural constituencies, would find it impossible to operate if it were not for that subsidy. So the size of the network is being sustained, and it is being significantly built on compared with what it would be if we were just relying on an ability to run a commercial service. That is the right and proper thing for us to do, because we recognise the important role that post offices play in every constituency in Britain, including our rural areas.

T5. [198405] **Ms Katy Clark** (North Ayrshire and Arran) (Lab): The Secretary of State will be aware that foreign workers are still working on ferries out of British ports for wages of only £1.50 to £2 per hour. Is he considering making changes to the national minimum wage legislation to deal with that loophole?

Mr. Hutton: I would like my hon. Friend to give me the specific details of that case, because the national minimum wage regulations apply to temporary and agency workers. If she has evidence of those regulations not applying, I would very much like to see it.

Mr. Speaker: I call Alan Clark—sorry, I mean Alan Duncan.

Alan Duncan (Rutland and Melton) (Con): Do not worry, Mr. Speaker, I assure you that I am sober. What is the Secretary of State's assessment of the number of company directors and entrepreneurs who are choosing to bail out of their shareholdings before the Government's entirely destructive changes to capital gains tax start on 6 April, and of the consequences of those people's actions?

Mr. Hutton: I am sure that the hon. Gentleman has nothing in common with Alan Clark—that is obvious.

With the entrepreneurs' relief that my right hon. Friend the Chancellor has introduced there has been a significant improvement on the previous retirement provisions of capital gains tax. The system is now tailored much more specifically to the needs of serial entrepreneurs, who now have a significant allowance that they can roll over into new businesses without paying any CGT. I hope that that is a way of addressing the real and legitimate concerns that the small business community, in particular, raised in the light of the pre-Budget report. We now have a highly competitive CGT regime that will boost entrepreneurship and enterprise, and will benefit the economy as a result.

Alan Duncan: On the issue of company directors, we are told that more than 1,500 directors who are disqualified from running a company in the UK are still doing so. The Secretary of State is responsible for overseeing this area. Why is he failing to enforce this properly? What does he intend to do about it?

Mr. Hutton: It is obviously important that the rules on company directors are properly enforced by Companies House. I have regular discussions with that body and this is an issue of ongoing concern. The law must be properly applied. I am not aware of the details of every one of the cases that the hon. Gentleman raised, but if he would like to discuss the details, I would be happy to do so.

T6. [198406] **Dr. Phyllis Starkey** (Milton Keynes, South-West) (Lab): Bletchley Park innovation centre in my constituency has, in three years, created 77 jobs and attracted 25 high-tech industries, one of which, Ceravision, has secured a manufacturing deal on a highly energy-efficient microwave-based lighting system. What is the Department doing to support innovation centres, such as that one, further in creating jobs and wealth for this country?

The Minister for Energy (Malcolm Wicks): We work very closely with the Department for Innovation, Universities and Skills on this issue. Together, or just through that Department, we would like to discuss these matters with my hon. Friend. We start from a good base, because we have some of the best science in the world—I believe that we are second only to the United States on the widely referred to "refereed science papers"—our research councils are well funded and we are making great progress on innovation through establishments such as the Technology Strategy Board. I applaud the work being done in her constituency, and am happy to discuss it with her further.

T2. [198402] **Dr. John Pugh** (Southport) (LD): Given the obvious concern expressed today about the abortive nature of post office closure consultations and the deep public cynicism about them, would the Minister object to the National Audit Office conducting a review of the process and its outcome?

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): Obviously that is a matter for the NAO to decide. The process is, of course, difficult, but it is necessary for the reasons that we have set out—the network faces losses of £500,000 a day and has lost the custom of some 4 million people a week in recent years. As my right hon. Friend the Secretary and State and I have said, the Post Office would be facing a much greater challenge in responding to that situation were it not for the extensive Government support and public subsidy that goes into the network.

Sarah Teather (Brent, East) (LD): The Secretary of State will be aware that the OECD anti-corruption team is in town this week. Will he give an undertaking that his Government will co-operate fully with the United Systems Department of Justice investigation into allegations of corruption involving BAE Systems and Saudi Arabia?

Mr. Hutton: Of course, the UK law enforcement authorities always fully comply with requests for information or details about specific cases. That is obviously a matter for the law offices of the Crown.

Mr. Jim Devine (Livingston) (Lab): Farepak collapsed in October 2006. We were promised a report by Christmas, and then by Easter. Both have now passed. I understand that if there is not a criminal prosecution, the report will not be made public. I have to tell my right hon. Friend that that is unacceptable to Members on both sides of the House. Like many others, I believe that the report should be in the public domain.

Mr. McFadden: I think that both sides of the House understand the deep concerns that hon. Members have about Farepak customers and the experience that they went through. The investigation is highly complex because of the number of people involved. I understand what my hon. Friend has said about the delay, but I have to tell him that, in the event of non-prosecution, the position on publication is firmly set down in law and is not simply a matter for ministerial decision.

T3. [198403] **Tom Brake** (Carshalton and Wallington) (LD): I handed in a 2,000 signature post office petition to the Department on Monday and I hope that the Minister has received it and will reply to those 2,000 constituents. Will the Minister call on the Post Office to review its plans to close four post offices in Carshalton and Wallington and, in particular, the Seymour Road post office where there are plans to develop housing in the next couple of years?

Mr. McFadden: The hon. Gentleman will be aware that it is not for me as a Minister to decide which post office stays open and which closes. If he feels that there is a case for review, that process is triggered by Postwatch, which is the consumer body, not by Ministers.

T4. [198404] **Mr. John Baron** (Billericay) (Con): Essex is one of the most enterprising counties in the country, with small companies across Basildon district contributing much to the local community. However, at a recent business breakfast it emerged that three quarters of all eligible businesses were failing to claim £6 million in small business rate relief owing to bureaucratic complexity. Will the Secretary of State make it easier for small businesses to claim that relief, particularly by making it last for the lifetime of the valuation list and by granting it to all those who are eligible in the way that the Federation of Small Businesses wants?

Mr. Hutton: We will certainly look at what the hon. Gentleman has said. However, those are primarily matters for my right hon. Friend the Secretary of State for Communities and Local Government.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Will my right hon. Friend have a look at the Kirklees Enterprise Foundation, which is based in Huddersfield and has succeeded in its first year of operation in starting 54 new enterprises? Will he have a look at that success, come and visit the centre and see whether we can roll it out to other parts of the country?

Mr. Hutton: I pay tribute to all the excellent work that is done in my hon. Friend's constituency. Encouraging more people to start and grow businesses is fundamental as we prepare the ground for Britain's future economic success. If there is an opportunity open to me in the next few weeks and months to visit his constituency and see at first hand the excellent work that is being done there, I will welcome that.

Mr. Graham Stuart (Beverley and Holderness) (Con): Having ordered the closure of 2,500 post offices, the Government emasculated Postwatch to stop it being an effective voice for the consumer. Not content with that, they now plan to abolish Postwatch. Will the Minister assure us today that the consumer voice will be restored when new arrangements are put in place?

Mr. McFadden: I have to disagree with the hon. Gentleman's remarks about Postwatch; I do not believe that that is the case. Postwatch is the consumer body and has an important role to play, as I have said, in the review process. In terms of the future, I believe that all hon. Members would pay tribute to the National Consumer Council, of which Postwatch will become a part, rather than saying that that body did not pay an important role in speaking strongly and forthrightly on behalf of consumers.

T7. [198407] **Jo Swinson** (East Dunbartonshire) (LD): Many Members welcomed last month's announcement that the minimum wage rates will rise again in October, but over 21-year-olds earn £2 more an hour than 16 or 17-year-olds. That means that to earn the same amount of money as would be earned for a typical eight-hour shift, a younger employee must work for 13 hours. That is clearly unfair. When are the Government going to end that unfair age discrimination?

Mr. Hutton: We always look very carefully at the impact of this regulation to ensure that it is proportionate and reasonable. The Low Pay Commission has looked at the matter from time to time, and I am sure that it will continue to focus its thoughts and opinions on it. Ministers will obviously act on its recommendations in due course.

T8. [198408] **Norman Baker** (Lewes) (LD): In my constituency, there are proposals for significant and swingeing cuts to the post office network such that Lewes district council, my local authority, has been trying to engage with the Post Office to make financial

arrangements to keep the post offices open. The Post Office has been obstructive of that process and will not provide figures to the district council. Will the Minister agree to meet me and a small delegation from Lewes district council to examine how to engage with the Post Office constructively?

Anne Moffat (East Lothian) (Lab): He's a horror—tell him to bog off!

Mr. McFadden: I am not sure that I should take the advice that my hon. Friend gives from a sedentary position. I am happy to tell the hon. Member for Lewes (Norman Baker) that I am very willing, as I have been throughout this process, to hold a meeting with him about post office closures.

T9. [198410] **Mr. Robert Goodwill** (Scarborough and Whitby) (Con): At a recent meeting with businessmen in Scarborough, I asked them for examples of regulations that could be either simplified or scrapped. They pointed out that, whereas an HGV driver who takes his test at 21 can drive for his entire career, drivers of forklift trucks and excavators must take tests repeatedly. In fact, if one wants to drive a small, medium and large excavator, one has to take three separate tests. Will a Minister volunteer to examine the matter and see whether it could be simplified in some way?

Mr. Hutton: We are always happy to look at sensible ideas of how we can lift the burden of regulation. I shall refer the hon. Gentleman's points to my right hon. Friend the Secretary of State for Transport.

Mr. Eric Illsley (Barnsley, Central) (Lab): Will my right hon. Friend look to use his powers to impose minimum pricing on the alcohol that is sold cheaply in our retail outlets? Will he also consider rating retail outlets that sell alcohol, on the part of the premises that is used for that purpose, in the same way as pubs are rated—on turnover rather than on a business rates system?

Mr. McFadden: I thank my hon. Friend for his question. It is of course possible to take action on alcohol pricing through the competition regime. That is not something to be done lightly, although I appreciate the seriousness of his point. It is something that is open to us if we decide to do it, but it is certainly not a decision that has been made at this point.

Mr. Henry Bellingham (North-West Norfolk) (Con): On a point of order, Mr. Speaker.

Mr. Speaker: After the business statement.

Business of the House

11.32 am

Mrs. Theresa May (Maidenhead) (Con): May I ask the Leader of the House to give us the forthcoming business?

The Leader of the House of Commons (Ms Harriet Harman): The business for the week commencing 21 April will be:

MONDAY 21 APRIL—Second Reading of the Finance Bill.

TUESDAY 22 APRIL—Remaining stages of the Pensions Bill.

WEDNESDAY 23 APRIL—Opposition Day [10th Allotted Day]. There will be a debate on an Opposition motion. Subject to be announced.

THURSDAY 24 APRIL—Topical debate: subject to be announced, followed by a general debate on a points-based immigration system.

FRIDAY 25 APRIL—Private Members' Bills.

The provisional business for the week commencing 28 April will include:

MONDAY 28 APRIL—Consideration in Committee of the Finance Bill.

TUESDAY 29 APRIL—Conclusion of Consideration in Committee of the Finance Bill.

WEDNESDAY 30 APRIL—Remaining stages of the Energy Bill.

THURSDAY 1 MAY—Topical debate: subject to be announced, followed by a general debate. Subject to be announced.

FRIDAY 2 MAY—The House will not be sitting.

Mrs. May: I thank the right hon. and learned Lady for giving us the forthcoming business. May I congratulate her on her performance yesterday at Prime Minister's questions?

The number of people affected by eating disorders in the UK is 1.1 million. On Tuesday, Professor Janet Treasure said that the fashion industry's obsession with thinness has

"a dangerous influence on the public."

Yesterday, the Periodical Publishers Association announced that its editors were reconsidering the practice of airbrushing pictures of models in their magazines. The private sector is developing a clear strategy for dealing with eating disorders, but when will the Government do the same? Will the right hon. and learned Lady make a statement outlining Government policy on eating disorders, body image and the media?

Today, a report on the Counter-Terrorism Bill was published by the Committee of Selection. Although more than 50 Labour MPs oppose the Government's plans for pre-charge detention, not one of them has been put forward by the Labour Whips to serve on the Public Bill Committee. Does not that manipulative repression of legitimate dissent totally undermine the Prime Minister's statement about restoring power to Parliament? Membership of the Public Bill Committee should reflect the balance of views in the House, so will the Leader of the House take up the matter with the Government Chief Whip?

Yesterday, in conflict with the opinion of many Labour Members, the Leader of the House denied that the abolition of the 10p income tax rate would have any effect on poor families. With household bills, mortgage repayments and everyday prices rising—even the *Daily Mirror* today published a table showing how the poorest will be worse off, under the headline "Fury at 10p Tax Axe"—her denial seems staggering. However, it may be no wonder that we should learn today that although the Government usually publish the annual child poverty figures in March, this year they will bury the bad news by delaying publication until after the local elections. So can we have a statement from the Work and Pensions Secretary to explain that decision?

This morning the Housing Minister issued a written statement on eco-towns, two thirds of which are planned to be in Conservative seats. On 1 February, as is recorded at column 635 of *Hansard*, the Minister agreed with the hon. Member for South Derbyshire (Mr. Todd) that acceptance of an eco-town was "an important consideration" for local communities. Many eco-towns are the subject of fierce local opposition, and there are real concerns about the planning process that will apply to them. Will the Leader of the House do her job and give hon. Members the opportunity to represent their constituents by allowing a debate on eco-towns in Government time?

This week, the Defence Secretary made a statement announcing that the withdrawal of troops from Iraq would be delayed. Last October, with blatant disregard for Parliament, the Prime Minister announced planned troop withdrawals to the media in the middle of the Conservative party conference in order to grab a headline. May we have a debate on the Government's misuse of the media?

Finally, may we have a debate about the teaching of English literature? We learned this week that politicians around the world had been asked to name their favourite poem for a new book. Tony Blair chose Rupert Brooke's "The Soldier", but what poem did the current Prime Minister choose? He chose part of a PhD thesis

"about the individual's limited powers of self-sufficiency".

The author said that it had been intended as

"a critique of John Locke's ideas about the self-sufficient individual in the state of nature".

That tells us rather a lot about the Prime Minister—but why did he not choose a poem by Rabbie Burns? Given the recent goings on in No. 10, there are a few that would seem appropriate. Perhaps he could choose "Despondency: An Ode" or "Ah, Woe is Me, My Mother Dear"—although most of us would probably settle for "The Farewell".

With that, may I wish all Members of the House, and its staff, a very enjoyable recess?

Ms Harman: I thank the right hon. Lady for her congratulations to me on yesterday—and I think that she would have done a much better job for the Opposition than her right hon. Friend the Member for Richmond, Yorks (Mr. Hague).

The right hon. Lady mentioned eating disorders, an important public health issue that particularly affects girls and young women. It is of concern to the Department of Health, which works with the Department for Culture, Media and Sport to ensure that the media play their

[Ms Harman]

part in helping to prevent young women from falling prey to eating disorders. I shall ask the relevant Ministers to write to the right hon. Lady with an update on the latest action being taken.

The right hon. Lady asked about the Counter-Terrorism Bill, but she will know that the membership of the Public Bill Committee is a matter for the Committee of Selection. I note, however, that the Opposition did not put forward the right hon Member for Maidstone and The Weald (Miss Widdecombe) for membership of the Committee.

The right hon. Lady mentioned tax rates. I remind the House that we have always been concerned about low-income families, pensioners and child poverty. We have done a great deal to lift pensioners out of poverty, but we have also been concerned about the standard of living of single people. That is why we have been determined to ensure that everyone can have a job, that there is a national minimum wage and that we keep inflation as low as possible.

The right hon. Lady asked about eco-towns. She will know that a written ministerial statement has been laid before the House today. She will also know that there is a four-stage consultation. The first stage has been announced by way of that written ministerial statement: a three-month consultation to allow preliminary views to be expressed on the shortlisted locations, which are published today. Stage 2 will then involve a sustainability appraisal. Stage 3 will involve the planning policy statement, which will be discussed and debated in the House. Stage 4 will involve the submission of planning applications. So there will be full consultation and discussion all the way through.

The right hon. Lady mentioned troop numbers in Iraq. She will remember that about 45,000 British troops were engaged in the original invasion of Iraq. About a year ago, about 7,000 British troops were engaged. That number then came down to 4,500, and it is now down to 4,000. As the Secretary of State for Defence said in his statement earlier this week, he will continue to keep the House informed.

To conclude, I notice that one hon. Member is not in his place who is normally in his place absolutely without fail during business questions—the hon. Member for Buckingham (John Bercow)—but he has a very good excuse for not being here. I should like us all to welcome Jemima Bercow, who has arrived in the world this week. I hope that the hon. Gentleman enjoys his paternity leave.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): Can my right hon. and learned Friend point me in the direction of any early opportunity there might be to debate bilateral relations with The Gambia—a small but important country in west Africa, which has a good tourism trade with this country? That would give me the opportunity to raise the case of my constituent's brother, Charlie Northfield, who is awaiting trial in The Gambia on a case of economic theft, and to reassure his family, who live in Plymouth, that all the usual diplomatic tools are being used to support him.

Ms Harman: My hon. Friend has already raised that case with the Foreign Office, and she will know that Mr. Northfield is receiving full consular support. I understand that he is out on bail, and I know that she will keep in touch with the Foreign Office to ensure that it does all that it can to support him.

Mr. Crispin Blunt (Reigate) (Con): First, I hope that the right hon. and learned Lady will apologise to my hon. Friend the Member for Buckingham (John Bercow) for suggesting that he is not here doing his duties. I served with him on a Programming Sub-Committee at 9 o'clock this morning. He is in the House, so he is certainly discharging his duties to this place.

Shortly after I attended that meeting, I was alerted by Mr. Muttiah, a sub-postmaster in my constituency, that he had received in a letter—dated, unhappily, 1 April—news that his post office is now proposed for closure, in addition to those that have already been proposed for closure. May we please have a debate on this next round of the post office closure programme?

Ms Harman: We have recently had a full debate on post offices, and we have just finished topical questions to the Department for Business, Enterprise and Regulatory Reform, which has responsibility for post offices, so there has been a great deal of opportunity to debate the issue in the House. The important thing now is for Members to make representations as part of the consultation.

Simon Hughes (North Southwark and Bermondsey) (LD): May I join the congratulations to the right hon. and learned Lady on her historic first as a woman Labour MP answering Prime Minister's questions yesterday, and on a good south London robust performance, which was very welcome.

The right hon. and learned Lady has announced two pieces of legislation for remaining stages debates in the first fortnight back after the April break. May I ask her to reflect on the fact that on Monday, when we debated the remaining stages of the Housing and Regeneration Bill, all that we feared came to pass? We completed consideration of only one of six groups of amendments. There was full debate on only three of 20 Government new clauses, only 29 of 109 Government amendments, only five of 18 Opposition new clauses, and only four of 98 Opposition amendments. Clearly, it was a completely ridiculous failure to scrutinise large parts of the Bill. The Leader of the House has helpfully said that she will look into finding a process that means that Government amendments get extra time that does not detract from Opposition scrutiny time. Please may we have a change to the system before we consider the remaining stages of further major Bills, so that they do not suffer the same fate?

The Leader of the House announced that the debate on the Energy Bill—one of the Bills whose remaining stages have yet to be completed—is to be on 30 April. I think that everybody is aware that that is the day before local elections in England and Wales, and many colleagues will probably be elsewhere. [HON. MEMBERS: "Why?"] Because they may be seeking to advance democracy in their own patch; that is why. Will she reflect on whether the debate might be held on a better date than the day before the known annual local election day, so that we can ensure better attendance when we discuss that important Bill?

Please may we have the debate that many of us have asked for, in different ways, on the OECD's investigation of Britain's failure over 10 years to introduce an anti-bribery and anti-corruption policy? The Government have confirmed in a White Paper that they want Law Officers to keep the power to intervene to discontinue proceedings in corruption and national security cases, following the BAE Systems Saudi Arabia case. Will the Leader of the House put it to her colleagues that that is completely unhelpful to the reputation of Britain? May we have that debate, so that we can introduce a decent anti-corruption policy and not be under investigation by an official body working on behalf of the international community?

Lastly, may we have a debate on yesterday's report from the newly independent Office for National Statistics? It shows that after 10 years and more of a Labour Government the poverty gap has not closed, and that three groups in the community continue to have specific disadvantages: disabled people, people from minority ethnic communities and people in disadvantaged areas. The right hon. and learned Lady has a traditional view in favour of social equality but, sadly, in many areas, her Government have not delivered that equality. May we have an honest debate on why that is, and on whether they will do better in their remaining days in office?

Ms Harman: The hon. Gentleman has continued to raise concern about the Government's handling of the Housing and Regeneration Bill—a matter that was brought up last week in business questions. There are two issues: the first is the volume of amendments and the second concerns timing and the question of when the amendments were laid before the House. I think that we all recognise that if points are raised in Committee, and the Government agree to respond to those points, amendments have to be tabled, and I think the majority of the amendments tabled for the remaining stages were the result of issues raised in Committee.

As far as the timing is concerned, my hon. Friend the Deputy Leader of the House and I looked into the issue. The overwhelming majority of the amendments were tabled on the Tuesday before the debate, which was held on the following Monday. Obviously it would have been better if they had been tabled earlier, but as they were tabled on Tuesday, the House not having sat on the Monday, hon. Members had nearly a full week to consider them, and I do not think that that is an egregious lack of time. The Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Hartlepool (Mr. Wright), wrote to Committee members before the amendments were tabled to let them know about them. Of course, the amendments were a matter for the whole House, but my hon. Friend had the courtesy to write to Committee members, who he knew were particularly concerned with the Bill.

The question of the time given to a Bill's remaining stages is particularly difficult. The right hon. Member for North-West Hampshire (Sir George Young) has complained about the backlog of Bills awaiting Second Reading; that is part of the problem resulting from the amount of time taken to discuss the Lisbon treaty. There are therefore time constraints on Second Readings and remaining stages. Obviously, it is always desirable to have more time to consider amendments on Report than we get. Because of the concerns about the tabling of amendments to the Housing and Regeneration Bill, my hon. Friend the Deputy Leader of the House will ensure that amendments are tabled promptly for subsequent Bills, starting with all the amendments being tabled today to the Local Transport Bill, which will go into Committee when the House comes back from the recess.

The hon. Gentleman mentioned the Energy Bill. When the House is sitting, House business must be scheduled. All House business is important and the House does not rise for the day before local elections. It is therefore right that we should continue with the business, including the Energy Bill.

On the role of the Law Officers in prosecutions, the hon. Gentleman knows that that matter comes within the scope of the Constitutional Renewal Bill, which has just been published in draft. There will be plenty of scope for consideration of that draft Bill before it comes to the House for its Second Reading.

The hon. Gentleman mentioned inequality and the gap between rich and poor, with particular reference to disabled people and black and Asian people. We are planning to introduce an equality Bill, one of the objectives of which is to narrow the gap between disabled people, and black and Asian people, and the rest of society.

Andrew Mackinlay (Thurrock) (Lab): Does my right hon. and learned Friend see in her programme a legislative opportunity for us to improve consumer protection, particularly in relation to the big retailers, which are increasingly using warehouses and distribution methods that fail the consumer? All too often we hear from constituents who cancelled meetings and other activities and waited in, only to receive half-delivered goods—goods that are not complete. Although in theory there is a remedy, it is insufficient. People cannot get hold of the retailers and are held on answerphones, for which they pay. There needs to be naming and shaming of the bad big high street retailers that do not deliver on the goods that people have looked for, ordered and paid for. We want some swift remedy for our constituents. May we look into this matter, please?

Ms Harman: My hon. Friend raises an increasingly important issue, especially because more people are ordering goods on the internet. It is a matter of concern that will only grow. I will bring his comments to the attention of my right hon. Friend the Secretary of State for Business, Enterprise and Regulatory Reform.

Sammy Wilson (East Antrim) (DUP): Her Majesty's Revenue and Customs have announced job cuts in Northern Ireland that amount to a 25 per cent. reduction in the work force—twice as great as the reduction that will occur in the rest of the United Kingdom. That will have an impact on women, on provincial towns and, most importantly, the ability to take on fuel laundering and construction fraud in Northern Ireland. Will the Leader of the House arrange for a debate in the House so that we can discuss how HMRC will live up to the promise made by the Secretary of State that there will no let-up on fuel-laundering fraud in Northern Ireland?

Ms Harman: I will bring the points that the hon. Gentleman makes to the attention of my right hon. Friend the Secretary of State for Northern Ireland. I

Mr. McFadden: Of course they count, but any proposal based on a geographical area will involve people on either side of a line. I understand the point that the hon. Gentleman has made, and I am sure that the Post Office will do its best to take local views into account in what is a difficult process. I say again, however, that without the extensive subsidy that the Government are putting in, thousands more branches could be under threat. We have given financial certainty to the network over the next few years, which is something that it did not always enjoy in the past.

Peter Luff (Mid-Worcestershire) (Con): In its report of 8 February, the Business, Enterprise and Regulatory Reform Committee expressed concerns about certain aspects of the consultation process, many of which could be addressed quite quickly. Despite the significant funding that the Government are putting into the network, we are concerned that there is apparently no policy in place to prevent the further shrinkage of the network from 11,500 to the 7,500 figure that meets the access criteria. Does the Minister therefore understand my disappointment that despite the early indications that the Department would expedite its response to the report, it so far looks unlikely even to meet the informal deadline, which is normally two months?

Mr. McFadden: I thank the hon. Gentleman for the serious work that the Business, Enterprise and Regulatory Reform Select Committee has done on this issue. It has now issued three reports, and we will respond very soon to the report that he mentioned. I note the Committee's specific proposal to make it clearer that the basis of the consultation was the implementation of the programme rather than it simply being a referendum on whether there should be closures. As we now know, both parties accept the need for closures. The Conservative Front-Bench spokesperson made that clear in the debate on the subject a couple of weeks ago. The hon. Gentleman's Committee made a very good point on that subject, and I hope that Post Office Ltd will take it up.

Mr. Mark Harper (Forest of Dean) (Con): Eight post offices in my constituency are threatened with closure. Two in particular – at Primrose Hill in Lydney and at Ruspidge – have a strong case for remaining open. Will the Minister confirm what the Prime Minister is reported – in one of our excellent local newspapers, *The Citizen* – to have said, namely that, if people had a strong case against the planned closure of their local post office, they could appeal and take the matter right to the top and to the chairman of Royal Mail, Allan Leighton, if necessary? If those two post offices are told in early May that they must close, will the Minister confirm that Allan Leighton will meet me, and any other Member of Parliament who wishes to meet him, to discuss in person the case for keeping those post offices open, as the Prime Minister promised?

Mr. McFadden: The Prime Minister was absolutely right to say that a review process is built into this procedure. As I have said before, it is triggered by Postwatch and begins at local level. He was also right to say that the process can ultimately go right up to Allan Leighton, the chairman of the Royal Mail Group, if need be. The question of Mr. Leighton's diary commitments will have to be answered by him, rather than by me, however.

Mr. John Baron (Billericay) (Con): The Minister will be aware that Essex county council has committed £1.5 million to keep certain post offices open, including two profitable branches at Billericay and Wickford in my constituency. Despite assurances from the Minister – which I do not doubt – that he would get in touch with Post Office Ltd, and despite the Secretary of State's letter of 19 March, Post Office Ltd is still dragging its feet in its negotiations with Essex county council by not releasing essential financial information. Will the Minister now personally ensure that Post Office Ltd does not drag its feet further, and that it engages in full and frank conversation with Essex county council? Will he also ensure that Post Office Ltd does not decommission branches that are set for closure until those negotiations are complete?

Mr. McFadden: As the hon. Gentleman knows, I have encouraged Post Office Ltd to talk to Essex county council. I have spoken to the chief executive personally about this on two occasions, and I hope that those discussions will take place.

On the hon. Gentleman's point about the decommissioning of equipment, he will understand that post offices are normally private businesses owned by their sub-postmasters. The Post Office has said that it will extend the period of notice, at no cost to the sub-postmaster, when there is a local authority expression of interest. On some occasions, however, the sub-postmaster might want the equipment removed so that the rest of the retail premises can be made use of. I understand what the hon. Gentleman is saying, but we need to take into account the fact that these businesses are privately owned in most cases.

Charles Hendry (Wealden) (Con): I am sure the Minister is aware that many other councils share Essex county council's frustration at the slow progress of their attempts to save some of their local post offices from closure. First, as was pointed out by my hon. Friend the Member for Billericay (Mr. Baron), they are finding it very difficult to obtain the realistic costings that they need to decide whether to proceed. Secondly, there is a complete lack of clarity from the Department on whether such support would fall foul of European Union state aid rules. Thirdly, in some cases, equipment is removed from post offices while the discussions are still taking place. That is not happening only in post offices that the postmasters wish to close. Will the Minister get a grip on the situation, and ensure that councils receive immediately from his Department any information that they need to proceed? Will he also ensure that no post offices are closed if they have a realistic prospect of being saved?

Mr. McFadden: It is for Post Office Ltd and individual councils to negotiate the details of the process. As I told the hon. Member for Billericay (Mr. Baron), my right hon. Friend the Secretary of State explained in his letter of 19 March the basis on which the discussions should take place to both the Post Office and the Local Government Association. That letter refers to the state aid rules. That is the Government's position, as set out by my right hon. Friend.

Street Trading

8. **Dr. Brian Iddon** (Bolton, South-East) (Lab): What recent assessment he has made of the effectiveness of the regulatory framework for street trading. [198418]

The Minister for Energy (Malcolm Wicks): No recent assessment has been undertaken of the regulatory framework on street trading. However, the Government are aware that my hon. Friend has tabled a Bill that seeks to extend local authority powers. Our Department is in the process of undertaking research to establish more firmly the evidence about the effectiveness of the current legislation. That will help us to make decisions about how to proceed in a way that balances the interests of business, consumers and, indeed, pedlars.

Dr. Iddon: There have been seven local authority-promoted private Acts of Parliament to control the street trading activities of pedlars. As we have heard this morning, six almost identical Bills are before the House at present, with the possibility of up to 50 more in the queue. Will my hon. Friend consider allowing my Bill to proceed on the grounds that clause 2 would allow councils wishing to adopt it to do so? That would overcome any human rights-based objections that might apply to a blanket Bill.

Malcolm Wicks: I know that my colleague Baroness Vadera is prepared to discuss the matter further with my hon. Friend. He has persevered on this important matter. We are aware of a number of local authorities with an interest in it, which is why we wish to establish the evidence base. We need to understand the issue more clearly.

Mobile Ringtones

9. **Jo Swinson** (East Dunbartonshire) (LD): What recent discussions he has had with mobile telephone network operators on regulation of the trade in mobile ringtones. [198419]

The Minister for Energy (Malcolm Wicks): There has been no recent discussion with the five mobile network operators on the regulation of the trade in mobile ringtones. A code of practice was introduced in the autumn of 2005 by the Mobile Entertainment Forum, which required information providers and aggregators who trade mobile ringtones to be more explicit about cost, terms and conditions. In particular, mobile network operators have made it easier for customers to cancel subscriptions: they simply need to send a message consisting of the word "STOP". I understand that that has resulted in a reported 62 per cent. fall in the number of complaints.

Jo Swinson: T-Mobile is the only mobile network operator in the United Kingdom that bans third parties from having direct access to customers' phone credit for goods and services. A 13-year-old constituent of mine found that out the hard way when she was repeatedly conned out of money for ringtones that never arrived by a company that was trading illegally. Will the Minister look into how the regulator ICSTIS, the Independent Committee for the Supervision of Standards of Telephone Information Services, could act more effectively to stop this unscrupulous practice?

Malcolm Wicks: I agree that many people have had to pay very large sums as a result of being misinformed or misled. The regulator formerly known as ICSTIS — now, I understand, known as PhonepayPlus — is examining the position carefully. It has a close relationship with the major regulator, Ofcom, and I will ensure that the hon. Lady's concerns are brought to the regulator's attention.

Balance of Trade

11. **Andrew Selous** (South-West Bedfordshire) (Con): What assessment he has made of recent trends in the UK's balance of trade; and if he will make a statement. [198421]

The Secretary of State for Business, Enterprise and Regulatory Reform (Mr. John Hutton): The deficit in trade in goods and services remained at 3.6 per cent. of GDP in 2007, unchanged from the previous two years.

Andrew Selous: The Government have estimated that, for the whole of 2007, our total deficit in trade was £51 billion. What estimate has the Secretary of State made of the effect of a possible flight of non-doms, perhaps taking their businesses with them, on the trade figures for this year and next year?

Mr. Hutton: The issue of non-doms and their tax status has been addressed and resolved by my right hon. Friend the Chancellor of the Exchequer. It is right that people who are non-domiciled for tax purposes should make a fair and reasonable contribution; we all accept that, and I am surprised that the hon. Gentleman does not, as those on the Opposition Front-Bench first proposed it. I have just two points to make about the trade deficit: it was much higher at some point in the 1980s than it is now, and, more importantly, UK competitiveness depends more on productivity, so I am glad to be able to say that on that we are narrowing the gap between the UK and our principal economic competitors.

Tony Lloyd (Manchester, Central) (Lab): Does my right hon. Friend accept, however, that a worrying long-term trend in terms of our balance of payments is the decline in manufacturing? The balance of payments in manufacturing has deteriorated: the deficit for last year was about £60 billion, which is enormous and, arguably, unsustainable. Given the current pressure in financial services and other sectors, is it not time for manufacturing to be given a strong lead, so that our manufacturers can make inroads into the manufacturing balance of payments deficit?

Mr. Hutton: I strongly agree that we must always look to do what we can to support Britain's manufacturing industries. It is worth reminding ourselves of something, however: there is a lot of talk about Britain being a post-industrial economy, but that is rubbish. It is not a post-industrial economy at all; Britain is the sixth largest manufacturing economy in the world, and we work very closely with manufacturing companies in the UK to ensure that our performance continues to improve. It is worth reminding ourselves of another important fact: export-led growth has been very strong in the past few years. The total value of the exported trade in goods rose by almost 8 per cent. this year, so we should not

Ms Harman: I will bring the hon. Gentleman's comments to the attention of my right hon. Friend the Secretary of State for the Departure of Culture—*[Interruption.]* I shall start again. I shall bring his comments to the attention of the relevant Minister. No doubt he will discuss the issue with the Arts Council; if anything transpires from that discussion, he will write to the hon. Gentleman.

Mark Pritchard (The Wrekin) (Con): May we have an urgent debate on the importance of faith schools? Why have the Government set their hearts on a class war against faith schools up and down this land, given all the hard-working parents, governors, teachers and pupils involved? Does the Leader of the House not realise that faith schools take pupils from all sorts of socio-demographic and religious backgrounds?

Ms Harman: That is certainly accepted. I think that the hon. Gentleman is raising the question of the schools admissions code. All schools need to comply with that code, which was approved by the House. It is the responsibility of the Department for Children, Schools and Families to ensure that it is respected in all areas.

Mr. Mark Harper (Forest of Dean) (Con): I, too, greatly enjoyed the right hon. and learned Lady's performance yesterday. May I give her a word of advice? Perhaps she should retain that team of script writers, because I have to say that I have not enjoyed today's questions as much.

Seriously, Mr. Speaker, you will have noticed an increasing practice among Ministers when they are questioned about their departmental responsibilities. They try to turn things around and ask questions of Opposition Members. Will the right hon. and learned Lady consider the innovation of having questions to Opposition Members? In that way, Ministers could spend the whole of oral questions focusing on answering for their responsibilities and the performance of Her Majesty's Government, rather than on trying to question us. They will have time to do that after the next general election.

Ms Harman: The point of business questions is to give the House an opportunity to air concerns. They are not supposed to be a laugh, but a serious occasion on which hon. Members from both sides can raise questions to do with their constituencies and the business of the House. In that spirit, I attempt to answer questions, not ask them myself.

Points of Order

12.22 pm

Mr. Edward Garnier (Harborough) (Con): On a point of order, Mr. Speaker. Just now, my hon. Friend the Member for Vale of York (Miss McIntosh) and I both raised with the Leader of the House the absence of a statement from the Minister for Housing about eco-towns. There may be all sorts of reasons why a Minister does not come to the House to make a statement, and I appreciate that it is up to the Government to decide which Ministers come to give which statements to the House.

However, one would have thought it appropriate for a Minister to come to the House on a matter as important as the one that I have mentioned. Is it not of interest that on this last day of term, business appears to be relatively light and there is plenty of opportunity for the Minister to explain herself? It is significant that yet again bad news is being buried on a day convenient for the Government. May I ask you, with the greatest

Chris Bryant (Rhondda) (Lab): It is not bad news.

Mr. Speaker: Order.

Mr. Garnier: I am asking Mr. Speaker, not the hon. Member for Rhondda (Chris Bryant); I dare say he has other qualities that will come before us in due course.

May I ask you, Mr. Speaker, whether you could use your influence on the Government and not allow them to abuse the House and, more particularly, our constituents in this way? Our constituents have every right to expect Ministers to explain their policies, especially ones that touch as hard as this one does on the constituents that my hon. Friend and I represent.

Miss Anne McIntosh (Vale of York) (Con): Further to that point of order, Mr. Speaker.

Mr. Speaker: Well, if I answer the hon. and learned Gentleman's point of order, perhaps the hon. Lady will not have one. She does not know what I am going to say, does she?

I say to the hon. and learned Gentleman that I understand the deep concern about constituency housing that every hon. Member has, including myself. The issue is very important to us all. I am being asked on a point of order to raise the matter with a Minister. All I can really say is that that is not a point of order. However, I am sure that the Minister concerned will have heard the hon. and learned Gentleman's deep concern.

Miss McIntosh *rose*

Mr. Speaker: I am sure that the hon. Lady is going to make a point of order.

Miss McIntosh: I am most grateful, Mr. Speaker. May I seek your guidance on behalf of my hon. and learned Friend the Member for Harborough (Mr. Garnier) and myself? Is the Leader of the House saying that ministerial statements are now regularly being replaced by conference calls? I have never been invited to take

part in a conference call before and I would not be given the opportunity to question.

Furthermore, Mr. Speaker, will you give guidance on why I have not been shown in writing whether the specific eco-town in the Vale of York is going ahead—a city region is referred to—whereas details were provided to the press last night?

Mr. Speaker: I am not responsible for the words of the Leader of the House or of any Minister. Therefore, such issues are not a matter for me. On the other matters that the hon. Lady raised, once again all I can say is that she has brought her concerns before the House through her point of order. The fact that she and the hon. and learned Gentleman are deeply concerned about the matter will be recorded.

Mr. Mark Harper (Forest of Dean) (Con): On a point of order, Mr. Speaker. May I draw to your attention a written statement on disability benefits and the European Court of Justice made by the Under-Secretary of State for Work and Pensions, the hon. Member for Stirling (Mrs. McGuire)? It is due to publish information, but only online. I know from your previous responses that you prefer information to be placed before the House, by way of written statement or in the Library. It is much better to have a permanent record of important information. Finally, I should say that just before I came into the Chamber for business questions, the information that I mentioned was still not available online. I should be grateful for some helpful guidance.

Mr. Speaker: The hon. Gentleman should seek an answer through methods other than a point of order. Perhaps he should go to the Table Office to express his deep concern and see what can be done. I think that the Clerks will be able to help him.

Mark Pritchard (The Wrekin) (Con): Further to that point of order, Mr. Speaker. I seek your guidance on the number of replies to Members' written questions that refer Members to websites. Given our busy schedules, we do not always have the time to look at websites. If the information has already been published by other Departments, or if there has been a similar reply to a similar question, there is no reason why the Departments cannot print the reply in full. That is not a party political issue, but one for the whole House.

Mr. Speaker: It is for Departments to decide how they answer questions; the important thing is that they do answer questions. We live, of course, in an electronic age and we use computers. If the hon. Gentleman has a deep concern about how written questions are answered, he should take the matter up with the appropriate Minister. I have always been on Ministers' cases when they do not answer hon. Members' questions. However if the hon. Gentleman's issue is about the method of answer, he should pursue that himself.

Mr. David Heath (Somerton and Frome) (LD): Further to that point of order, Mr. Speaker. Is it correct to describe a reference to a website as a written reply? It seems to me that that changes the procedures of the House in a fundamental way.

Mr. Speaker: It is a written reply. If the hon. Gentleman does not like the reply, there is nothing that I can do to help him. He must pursue the issue again and again.

Mrs. Theresa May (Maidenhead) (Con): Further to that point of order, Mr. Speaker. I think that I am right in recalling that at business questions last week, the Leader of the House gave a very satisfactory response on exactly this point. She explained that she believed that written answers should give the full information, not simply refer to a website. Could you ask the Leader of the House to make a statement after the recess to explain what action she has taken to ensure that that will happen?

Mr. Speaker: Once again I say that there are things for the Speaker to do and things for Ministers to do. The Leader of the House is a Cabinet Minister, and there we are. She spoke about the issue last week in business questions. I do not always listen in detail to what the right hon. and learned Lady is saying, as I have to look around for who I am going to call next. The matter is in *Hansard* and it is being looked at.

Sir Nicholas Winterton (Macclesfield) (Con): Mr. Speaker, your answers to these points of order have been very helpful. However, because the Leader of the House is here, she might take on board the concerns that people would still like to receive answers in the traditional and conventional way, rather than electronically. I hope that she will give some response to those concerns.

The Leader of the House of Commons (Ms Harriet Harman): Further to that point of order, Mr. Speaker. I think that when someone in a Department is answering a question, if it refers to a previous answer they should not just give the *Hansard* reference but repeat the previous answer, because they have it in front of them and it saves hon. Members from having to do work that the Department could put in front of them.

As regards a reference to a website, if a small bit of information is being referred to, there is no excuse for referring to the website—they should extract it from the website and put it in the answer. If what they are doing, having answered the question, is making a reference to a more general, bigger document of 200 pages, that is fair enough. However, it is not fair enough for parliamentary answers just to be signposts in six different directions—they should attempt to meet the Member's point and be accountable. I agree with the specific points that hon. Members have raised. My hon. Friend the Deputy Leader of the House and I are on the case, and I ask for specific bits of information in respect of this to be given to us, and we will follow them up with Departments. Departments are responsible for running the Government policy for which they have responsibility, but they are also accountable to the House.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): It might be helpful for the House to be reminded that the Procedure Committee is conducting an inquiry into written questions, and all this information will be helpfully put before it to further that inquiry.

Mr. Speaker: That is a very good point which allows me to move on to the main business—a topical debate on the drug strategy.

[Ms Harman]

know that employment is an extremely important issue in Northern Ireland. There has been a great increase in jobs and a fall in unemployment. None the less, the hon. Gentleman's points about fraud and employment levels are important, and I will make sure that my right hon. Friend writes to him.

Anne Moffat (East Lothian) (Lab): I could never be accused of being a sook or a sycophant, or of ever asking a planted question, but on this occasion I want to put on record the sterling performance that my right hon. and learned Friend gave yesterday at the Dispatch Box. Does she share my concern that the Advisory Council on the Misuse of Drugs has refused to reclassify cannabis? As a former psychiatric nurse I have seen the ravages that that drug can cause. It should be reclassified, and people should be made aware of its harmful effects on mental health and family stability.

Ms Harman: I thank my hon. Friend for her comments about yesterday. My right hon. Friend the Prime Minister referred the reclassification of cannabis to the Advisory Council on the Misuse of Drugs, and we have yet to receive its advice. Irrespective of classification, we are all clear that cannabis remains illegal, that there is new evidence of the dangers that it poses because a much stronger version of cannabis is being used, and that there is new evidence of the risk of psychosis caused by cannabis, which the Maudsley hospital in my constituency has been keen to point out. We await the advice of the Advisory Council on the Misuse of Drugs.

Mr. James Clappison (Hertsmere) (Con): The Leader of the House has announced that there will be a debate on the points-based immigration system. She will be aware that earlier this week the House of Lords Economic Affairs Committee produced a report which, in effect, demolished the economic rationale of the Government's policy. Will she request the Home Secretary or the Minister who replies to that debate to come equipped with an answer, or attempted answer, to the detailed and lengthy inquiry conducted by the House of Lords, rather than the arrogant out-of-hand dismissal that we saw from the Prime Minister this week?

Ms Harman: The House of Lords Committee makes a number of recommendations, most of which are accepted by the Government and are already being acted on. We can all recognise and pay tribute to the work of hard-working migrants who come to the United Kingdom and work in our businesses and public services. We want to make sure that we restrict unskilled migrants coming to this country. That is what the points-based system, which to be debated in the House in the coming weeks, is designed to do. The Conservative policy does not have a shred of credibility. The Opposition say they want a cap on migration, but they will not say what the level of the cap would be. They say they want to help businesses, but they would deny them the skilled workers who are needed. They say they want to help the economy, but they reject the proposals that we are bringing forward to help British people obtain the skills that businesses and services in this country need.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Will my right hon. and learned Friend consider an urgent debate, when the House returns, on greed in the financial services sector? Many of my constituents want to know why unscrupulous people were put on bonuses of 60 to 100 times their annual income to sell products to people who patently could not afford to buy them. All that, across the world and especially in Britain, has undermined the banking and financial services sector. May we have a debate on that so that we can clear the air and find out who was guilty of such malpractice?

Ms Harman: My hon. Friend raises an important point, which touches on a number of issues. It is totally unacceptable for employees to get big bonuses unconnected to their performance in the company, or even in spite of disastrous performance in the company. People think that is very unfair. That is why the Government have introduced measures to ensure that there is transparency and shareholders can see what remuneration committees are deciding about the awarding of bonuses. It is also why new proposals will be introduced so that companies will have to report on the relationship between the bonuses being offered to those at the very top of the company and the remuneration of all the other workers in the company.

Mr. Ian Liddell-Grainger (Bridgwater) (Con): May we have another debate in Government time on tuberculosis? The rise in TB in my constituency in the time for which I have been MP, which is only since 2001, has been relentless. It has crossed Exmoor and is in the Somerset levels. Last week it got into areas that have not seen TB for more than 60 years, and it is costing the country billions every year. It has still not been decided what we are going to do about the situation. May we therefore have a formal debate on the matter?

Ms Harman: I think the hon. Gentleman is referring to bovine TB. That is a matter of concern to the Department for Environment, Food and Rural Affairs, and I know that the hon. Gentleman has raised it on a number of occasions. He knows that the Department is keen to support farming and the dairy industry. How the disease is dealt with is a scientific question, but I will make sure that his concern about what is happening in his constituency is brought to the attention of my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs.

Mr. Ian Cawsey (Brigg and Goole) (Lab): Will my right hon. and learned Friend find time for a debate on the democratic accountability of local authorities? Yesterday, East Riding of Yorkshire council, which has a large Tory majority, voted to support proposals to cut fire services in Goole in my constituency. Goole is a Tory-free zone, with no Tory representatives at town and district council or parliamentary level, but, despite strong local views, the views of local representatives and of me—and, in fairness, of the right hon. Member for Haltemprice and Howden (David Davis)—it is proposed that those cuts go ahead. Can we ensure that local authorities accurately reflect the views of the communities that they are supposed to serve?

Ms Harman: There is no excuse for East Riding council to cut fire services. My hon. Friend knows that there has been a big increase in local authority funding—a

45 per cent. real-terms increase in the last 10 years—and I am sure that he will raise the matter with the relevant Secretary of State.

Mr. Lee Scott (Ilford, North) (Con): Will the Leader of the House give time for a debate on the number of illegal, unroadworthy cars being allowed into our country, ostensibly from eastern Europe? What checks are being done at our borders to prevent such cars from going on to our roads? Such cars are causing many accidents and many fatalities. I am sure that Members on both sides of the House would like a debate on the subject.

Ms Harman: I recommend that the hon. Gentleman raise the matter with the Department for Transport during Question Time, which takes place on the Tuesday after the recess.

Mrs. Ann Cryer (Keighley) (Lab): Will my right hon. and learned Friend give time for an early debate on the subject matter of early-day motion 1205, which relates to the prevention of forced marriages?

[That this House wishes to put on record its appreciation of the work of Philip Balmforth in protecting thousands of vulnerable girls in the Bradford district; further wishes to commend West Yorkshire Police and Bradford social services for having the foresight to engage Philip 12 years ago, thus enabling him to give so many young women the right to choose whom and when to marry; and believes that these young women have good reason to thank Mr Balmforth and hope that he will have many more years serving their community in his own unassuming and courteous way.]

The early-day motion, which was tabled on 18 March, has attracted 65 signatures from Members of all parties. Philip Balmforth faces a disciplinary hearing next week, brought about by complaints made to West Yorkshire police by Bradford council for obscure reasons that I do not understand.

Ms Harman: My hon. Friend has done more than anybody in the House to bring to the attention of the general public the outrageous problem of forced marriages. The Government have acted on many of her suggestions, and I will raise with the Home Secretary the points that my hon. Friend has raised today. Home Office Question Time takes place on the Monday after the recess. I suggest that she try to catch the eye of Mr. Speaker and raise the matter with the Home Secretary at that point.

Sir Nicholas Winterton (Macclesfield) (Con): Will the Leader of the House show support for the House by recognising that programme motions on consideration of the remaining stages of major Bills are preventing the House from doing the job that it is here to do—that is, scrutinise legislation? The hon. Member for North Southwark and Bermondsey (Simon Hughes) highlighted the number of amendments—Opposition and Government—that were not debated but should have been. Will she find time for a debate on that subject?

Quickly, on another matter, will the Leader of the House find time for a debate on Zimbabwe when the situation in that country has been clarified following the elections? That would enable those of us who are interested to indicate what we believe this country should do to help the people of Zimbabwe, who have suffered so much under Mr. Mugabe.

Ms Harman: The House always has an opportunity to debate a programme motion, so in respect of each Bill the motion and how the clauses are to be dealt with are discussed.

Once again, the hon. Gentleman raises the question of Zimbabwe, which he has raised in the House over weeks, months and, indeed, years. I know that it is of major concern to him, as it is to all hon. Members. He will know that a statement on Zimbabwe was made yesterday. The situation will be kept under careful review.

We all feel that if there is to be a second stage election, there must be proper election monitoring. We need a proper free press to report the second stage of elections, which was denied in the first round. A telling sign will be the BBC being able to report from that country once again, instead of having to report from neighbouring countries or under cover from within Zimbabwe.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Can we have a debate on health and safety in the workplace? My right hon. and learned Friend may be aware of a recent debate on Iraq in which Members on both sides of the House raised the question of the untimely deaths of 170 of our service personnel. Over the same period, double that number of workers in the construction industry have lost their lives. Therefore, will she assure the House that every British worker's life is important? Can we have an inquiry or a debate on why so many people are losing their lives in the construction industry?

Ms Harman: My hon. Friend makes an important point; he has raised the question of health and safety for people at work on numerous occasions. He knows that, as a result of his work and that of other hon. Members, there is particular work going on between the Department for Work and Pensions and the construction industry to ensure that we cut the appalling toll of death and injury at work.

John Hemming (Birmingham, Yardley) (LD): Through my office, Senator Stuart Syvret of the States of Jersey has raised with the new Lord Chancellor the question of the rule of law in Jersey. Can we have a debate on the rule of law? We need to look at three issues in particular—Crown dependencies; the use of section 54(4) of the Access to Justice Act 1999, which can prevent cases from going to the House of Lords; and access for the parties to recordings of proceedings in secret courts.

Ms Harman: The hon. Gentleman raises a number of important and complex interconnected points. I suggest that he seek a meeting with the Solicitor-General to see how those matters could be taken forward.

In response to my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan), I should have mentioned that the DWP is meeting not just the construction industry, but, of course, the construction unions.

Mr. David Drew (Stroud) (Lab/Co-op): Will my right hon. and learned Friend keep a weather eye on the publication in the autumn of the final Competition Commission report on supermarkets? That is likely to be a major report, and it would be helpful if we got time in the House to debate the implications of the power of supermarkets, with particular regard to out-of-town shopping, land banks and the supply chain. It is only right and proper that we know what that report has to say and that we have our view on how we best represent our constituents.

Ms Harman: My hon. Friend raises an important point. This is a question of town centres and the rights of consumers. It is also an important issue for local food suppliers, which I know he is concerned about. Perhaps I will invite him to suggest this as a subject for topical debate when the report is published.

Mr. Simon Burns (West Chelmsford) (Con): Can the Leader of the House arrange for the Secretary of State for Business, Enterprise and Regulatory Reform to make a statement when we return from the recess on how effectively he believes the Post Office is providing Crown post office services to those areas where the Crown post offices have been closed and moved to the first floor of WH Smith?

In particular, will the Secretary of State be able to comment on the situation with the Crown post office in Chelmsford, about which many constituents are complaining? The access to it by the bus stops involves going down four steep steps, which is impossible if people are in wheelchairs, are frail or have mobility problems. The walk round to the other entrance is too far. There is only one escalator, which goes up but not down.

Ms Harman: The hon. Gentleman knows that the management of Crown post office services and of the branch office network are operational matters for the Post Office, not for Ministers.

Mr. Andrew Dismore (Hendon) (Lab): Will my right hon. and learned Friend find time for a topical debate on affordable and social housing, so that we can urgently consider the impact of policies that advocate that we should abandon the 50 per cent. rule in relation to new developments and that people require an income of £75,000 to qualify for an affordable assisted purchase, as proposed by the Conservative party in the London elections?

Ms Harman: I recognise the point that my hon. Friend makes. As a champion of his constituents, he knows that the question of lack of affordable housing is very important indeed. One thing that London's Mayor, Ken Livingstone, has done is increase the amount of affordable housing in London. He has pledged to increase it even further—by an extra 50,000 new affordable homes. One choice that people face in the London mayoral election is whether to have more affordable housing, better transport and more policing.

Mr. John Hayes (South Holland and The Deepings) (Con): Further to the question put by my hon. Friend the Member for Hertsmere (Mr. Clappison), surely the House deserves a particular opportunity to debate the House of Lords' report "The Economic Impact of Immigration", which I remind the Leader of the House said that there was little or no economic benefit to Britain from the present high levels of immigration. I know that it is considered vulgar to debate these issues in the bourgeois liberal circles of the right hon. and learned Lady where it is all fettuccine and feminism, but out there in the real world our constituents know that high levels of immigration put unsustainable pressure on our infrastructure, are the biggest single driver of housing demand and damage social cohesion. Now we also know that the Government's claims are based on worthless assumptions and disingenuous assertions, so we need an urgent debate.

Ms Harman: There will be an opportunity to debate immigration the week that the House returns on 21 April.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): May we have a debate on the implementation by local authorities of the new Government travel concession for pensioners and disabled people? Despite pensioners in Milton Keynes applying well in advance for their new passes, the Liberal Democrat-controlled Milton Keynes council deliberately delayed sending out the passes and then sent them out by second-class post, and as a result, a great many of my constituents are not able to enjoy the concession that they should have been able to from the beginning of this week. May we have a debate to reveal whether this is an isolated incident of incompetence, or a pattern across the board of Liberal Democrat-controlled councils?

Ms Harman: Milton Keynes council should get on with it. Councils should not have to be dragged kicking and screaming to ensure that pensioners get their rights to travel. We first introduced this concession in 2000 when we required councils to make half price fares for pensioners and disabled people—that was a struggle, but at least it was brought in. We then required councils to ensure that within their own area all disabled people and people over 60 should have free bus passes, and we now require them to ensure that not only in their own area but in any area pensioners and disabled people can have free travel. This is important. People should be able to get out and about, and public authorities should be seizing this opportunity not dragging their heels.

Mr. Roger Williams (Brecon and Radnorshire) (LD): In my constituency, 14 post offices are due for closure, of which eight will be offered outreach facilities, most of which will be mobile services, yet the people living in those communities, particularly in Llanwrtyd Wells, would prefer a hosted service in a shop, community centre or pub. When I asked the Post Office about this it said that the model shows that a mobile service would be better for the community. Can the Leader of the House assure me that that model will be made available to Members and placed in the Library of the House so that we can test it during the consultation period?

Ms Harman: I will ask those Ministers responsible to ask the Post Office to make that information available to hon. Members.

Sir George Young (North-West Hampshire) (Con): I support everything that has already been said about the shambles on Monday with the Housing and Regeneration Bill, but what has happened to the Planning Bill, which

completed its Public Bill stage on 5 February and has sunk without trace? As the Government assert that that will speed up the planning system, is it not counter-productive for the Government to delay its passage through the House?

Ms Harman: When it next comes before the House will be announced in the business statement. The right hon. Gentleman will know that following the debates on the Lisbon treaty, a queue of important business is waiting to come back before the House.

Mr. Graham Stuart (Beverley and Holderness) (Con): May we have an urgent debate on the Government's policy of coastal abandonment? The Environment Agency has proposed withdrawing support from many of the coastal defences on Sunk island and the South Holderness coast in my constituency, abandoning 2,000 homes around the Humber, and vast tracts of some of the most productive farmland in the country.

Ms Harman: This is a matter of great concern to a number of hon. Members that would be suitable for a Westminster Hall debate, so I will raise that with the relevant Ministers.

Mr. David Heath (Somerton and Frome) (LD): Despite the devolved Administrations, we still have Welsh and Scottish questions, so will the Leader of the House institute west country questions so that with the advent of the summer season and hundreds of thousands of welcome visitors coming down to the west country, we could discuss why we have the most neglected trunk road in Britain in the A303 and the worst rail service in the country in First Great Western?

Ms Harman: It is precisely for the reasons that the hon. Gentleman mentioned that we are committed to introducing regional accountability, so that on important questions concerning the regional infrastructure, regional Government offices and regional health authorities, where there is a democratic deficit—a lack of accountability—the appropriate authorities can be held to account by the House on the important decisions made in respect of the different regions through the process of regional Committees, which the Modernisation Committee is discussing and whose report will be due shortly. I hope that they will be introduced before the House rises for the summer.

Mr. Edward Garnier (Harborough) (Con): My right hon. Friend the shadow Leader of the House asked the Leader of the House for a debate on eco-towns, following this morning's announcement. Surely it would have been even more appropriate for the Minister for Housing to have come to the House today to make a statement. This morning at 5 minutes to 9, I was invited to take part in a conference telephone call along with a large number of other Members of Parliament whose constituencies are affected by this announcement. That is not a proper way to cross-examine a Minister about an issue that is not only of local and regional importance, but of national importance, if we are to believe the Government's propaganda about the necessity for eco-towns. My constituents are dismayed about today's announcement, and they are even more dismayed, and have every right to be dismayed, that I am unable to cross-examine the Minister in this House today about that matter.

Ms Harman: As I said earlier, this is a four-stage consultation, and only stage one is the subject of the announcement in today's written ministerial statement. Stage one is the three-month consultation process and there will then be the sustainability appraisal and the final planning policy statement, which will be debated in the House before it goes back to local planning applications. I should have thought that hon. Members would welcome the opportunity to ask questions of and discuss matters with the Minister for Housing.

Miss Anne McIntosh (Vale of York) (Con): That is completely unacceptable. I read in the paper this morning the long list that must have reached the press last night. I put through a conference call on eco-towns; I was told that I was one of 16 waiting on the end of the phone, and the Minister did not come to the phone at the prescribed time. That is completely unacceptable.

This statement is one of 16 written ministerial statements, and it still does not tell me or my constituents whether the proposed eco-town for Skelton and Clifton Moor in the Vale of York is included. It euphemistically refers to "Leeds City Region, Yorkshire". York is a city in its own right and I have the privilege to represent 24,000 people living there. This is an unacceptable procedure. It flouts normal planning procedures and the fundamental right of any Member of Parliament to represent their constituents on the Floor of the House and to hold the Minister for Housing to account. She should be ashamed of herself.

Ms Harman: I think that the hon. Lady misunderstands this. This process does not flout normal planning procedure. There will be a three-month consultation and the normal planning processes as they apply under the current law will be applied to this matter.

Philip Davies (Shipley) (Con): May we have a topical debate on political correctness at the Arts Council, in particular the subject of my early-day motion 1318, with regard to the Arts Council request that people should disclose their sexual orientation on the application form for funding?

[That this House deplores the Arts Council's decision to ask intrusive and irrelevant questions about the sexual orientation of those applying for grants; believes that this should be a private matter and not something that individuals should be asked to reveal; considers that sexual orientation should be completely irrelevant in modern day Britain; notes that the idea of putting people into stereotypical tick boxes is an example of political correctness which is opposed by 80 per cent. of the people in Britain in an ICM poll; urges the Arts Council to take serious note of the many objections raised by eminent actors and actresses who find this both offensive and insulting; and calls on the Arts Council to end the request for this highly personal information immediately.]

I hope that the Leader of the House will agree with me that people's sexual orientation should be a private matter, not something that public bodies ask to be disclosed before public money is given. May we have a debate on this important matter?

TOPICAL DEBATE

Drug Strategy

12.31 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): I beg to move,

That this House has considered the matter of the Drug Strategy.

Let me start by thanking many of the hon. Members whom I can see around me on both sides of the House for the contribution that they have made to the development of the drug strategy that we published a few weeks ago. Their contribution to what is an incredibly important debate in many of our communities has been welcomed. Although they may not agree with all the various points in the strategy, I hope that they recognise some of the differences and changes that have been made. In particular, some of my hon. Friends—and, to be fair, Opposition Members—have said that while it is important to concentrate on the enforcement side, we must also, in order to reduce harm to communities, consider what to do about dealing in the street, crack houses, and those who run gangs in order to supply drugs in a neighbourhood.

We must also think about treatment. We have been very successful in increasing the numbers going into treatment, which has been welcomed by all Members. We have taken on board what people have said to us about ensuring that treatment is effective, that it is not only about numbers but outcomes, and that when people enter treatment and seek to leave it we not only consider whether abstinence is appropriate but take into account all the other services that are necessary to support somebody in those circumstances. That means closer relationships with housing and employment services, the benefits system and so on. We try to reflect that in the new strategy.

Those important contributions to the debate have enabled us to move on.

Philip Davies (Shipley) (Con): I hope that the Minister will focus on the role played by prisons. Far too often, people go into prison as drug addicts having committed volume crimes to feed their addiction. They come out a few months later—a very few months later in many cases—still drug addicts, with no testing beforehand to check whether that is the case. Moreover, there are still too many people who take drugs for the first time in prison. Will he dedicate some time to explaining what is being done in prisons to stop the proliferation of drugs?

Mr. Coaker: Certainly, one of the things to consider is how drugs get into prisons and to ensure that we are robust in that respect. A lot of measures have been put in place. We have increased the amount of money that is available for prison drug treatment, and it is now about trying to ensure that that treatment is effective. I know that the hon. Gentleman takes a real interest in these matters. He is right to say that just because somebody is locked up that does not mean that they stop being a drug addict, and we need to take measures to deal with that. We need to consider not only what happens to somebody when they are in prison and what is the effective treatment in that situation, but what support is given to them when they leave prison. There are sometimes difficult issues to deal with involving chaotic lifestyles and so on. If that support is not available for somebody in those circumstances, the possibility of their returning to crime, whatever the rights and wrongs of that, is increased.

Paul Flynn (Newport, West) (Lab): A good place to start would be to look at the outcome of the billions of pounds that have been spent and the results of the policies adopted 10 years ago, which, I am sorry to say, have failed abjectly. One of those policies was to reduce drug taking among young people by 50 per cent. Virtually nothing has worked in 10 years of effort by this Government. Can we not at least say, "Let's look at what happened—it went wrong", and examine why it went wrong?

Mr. Coaker: I am sorry about that. I discuss and debate many of these matters with my hon. Friend at great length. We have tried to learn from what happened under the previous drug strategy. I know that he welcomes many of the things in the new strategy, such as support for families and making treatment more effective. I point out to him that the British crime survey figures show a fall in the number of 16 to 59-year-olds using all drugs in the past 10 years, during which period the proportion of 16 to 24-year-olds reporting the use of drugs in the past year has also fallen. He asks whether what has happened is good enough, whether we are where we want to be, and whether we want to do more. Of course we want to do more and to be more effective. My point was that in developing the new drug strategy and trying to take forward the agenda, it is important to recognise that the previous drug strategy delivered a reduction in the numbers of those taking drugs, adults and children alike.

Mr. Graham Brady (Altrincham and Sale, West) (Con): Does the Minister agree, though, that one of the most obvious ways in which we could tackle the problem of supply is to end the absurd situation whereby it is possible readily to buy seeds for strong strains of cannabis on the internet, which also gives advice on how to obtain resin from those strains?

Mr. Coaker: As the hon. Gentleman and I have discussed on several occasions, we need to monitor certain things that happen in respect of the internet. We keep all these matters under review. I am concerned about the availability of cannabis seeds on the internet, as well as some of the paraphernalia that is available from shops and elsewhere. He makes a reasonable point, and we need to consider what we can do about it.

The new drug strategy provides the Government and their partners with an opportunity to build on some of the successes of the previous strategy and to achieve a substantial and sustained reduction in the harms caused by drug misuse. Drug misuse poses significant challenges. It damages health, undermines family life and gives rise to high levels of crime. The costs to society are enormous in financial terms and lost opportunities. Reducing the harm caused by drugs must therefore remain one of the Government's top priorities, and it is obviously a priority for this House.

Barry Gardiner (Brent, North) (Lab): I probably speak for many Members on both sides of the House in saying that I welcome the Minister's openness in meeting us

and discussing these issues, which are incredibly important to us and to our constituents. I thank him for agreeing to reconsider the question whether khat should be a banned substance. It causes extreme difficulties, particularly within the Somali community, some of whom have recently been in touch with me and are very grateful to him for his intervention on this matter.

Mr. Coaker: A lot of representations have been made to me, particularly from the Somali community and from Members of Parliament. Indeed, I have just written to Members about the issue. We are looking to see what evidence there is with respect to this matter. We have asked for it to be looked into, and we are developing how we deal with it. We shall examine what comes back to determine how we proceed.

The Government are committed to be responsive to the needs of communities and to the views of our stakeholders and partners. The drug strategy will be delivered in partnership, and it is for that reason that it was developed in partnership. It is informed by the findings of a detailed, extensive and independently conducted consultation. Following the consultation, as hon. Members will know, the new drug strategy was launched on 27 February, and we are now working with stakeholders to put in place mechanisms to deliver the strategy in the most effective manner.

I am pleased to note that those same stakeholders, along with representatives of service users and members of the public, have generally welcomed the new strategy and provided very positive feedback. The new strategy builds on the very real achievements of the previous 10 years, while learning lessons, as my hon. Friend the Member for Newport, West (Paul Flynn) has pointed out, and it draws on the experience of all those involved in its delivery.

A few of the achievements that we can point to include drug use being at its lowest level since 1998; the fact that the number of people entering drug treatment has more than doubled over the same period, with average waiting times having fallen significantly so that 96 per cent. of clients are receiving treatment within three weeks of being assessed; a fall in drug-related crime of around 20 per cent. since the introduction of the drug interventions programme in 2003; and the introduction of a range of new powers that have allowed the police and other partners to strengthen our enforcement effort, seizing more drugs and drug dealers' assets and closing crack houses, which can be so destructive to the confidence of communities. I am pleased to say that since the introduction of those powers in 2003, more than 1,000 crack houses have been closed, and all of us would like to see even more of them being closed.

Those achievements have delivered real improvements to the lives and experiences of families and communities all over the country, but we know that more remains to be done, including closing crack houses that are still open. Although we can see where the drug strategy has been successful, we can also see where more work is needed, or where we need a change of approach. For example, while drug-related crime has been driven down, we recognise that further support needs to be given to help people rebuild their lives, so that they do not fall back into drug use and crime—a point made by the hon. Member for Shipley (Philip Davies).

John Mann (Bassetlaw) (Lab): The Minister will have seen the representations made by the right hon. Member for Witney (Mr. Cameron), who has twice, in writing, proposed "shooting galleries"—injecting rooms. Has the Minister had the chance to consider the right hon. Gentleman's idea, and does he intend to introduce such a proposal? If he does, please do not let it be in my constituency.

Mr. Coaker: We have no intention to introduce so-called shooting galleries anywhere in the country, including my hon. Friend's constituency.

The Government's vision is to produce a long-term and sustainable reduction in the harm associated with drugs, where fewer people start using drugs; where early intervention prevents and reduces the harms caused by substance misuse, particularly among those most at risk; where people with drug problems receive the treatment and support that they need to move on to lead healthy, productive lives; where communities are relieved of drug-related crime and the associated nuisance; and where organised trafficking networks are dismantled and their assets are recovered. That means that we want fewer young people and families to be harmed by drug misuse. We want to make sure that treatment is as effective as possible and that people get access to the support they need to re-establish their lives.

We want to continue to drive down drug-related crime, and we want to put communities at the heart of our approach, working with them to tackle problems and communicating more effectively with them to improve confidence. We have set four targets that will help us to achieve that vision: to increase the number of drug users in effective treatment; to reduce drug-related offending; to reduce the number of people who think drug-related antisocial behaviour is a problem in their area; and to reduce substance misuse among young people. The new drug strategy and the associated action plan set out the action that the Government and our partners will take to reach those targets. Both documents are based around the four priorities of protecting communities, preventing harm to children, young people and families, adopting new approaches to drug treatment and social reintegration, and communications and community engagement.

Before I say any more about those priorities and protecting communities, in the time I have left I want to say something about cannabis. Our message has always been that cannabis is harmful and illegal. Although its use is decreasing, there is real public concern about the mental health effects, and it is our role to be prepared to respond to new evidence that shows a new threat or potential for increased levels of harm. We must be confident that we have the right position on classification, which is why the Home Secretary asked the Advisory Council on the Misuse of Drugs to review its position. The ACMD is continuing its review and will submit it and its advice to the Home Secretary at the end of this month. A decision about the reclassification, or not, of cannabis will be taken at that time, when we have received that evidence from the ACMD.

In conclusion, we believe that we made progress under the previous drug strategy. The new drug strategy will have an emphasis on enforcement, but it will also place emphasis on ensuring that treatment is more effective. We have to look at the outcomes that come from treatment, and much of that will relate to the support we give, not only to get people into treatment, but to ensure that such treatment is effective, allowing people to move towards drug-free lives as far as is

[Mr. Coaker]

possible. I thank hon. Members for contributing to this extremely important debate, and I am grateful for the point made by my hon. Friend the Member for Brent, North (Barry Gardiner). I will continue to listen to what others have to say, because we all want to reduce the harm to our communities and to individuals.

12.46 pm

James Brokenshire (Hornchurch) (Con): Despite the Minister's fine words, the UK has the highest level of problem drug use in Europe. In 10 years, total recorded drugs offences have increased by 43 per cent., and, by the Government's own admission, class A drug use remains stubbornly high. The Government's latest strategy to "protect families and communities" has therefore been greeted with understandable scepticism, and, in some quarters, derision. Class A drug use generates an estimated £15.4 billion in crime and health costs every year. The drug and alcohol charity Addaction estimates that since this Government came to power the total cost amounts to £110 billion, which is more than the NHS budget.

It is a question of not only the monetary cost, but the human cost of drug addiction. In 2006, the number of confirmed hepatitis C infections reported from laboratories in England rose to 8,346—a rise of 10 per cent. in a year, with the Health Protection Agency forecasting an increasing number of deaths, transplants and hospital admissions for hepatitis-related end-stage liver disease.

The single biggest risk factor is injecting drug use. Illicit drugs are cheaper than they have ever been. Since 1997, the average price of cocaine has fallen by a third and the price of heroin has dropped by 40 per cent. Even the simplest economic and market analysis tells me that if the price has gone down that much, the Government have failed to control supply. That is reflected by declining enforcement. In 2005, 1,082 people were prosecuted for the unlawful importation or exportation of drugs and 1,061 were convicted. In 2006, the number had fallen to 904 prosecutions and 870 convictions.

The Government now try to offer us a new force to secure our porous borders, but this shiny new agency with its shiny new uniforms will have no police representation and no new powers of arrest. In reality, it is the existing border control badged under a different name. The effect is that it will not be able to arrest a single person caught with drugs. So much for the Prime Minister's promise that this force would have police powers to deal with those suspected of criminal offences.

What of the Prime Minister's other statements about changing cannabis from a class C to a class B drug? Last September, he said:

"Why I want to upgrade cannabis and make it more a drug that people worry about is because we don't want to send out a message—just like with alcohol—to teenagers, that we accept these things."

He was right about alcohol. The Government's ill-conceived licensing policies have led to more violence on our streets late at night and to hospital A and E departments bearing the brunt, with alcohol related admissions rising by a quarter.

What is the Prime Minister waiting for? Why the delay? What more persuasion can he possibly need? Super-strength skunk cannabis now accounts for some 80 per cent. of all seizures. Its links with psychosis, paranoia and schizophrenia become more apparent every day. Even the Association of Chief Police Officers, which initially supported the decision to downgrade cannabis, now states:

"The 2004 change in classification of cannabis has inadvertently provided an opportunity for the greater and now flourishing illegal market in the production, distribution and use of cannabis throughout the UK and potentially beyond."

We need action, not more delay. I challenge the Under-Secretary to make a commitment here and now to reclassifying cannabis. He has the evidence, the power and, frankly, the duty to do so.

Paul Flynn: The right hon. Member for Witney (Mr. Cameron) made some perceptive and interesting comments about drug policy when he was a Back Bencher and a member of the Home Affairs Committee. Does the hon. Gentleman agree with him? What are his proposals for reducing the number of drug deaths in Britain?

James Brokenshire: As we know, 80 per cent. of seizures are of super-strength cannabis. We therefore urgently need to change the classification and send out the message that the Prime Minister said that he wanted to convey. I will deal with treatment, which the hon. Gentleman has mentioned, shortly, because it is a fundamental issue and one of the failures that we must tackle.

The Home Office does not appear to know the scale of the problem. Its strategy document states:

"Cannabis factories represent a worrying development. It is clear that serious, organised criminals are investing in the production of cannabis on a commercial scale."

The document continues:

"Intelligence from the community will be used to target drug markets and the sources of domestically-produced drugs such as cannabis factories."

Yet when we ask for a breakdown of the number of cannabis factories detected by each police force, the Home Office simply replies that that information is not kept centrally. So much for intelligence.

The flawed approach applies not only to enforcement. Drug treatment is mired—under the latest plan, it will stay mired—in muddled and ineffective thinking. It is telling that the latest policy document contains only two references to "recovery". Neither relates to recovery from drugs—they both refer to asset recovery—and I will say more about that shortly.

Fundamentally, the Government's approach is not about ridding people of addiction, but switching people from an illicit drug to a substitute prescribed drug. The necessity of abstinence, which is recognised as the key step on the road to recovery in other European countries, is notably absent from the approach. As the prisons and addictions forum of the Centre for Policy Studies says in its critique of the latest strategy:

"The harm reduction techniques that are espoused to achieve this goal, when stripped bare, seem to rely almost entirely on replacing one substance with another as a way to manage and solve dependency without addressing the issues underlying it. Government policy in the treatment domain is revealed, like the emperor's new clothes, as not being treatment at all."

Philip Davies: Thanks to the Centre for Social Justice, I spent four days at St. George's Crypt in Leeds, which deals with homelessness and addiction because the two usually go hand in hand. I commend that work to my hon. Friend. He might like to go to St. George's Crypt to ascertain what is being done to promote abstinence—the very point that he made—to get people off drugs rather than using replacements. My hon. Friend is making a powerful point.

James Brokenshire: I am grateful to my hon. Friend for recommending that work. It is important to recognise the great work that so many charities, voluntary organisations and the third sector do in providing treatment and support. One of the problems with the Government's approach of regional commissioning is that it stifles such innovation.

We have only to examine the evidence. The cost of methadone prescriptions has increased by £6 million in only two years to £22 million. Last October, the BBC revealed that, of 180,000-odd people signed up for treatment, 20,000 never had any, 80,000 did not complete their treatment and only 5,000—less than 3 per cent.—left the Government programme free of illegal drugs.

John Mann: What would the hon. Gentleman say to hon. Members who have called for more methadone prescribing in newspapers such as *The Daily Telegraph*? One example is the right hon. Member for Witney, who did so in an article in *The Daily Telegraph* and another in the *Edinburgh Evening News*.

James Brokenshire: Methadone has its place in the treatment regime, for example when sex workers move from addiction and genuine desperation. My point is that people should not be kept on methadone, but moved from that through abstinence-based treatment, so that they beat their addiction.

With the Government, if one does not measure something, it simply does not matter. The new document provides an Orwellian definition of "effective treatment", which is satisfied if someone is

> "discharged from the treatment system 12 weeks or more after triage; or that remain in treatment 12 weeks after triage; or that were discharged in less than 12 weeks in a care planned way".

As I said earlier, it is hardly surprising that recovery is the word that dare not speak its name.

Instead, the Government are supposedly offering us more rights of asset recovery, with the Home Office news release breathlessly promising that

> "those who buy 'bling', plasma screens and other household goods, to avoid circulating cash, will have their assets seized before they have a good chance to disperse them".

No one has been able to explain what is wrong with the existing powers under the Proceeds of Crime Act 2002, which include confiscation orders and restraint orders that can be sought from a judge before conviction. The policy does not bear examination. Even if there were a hypothetical need for more rights, the complete failure of the Assets Recovery Agency, necessitating its merger with Serious Organised Crime Agency, underlines where the real focus and attention should lie.

As for the Government's apparent proposals to remove benefits from drug users dropping out of treatment, as one drugs charity kindly put it, the policy "needs further explanation".

The Government are out of ideas, out of the real world and on the wrong path. The plan is an explicit admission of failure, which cannot be disguised by the hotch-potch of gimmicks cobbled together to masquerade as a strategy. We need a zero-tolerance approach to drugs from our shores to our streets, with a proper border police force, the reclassification of cannabis, abstinence-based rehabilitation, and drug treatment in prison.

Carl Gustav Jung said:

> "Every form of addiction is a bad thing, irrespective of whether it is alcohol, morphine or idealism".

The Government's addiction is not idealism, but image: they measure inputs rather than achieve outcomes; they want to spin perception rather than change reality; and they commission reviews rather than take action. Their time has come for a long spell in rehab.

12.59 pm

Paul Flynn (Newport, West) (Lab): I will not pursue the superficial speech of the hon. Member for Hornchurch (James Brokenshire), which will embarrass his party leader.

We are in a time of change, and we must have the honesty to examine our two 10-year strategies. One was introduced in the House—I recall the debate 10 years ago; when there was great optimism. The drugs tsar was to be appointed and things were going to change enormously. A reduction of 50 per cent. in drug use was proposed—a ludicrously ambitious figure. We are also signed up to another policy; indeed, the whole free world is signed up to the United Nations policy. It was decided in the same year, 1998, and its aim is the complete eradication of or a substantial reduction in all drug cultivation and use. Who could sign up to such a thing or believe that that was possible?, That policy comes to fruition this year, but we have made virtually no progress on it.

What has happened since 1998? We have spent billions of pounds, with the agreement of every party in the House; there was only dissenting voice to the policy in 1998. The result is figures—I will give just one, as I do not want to spend my whole 10 minutes talking about the figures—that show a reduction in the number of deaths caused by heroin. There has not been a reduction; what has happened is that the base year was changed. A reduction of 2 per cent. is being claimed on the basis of setting the base year as 1999, but if we use 1998, the proper base year, we see that there has been an increase in deaths of 10 per cent.

Mr. Geoffrey Cox (Torridge and West Devon) (Con): The hon. Gentleman is making the point that my hon. Friend the Member for Hornchurch (James Brokenshire) made for him. The thrust of my hon. Friend's point was that the Government are spinning perception. The hon. Gentleman is exactly right: figures have changed, statistics are manipulated and no progress is being made. That was the criticism.

Paul Flynn: I will not go into the details of why the speech that the hon. Member for Hornchurch made was superficial, but he missed the point. Cannabis is a minor part of the problem, and reclassification is of no importance whatever. There are much more serious

[Paul Flynn]

problems, which the right hon. Member for Witney (Mr. Cameron) well understands. We need to get to the heart of them, and that is happening elsewhere.

There are two, or possibly three, optimistic signs. One is at the United Nations, which has recognised that world opinion is changing. There was a time when this country had very few drug users—fewer than 1,000 addicts. We became tough and had a zero-tolerance policy, doing all the things that the Opposition spokesman in this debate wants to do, but sadly we did not become intelligent about drugs. We had that policy in 1971. The result is that we now do not have 1,000 addicts; we have 280,000 addicts. We have a problem that is permanent and a great scourge among our young people.

We did not show an example to the people in eastern Europe, who effectively said, "When the iron curtain fell and drugs came into our countries, we looked to you guys in the west to tell us how to deal with them." What they heard was a babel of conflicting voices and advice. The result is 5 million addicts in the Russian Federation. I had the experience of visiting a hospital in Moscow—I can feel the emotion churning up as I think of it—that was filled with thousands of patients, every one of whom was a child of a drug user or sex worker born with AIDS. Those things have happened because of our failure to tackle poverty and because of the self-gratification of the politicians. We want popular policies that give us good headlines in the daily papers, which do not tell us that we will go to pot if we are found in possession of an intelligent idea or something that works.

There is a new European convention, which was presented by a British rapporteur in the Council of the Europe in September and is supported by all parties in the House in the Council and by all 47 countries there. The convention is similar to another document called "The Rome Consensus", which enjoys the support of more than 120 nations and the International Federation of Red Cross and Red Crescent Societies. Those two documents—"The Rome Consensus" and the new European convention, which is yet to go to the Council of Ministers—say a great deal, but the basic argument is that our reliance on the criminal justice system for solving the problem of drugs has not worked. Substitution has worked. Every £1 that we spend on substitution, treatment, needle exchanges and so on is worth £12 that we spend on the criminal justice system.

The situation in our prisons is tragic. I had the awful experience of visiting the family of two young people in my constituency who would be classified as two of the great successes of our system, because they went into prison as heroin users and came out clean. The system was working—what a triumph; how wonderful. Indeed, I am sure that those young people are named somewhere in the figures. The young man who came out lived a day; the woman who came out lived a week. They went back to their drugs because they did not have the chance of being looked after. That is an abject failure.

We are now in an awful position. The hon. Member for Hornchurch said that we are the worst country in Europe for drugs, which is as it is. Every one of the countries that has shooting-up galleries and has taken a more compassionate line, treating drug users not as criminals, but as patients, has less harm. We are missing something and we are failing. We need to get to the point where we recognise that, despite all our self-satisfaction as politicians—our desire to get good headlines to get ourselves re-elected—we are failing a generation whose lives are being destroyed by drugs. That is the lesson of today.

I believe that there will be a change. The atmosphere is changing in the United Nations, which determines everything. The United Nations went along with the myth that we can control drugs at the supply—we tried that in Colombia for nearly 30 years and in Afghanistan, but it has been an utter, abject failure. After £250 million of taxpayers' money being spent on drug eradication in Helmand province, the result is that the drug crops there are the highest in history and the price of heroin on the streets of London is the cheapest that it has ever been. That is failure from both angles.

Let us stop congratulating ourselves on what clever politicians we are, on what great successes we have enjoyed or on the press supporting us, including on the completely foolish idea of reclassifying cannabis, especially when all the evidence is that reclassifying it probably made very little difference, because fashion and many other things were involved. Indeed, the use of cannabis went down, and everyone admits that. There is another demand to reclassify it upwards, but the whole of drug-taking policy, in my 20 years in Parliament, has been an evidence-free zone that is rich in prejudice, ignorance and denial.

We are all drug users in many ways. We should look to a policy that puts the emphasis on education, the truth and the things that work. They include drug substitution, which has been mentioned, not some idiotic idea about zero tolerance, which does not work, or the other foolish idea, about khat. Khat is a drug with its own dangers, but if we decide to prohibit it, we will immediately drive a wedge between the Somali and Yemeni communities and the police, and drive the trade underground. Khat is currently legal, but if it became illegal, Somali areas would be divided up into territories that were guarded with guns. If we want to create another minor crime wave, we should prohibit khat, because people will keep using it—they have used it for centuries as part of their tradition.

Prohibiting khat is another instant solution that appeals to politicians. I urge the House to consider the position in the real world. We have a terrible record as politicians, but when I saw the parents of the young man who died in my constituency, did I blame myself for what I had done? I know that if the policies that I and others advocated in this place 20 years ago had been put into practice and come to fruition, those young people would probably still be alive today.

We have taken a path that is not based on the truth or on the practical ways of dealing with the problem. One of the best examples from other countries is from Portugal, which has already been mentioned. In 2001, the Government in Portugal decided to de-penalise all drugs. It was not a popular policy—the Government there were howled at by the press and the public thought that the politicians had gone mad—but the result was a reduction in the total number of deaths from drugs in Portugal of 50 per cent. in five years. That is the most spectacular result of any drugs policy anywhere in the world. Other countries have adopted bold policies—the shooting-up galleries, for instance—that have been unpopular with lots of people, but that is not the path

of popularity, which is increased drug use and the continuing scourge of drugs that is affecting the whole world.

I know that many hon. Members wish to speak in this debate, so I will draw my remarks to a close by begging everyone from both major parties—indeed, from all parts of the House—to look at what was said here in 1998 and at the ambitions that were announced. None of them has been achieved. We have had 10 years of utter, abject failure from all angles—from the waste of money involved to the fact that not a single prison in this country is free of drug use. One Conservative Member told me that he went into a prison and was told by a prisoner, "I've got a toothache that I'd like to get an aspirin for, but I have to wait until tomorrow morning to see a doctor, yet I can go from my cell and get every illegal drug you'd care to mention within a quarter of an hour." That is the reality of life in prison.

If we cannot keep drugs out of prison, what hope is there for all the brave policies of zero tolerance working in the community and in clubs in our society? We need to look at this issue through new eyes and to read the evidence, which says that the harm reduction techniques work. We need to concentrate on those techniques and end our reliance on the criminal justice system, which has increased the problem so tragically over the past 35 years.

1.10 pm

Tom Brake (Carshalton and Wallington) (LD): I welcome this topical debate. The reason for its topicality was the drugs strategy, but there has also recently been a leak from the Advisory Council on the Misuse of Drugs, the panel of 23 experts who are apparently going to recommend that there should be no reclassification of cannabis. That leak reminds us that we need to ensure that our decisions are based on evidence and science if we are serious about tackling the scourge of drugs, as the hon. Member for Newport, West (Paul Flynn) suggested.

The leak also prompts a number of questions, which I hope the Minister will be able to answer. If the leak is accurate, is he in a position to confirm whether he will follow the advice of the advisory council? Will he confirm that, if the Government chose not to follow that advice, it would be the first time that that had happened? Will he also tell us whether he has considered putting the advisory council on a more formal footing, to allow more expertise to be brought in and perhaps to give it a wider remit? Such a change could create the equivalent of a standing royal commission to look at the issue of drugs, to ensure that we were using science and evidence-based facts to devise the most effective policy for tackling the problem.

Mr. Brady: Would the hon. Gentleman accept that, at the time of the previous reclassification of cannabis, there was already considerable evidence to link the use of cannabis—particularly the stronger strains—with the incidence of psychosis and schizophrenia? However, the advisory council chose to ignore that evidence. It would be unsurprising if the council chose to stand by its earlier decision, but should we not be cautious about accepting its recommendation, given its record on this matter?

Tom Brake: The hon. Gentleman has made a strong point that in some respects strengthens my point about widening the remit of the advisory council or setting up a royal commission that would have greater expertise to ensure that its decisions took into account a wider range of views. I hope that the Minister will tell us whether the Government would favour such a proposal.

We need to focus on all the links in the drugs chain, from production through to supply, if we are to tackle this issue. I am sure that the Minister would agree that one aspect of the problem is the glamour that is often associated with drugs. This was highlighted in the recent annual report from the International Narcotics Control Board, which stated that treating stars leniently undermined people's faith in the criminal justice system and had a damaging effect on adolescents. Celebrities who are users might well be able to use their wealth to buy their way out of their habit through rehabilitation, but others might not be in that fortunate position. The Minister will undoubtedly agree that those so-called stars should be treated in exactly the same way as anyone else who is caught in possession of drugs.

I wonder whether the Minister is as sad as I am that some celebrities seem to treat drugs as a bit of a joke. I have informed the hon. Member for Henley (Mr. Johnson) that I was going to refer to him in his debate. He is not in his place today. It was extremely regrettable that, on "Have I Got News for You", he said:

> "I think I was once given cocaine but I sneezed and so it did not go up my nose. In fact, I may have been doing icing sugar."

I do not know what other Members think about that, but I believe that that comment sends out a message that drugs are not a serious issue and that they can be treated almost as a joke. That is extremely regrettable coming from a person who is seeking to become the Mayor of London.

There is much in the drugs strategy that we could not possibly oppose, including protecting communities through robust enforcement to tackle drug supply, drug-related crime and antisocial behaviour, and preventing harm to children, young people and families affected by drug misuse. The Government are going to have to demonstrate how they are going to achieve those aims. I had a useful meeting a few days ago with a member of the Metropolitan Police Authority. She referred to a family in which the mother lived off the proceeds of crime, the daughter was dealing and the son was in prison for having dealt drugs. There were also two children of primary school age in that family. It is exactly that type of scenario that the Government's drugs strategy needs to address. How can we help all the different members of that family to get out of the situation that they are in? In particular, how can we ensure that those young children do not inevitably follow the line of business that the elders in that family have regrettably taken?

John Mann: The hon. Gentleman is giving the House an interesting analysis of the situation, but I am failing to hear any precise policies. I should like to draw his attention to Liberal Democrat policy briefing No. 10, which states that the Liberal Democrats' policy involves:

> "Maintaining the classification of cannabis as a Class C drug".

Would that be his party's policy regardless of what the advisory council might say? If not, why is it in his party's policy document?

Tom Brake: I can confirm that that is our policy. I am sure that, if the advisory council were to come up with a recommendation that cannabis should be reclassified, we would want to look at that policy area very carefully. However, the leak suggests that that is not what it is going to recommend. As the hon. Member for Newport, West said earlier, the evidence shows that cannabis use went down as a result of the reclassification, rather than up.

John Mann: I should like to clarify this important matter of policy. Is it the hon. Gentleman's policy to accept the advice of the advisory council on any issue relating to drugs, whatever recommendation it might make?

Tom Brake: I can only say that our policy will be strongly influenced by the advisory council. I cannot prejudge what recommendations it might come up with in the next five years that might conflict with existing party policy. We shall have to cross that bridge when we get to it, but our policy is that we would like to establish a standing royal commission so that these issues can be addressed in a scientific and, perhaps, independent way. I think that most Members would admit that that is extremely difficult to achieve at the moment, because of the pressures that we face from outside. That sometimes makes it difficult for science to dictate the decisions that we make here.

We desperately need the Government's drugs strategy to deliver. Our drugs policies are barely keeping a lid on this devastating plague. As other Members have pointed out, this country has one of the most punitive approaches to drugs, while also having among the highest levels of use. We need to combine placing a greater emphasis on tackling drug use as a public health issue with taking a much more focused approach to the dealers and organised criminals who peddle these drugs, destroying lives and fuelling criminal activity. If that is what the Government's drugs strategy delivers, we will support it.

1.19 pm

Dr. Brian Iddon (Bolton, South-East) (Lab): I listened carefully to what the hon. Member for Hornchurch (James Brokenshire) had to say. It came over loud and clear, and it sounded like a war on drugs. I have always been against waging a war on drugs in the way that the Americans have tried to do. I prefer to wage a war on the causes of drug misuse, which, as far as I am concerned, are social exclusion and poverty. I know which party put people into poverty. I also know which party is now trying to dig people out of poverty; it is the party that I support.

I believe that the Government have the political will to deal with the problem, although, as my hon. Friend the Minister knows, I do not always agree with them. The 10-year drug strategy document that has just been published marks a shift – no more than that – in the right direction. There is more talk about helping families, rather than about individuals who are addicted. An addict causes havoc in the entire family, not just the immediate family. There is also more talk about early intervention. As we know, in the case of all drugs, including alcohol and tobacco, the problem tends to start when a person is nine, 10, 11 or 12. If no one intervenes at that stage, the job is lost. The young person will truant, become an addict and a general nuisance, associating with the criminal element of society.

The United Nations has made some interesting comments recently. Its International Narcotics Control Board publishes a report in March each year, and I usually attend the launches. The press kit accompanying the 2005 report includes a statement from Professor Hamid Ghodse, of St George's hospital in London, who said:

> "Both rural farmers and socially marginalized city dwellers need and are entitled to the opportunity of a legitimate livelihood.
>
> We should make renewed efforts to reach all of them, striving to create environments less conducive to the production and abuse of drugs."

I think that that is what it is all about. I do not think that the answer is to start a war on people once they have become addicted, although it is of course important to try to give people treatment.

On 7 March this year the United Nations Commission on Narcotic Drugs published a very interesting document, which I commend to Members. It is called "Making drug control 'fit for purpose': Building on the UNGASS decade", and was provided for a conference in Vienna between 10 and 14 March. It looks back over the 100 years during which we have tried to control the misuse of substances throughout the world. I shall return to the report shortly, but the main point that I want to make is that any war on drugs, any zero-tolerance approach or any hard action of that kind merely displaces the problem. There are a number of instances in which we have caused ourselves serious problems.

The Moroccans have been waging a war on the farmers who have been growing cannabis in their country. Seventy per cent. of the cannabis sold in Britain used to come from that source. It is noteworthy that Moroccan cannabis contained only 5 per cent. of the psychoactive ingredient tetrahydrocannabinol, or THC. It was smuggled across the straits of Gibraltar to the Costa del Sol. The Spanish were waging a war on drugs all along the coast, and as a result the import of cannabis from Morocco to Europe, including Britain, almost ceased. That created a vacuum in this country, which has now been filled by Thai and Vietnamese criminals who have started to farm cannabis in rented houses all over Britain. In Bolton alone, the police have invaded 30 houses in three months. People have been caught farming cannabis from the cellar to the attic.

Seventy per cent. of the cannabis that is now sold on the streets of Britain is home-grown rather than imported. By stopping the Moroccan trade in cannabis with a 5 per cent. THC content, we have put on to the streets, through our own war on drugs, cannabis with a 15 per cent. THC content, which is causing our young people immense problems. Of course if children of nine or 10 start smoking cannabis of that sort they will blow their minds, and probably even damage their minds.

Mr. Brady: Will the hon. Gentleman give way?

Dr. Iddon: I should prefer to continue, if I may.

We must be very careful about the way in which we apply our policies in this war on drugs. China had a huge problem with opium. In fact, it is often said that we planted opium in China to undermine the social

structure of that country. So of course there was a war on the use of opium in China. What did we do? We displaced it to the golden triangle. Then we had a war on the use of opium in the golden triangle, and what happened next? It was displaced to Afghanistan. Ninety per cent. of the heroin that comes into this country now comes from Afghanistan. Every time we take action, we displace the problem.

Another example is cocaine production in the Andean countries. Everyone knows that Colombia is, or was, the main source of supply. The Americans sprayed the crops. They gave the Colombian Government arms with which to tackle the rebels who were using the profits of cocaine manufacture to try to take over the Government. What happened there? We displaced production of the coca bush to Bolivia and Peru. The message that I am trying to get across is that the war on drugs does not work.

Most of the cocaine that came into Britain came in via the Caribbean rim countries, especially Jamaica, and Kingston in particular. There were terrible problems with the selling of cocaine to European countries, including Britain. What did we do? We sent the Royal Navy into the Caribbean, and we have had huge successes there, but that has not ended the problem. Although cocaine is still coming into Britain via Jamaica, it is arriving in smaller quantities. Most of it is now going to west Africa, and some west African countries are now experiencing the corruption and deaths that Jamaica has experienced for decades.

We must stop this war on drugs. It simply does not work, and we are spending billions of pounds on it. I am more concerned about the fact that we are displacing people by adopting a zero-tolerance approach and increasing enforcement measures. People do not want to be arrested. They do not want to go to prison, and they do not want criminal records. But there are plenty of drugs available on the internet, and there are plenty of drugs in the doctor's parlour—he will provide a prescription for them—and those are the drugs to which people are turning now.

Let me quote another interesting statement:

"The abuse and trafficking of prescription drugs is set to exceed illicit drug abuse".

the United Nations has warned, adding:

"The 'high' they provide is comparable to practically every illicitly manufactured drug."

That is what is happening now. There are role models, from film stars to Robbie Williams. I could name a string of very interesting people who are not using illicit drugs, but getting their "buzz" from prescription drugs and even drugs that can be bought over the counter in the local chemist's shop, cough mixture included.

I have been concerned about this for 10 years, and when the United Nations document turned up I decided, as chairman of the all-party parliamentary drugs misuse group, to interest the group in launching a public inquiry into the misuse of prescription and over-the-counter drugs. We launched one last summer, and so far we have received 75 pieces of evidence from organisations and individuals. It is a pity that I have no time to read out some of the letters from individuals whose relatives are addicted, in old people's homes or in their own homes. Carers have written to me saying, for instance, "The elderly person for whom I am caring is being completely knocked out by the general practitioner, and is addicted to benzodiazepines", or to over-the-counter or prescription drugs containing codeine or morphine.

That is a huge problem, and it has nothing to do with the war on drugs. It is happening in front of us. I say "By all means adopt a zero-tolerance approach, but you will not stop people seeking relief from the turmoil that their minds are causing them." For that is the reason why people turn to drug misuse: it is triggered by something that has gone wrong in their lives, perhaps the death of a close relative or a friend. We ought to intervene and help those people instead of locking them up.

The UN says that drug misuse is a "disease of development". What it means by that is that we in the more developed countries are more subject to stress; we are always increasing our performance and productivity, which increases our stress levels, and we sometimes need to escape from reality in order to get some relief. That is why people turn to misusing not only controlled drugs, but increasingly prescription and over-the-counter drugs.

I have discussed geographical displacement, to borrow a phrase the UN uses. It also mentions substance displacement. Methamphetamine was not a classified drug at one time, but it came on to the scene and we recently bunged it into class A. As a medicinal chemist, I know that every time we classify a drug into categories A, B or C, there will be another drug that is not yet illegal waiting in the queue for some person—or, rather, thousands of people—to misuse. All of this will never stop.

The Science and Technology Committee, under the chairmanship of my hon. Friend the Member for Norwich, North (Dr. Gibson), the RSA—or Royal Society for the encouragement of Arts, Manufactures and Commerce—and even eminent people such as Professor Colin Blakemore and Professor David Nutt, who is a member of the Advisory Council on the Misuse of Drugs, have said that drug classification is a waste of time. This debate about whether cannabis should have been kept in class B, as previously, or should remain in class C, where we have now dropped it, or be put back into class B again is yo-yo politics, and it will have absolutely no effect at all on young people. They want to know which drugs give them a buzz, regardless of whether they are illegal. They want to know how much those drugs cost, too, and as the street prices of drugs are falling, more and more people will, of course, be tempted to try them. It is not the classification of drugs that matters; it is economic factors such as price that switch people on to drugs once they have had a problem in their lives.

This is a complex issue, and I recommend that Members read the recent UN reports. Let me read out one final quote. The UN commission says that

"there is indeed a spirit of reform in the air"

I hope we hear it here this afternoon—"to make the conventions" of 1961, 1971 and 1981, which are the three UN conventions on which our policies are based,

"fit for purpose and adapt them to a reality on the ground that is different from the time that they were drafted".

I shall leave the House with that thought.

1.32 pm

Mr. David Amess (Southend, West) (Con): I enjoyed listening to the speeches of the hon. Members for Bolton, South-East (Dr. Iddon) and for Newport, West (Paul Flynn), and I shall re-read them to absorb further what they had to say. I have not previously heard the hon. Member for Bolton, South-East speak on the specific issues before us, although I have heard the hon. Member for Newport, West discuss them. He and I worked together on issues concerning arthritis, so we will not fall out on cannabis. However, I will just say to both those hon. Members that I fundamentally disagree with their views on cannabis.

We have a good and competent Minister, and I listened carefully to his comments. I wish him well, but he has a tough battle ahead. In my early years in the House, when I represented a different constituency, a constituent called Leah Betts died as a result of ecstasy; her father later became an adviser to the Government. A satirical programme managed to gain admittance to this House and interviewed me about a drug called "cake". Lord Newton of Braintree had the Minister's job at the time. His officials answered the questions we tabled on "cake", we as Members of Parliament did not know whether "cake" was a slang term. I am hardly a superstar, but even nowadays sometimes when I walk along a street a very young person will run up to me who has seen that bit of television footage—it is shown over and again. What I usually say to them is, "Okay, you thought it was funny, but did it actually put you off taking drugs?" Obviously, the parents of Leah Betts were not particularly pleased at the trivialisation of the matter.

On cannabis, I say to the hon. Members for Bolton, South-East and for Newport, West, "Forget the classification." I was a Member in 2003 when we voted on the matter. Eleven Labour Members voted against. The current Prime Minister thought that we should change the classification. It is not about the classification, it is about the impression it gave to young people, which was absolutely wrong. Why did we not listen to Marjorie Wallace of SANE, who really does know what she is talking about?

I am not about to tell the Minister that locking such youngsters up in prison will provide a solution. What my hon. Friend the Member for Shipley (Philip Davies) said was right. I do not understand why our prisons are awash with drugs—perhaps I am being naive—but they are. I wish the Minister a fair wind in trying to deal with that as part of his strategy. It is a terrible situation.

The psychotic effect of cannabis is absolutely proven. I wish the Government had listened then to the advice of the International Narcotics Control Board. This week, senior police officers have said that changing the classification was not a good idea. Where were they in 2003 and 2004? Were their words not reported? Also, why was the current Prime Minister not against the reclassification? I understand the point that the hon. Member for Bolton, South-East made, but we should think about the impression that it gave. All Members have constituents who come along to their surgeries and tell them about the devastating consequences of cannabis on the lives of young people.

Paul Flynn: Will the hon. Gentleman give way?

Mr. Amess: I shall do so—but only briefly—as I have dropped my papers.

Paul Flynn: One of the pressing arguments that persuaded the then Home Secretary to change the classification was evidence from parents of young people who had died of heroin poisoning. They said that their young people had gone through the following journey. They had been told that cannabis is a terribly dangerous drug, but then when they used it they found that they did not have great problems with it. Therefore, they disbelieved the fables they had been told, so they then disbelieved what they thought were fables about heroin. The idea was to make a difference between the classifications of cannabis—which has its dangers, of course—and heroin, which is far more dangerous.

Mr. Amess: I said that I was not going to fall out with the hon. Gentleman, but I must say that his view on cannabis is absolutely wrong.

Let me conclude by making a plea. Over the last week or so, a Liberal peer insulted Essex when he attacked a speech by my hon. Friend the Member for Rayleigh (Mr. Francois). However, I noticed that yesterday the hon. Member for Colchester (Bob Russell) was wearing a T-shirt with the logo "Proud to come from Essex". We in Essex have a wonderful organisation called 2 Smart 4 Drugs. I will send the Minister some details about it. As we all know, the first step towards effective prevention is early education, and that is what it specialises in. It is an award-winning drugs and alcohol community project, organised by Essex police in conjunction with Essex FM. I have attended some of its presentations. This is not money wasted, it gets real results, but—the Minister knows what I am about to say—it needs more money. The organisation is led by Victoria Wilson of Essex police and a wonderful lady called Pam Withrington, whose aunt, Jo Robinson, tragically lost her son as a result of drug misuse. I ask that the Minister, in his very difficult task, look at this project, which has made a big difference in Essex.

I hope that the House will come to a positive conclusion, because all Members are united in trying to do something about this situation. I will not call it a war, but it is a very tough nut to crack.

1.39 pm

John Mann (Bassetlaw) (Lab): We may all be united, but there are different points of view on this matter. There may be a vagueness in being united about the fact that we will do something about it, but what politician would say publicly or privately, or would even think to themselves, "Well, we'll do nothing about the issue of drugs, and pretend it isn't there."

One of the problems with drugs debates in this House—this weakness has hidden some of the successes of the Government's drugs policy—is the use and misuse of statistics. The key weakness in the Government's drugs strategy is not the strategy itself, but the assessment of outcomes and the precise measurements. Let us consider the example of cannabis. Everybody knows, and the research on this will soon come through to show—it is only just emerging—that there has been a huge fall in cannabis use. The cause is pretty obvious to me: it is called the smoking ban. That makes me particularly pleased that I voted for the smoking ban.

Dr. Iddon *rose*

John Mann: With respect, I do not think there is time to take interventions.

People are smoking far less, so people are smoking cannabis far less. I have seen no evidence of any diversion towards people baking cannabis cakes or anything like that. Cannabis use is decreasing. That does not mean that where someone does use cannabis, it is more or less of a problem than it was before.

The information is there. I am sure that all hon. Members have read my 2002 report to the Commonwealth Parliamentary Association, in which I described in great detail hydroponics and cannabis, the experience of the Vietnamese ex-pat community in Australia, in Melbourne in particular, and what would happen here when those techniques were used. In essence, people would grow for profit in their houses, using the latest techniques, on an industrial scale. That happened in Australia, because a market existed, and it has happened in the U.K. Wherever the new markets in drugs emerge—the most difficult markets will be in chemical concoctions of one kind or another that are created not abroad but here in the U.K.—the drugs involved will be the new wave that will come into this country. The drugs I am talking about are already here, but their use will grow. We can see all this from the evidence of what has happened elsewhere.

However, monitoring outcomes would give the Government some good news. They would be able to declare, as they will at some stage, that cannabis use has declined. More importantly, analysis of school exclusions in respect of drugs and alcohol demonstrates absolutely that drugs and alcohol are not a major problem in schools. There is no evidence of such a problem; minor numbers are being disciplined. If my schoolkids are asked, they say, "A few teachers come in the worse for wear for alcohol, but do you think we would be stupid enough to buy or use drink or drugs in school? We know where to get it outside if we want it."

Let us examine one of the great myths, because the Government have the statistics to quantify things. My hon. Friend the Member for Newport, West (Paul Flynn) is wrong about overdose deaths. On the basis of the classifications used by coroners' courts, the number of deaths from heroin overdose in this country is falling. Nowhere is that more the case than in my constituency, where the fall has been huge. In 2002, 11 of my constituents died because of heroin, but only two have done so in the past four years. The matter is quantifiably provable.

As for accident and emergency admissions, I recommend that every hon. Member ask their local hospital whether the drugs strategy is working in their area and monitor the situation. The figures on accident and emergency admissions for an overdose of injectable drugs give a clear trend line. In my area, a fourfold reduction has taken place, which means that the drugs strategy, particularly with regard to heroin, is working there. Strangely, the biggest reduction in Britain in the number of house burglaries has occurred in my area—and I suggest that there is a correlation. In monitoring those outcomes, the Government should be pulling those correlations together. I do not care who takes the credit—the police, the Government, the health service or charities. Everyone can have some credit.

If anyone asks me what has happened about drugs in my constituency, I can tell them. If they had walked down Bridge street in Worksop five years ago, they would not have got five yards without being accosted by a young person on heroin. Now, although there are one or two problems with the Tory council, lots of cars are being parked illegally, the Tory leader drove illegally the wrong way when he made his fleeting visit, and the police are failing to tackle cyclists, someone walking down Bridge street would struggle to find a drug addict. That is what is happening in the real world, so quantifiable proof exists. I recommend cost-benefit analysis.

The other thing that I strongly recommend to the Government—this concurs with what my hon. Friend the Member for Bolton, South-East (Dr. Iddon) said—is to examine causation. My analysis of my constituents who have been on heroin is that the vast majority have now come off it since my heroin inquiry in 2002. By far and away the key factor in young people getting involved with drugs is major trauma. That can be identified in different ways. For example, it might be a major change in economic circumstances, but it is more likely to be the death of a parent, often a father—my amateur research base tells me that—or a messy divorce, a split in the family situation, abuse or attacks. Those are by far and away the factors that lead young people into drug addiction. Such things can be identified. It is now far more acceptable to talk about things such as child abuse within a family in society and societal organisations than it was 20 or 30 years ago. Such things can be addressed, but we do not pull the two issues together. That is where the improvement to the Government's strategy can be tweaked in a big way. We can use the data on outcomes, but we must put them together more cleverly. We must examine causation, and in particular, the role of major trauma among children and young people in leading to addiction.

We know what the Government's drugs strategy is, and we know that not all Labour Members have agreed with it. I generally do agree with it, because it generally works. We know what the Conservative policy is, because it has been outlined recently: before, everyone would have been put into residential rehabilitation; but now they will be put into secure residential rehabilitation. The proposal has not yet been costed, although my costings of it show that it would be quite expensive, and the definition of "secure" has been left a little vague. Unfortunately, the hon. Member for Hornchurch (James Brokenshire) did not outline it further. I am sure that he and his colleagues will take the opportunity to explain about the 280,000 secure residential places, or however many the number is, a figure has not yet emerged. The Conservatives' recovery policy has also been clearly outlined, even though their leader repeatedly and consistently took totally the opposite approach—his was more in line with that of my hon. Friend the Member for Newport, West; it could have been the same speech. The Tory leader is out of synch, but I am sure that he is accommodating himself to the current policy and learning it. There will be some interesting tensions there.

We know, from a speech made by Fergus Ewing today, that the Scottish National party has stolen lock, stock and barrel the Tory party policy of recovery and abstinence. We know that Mr. Souter, who has helped the SNP in various ways, has inspired its new policy in his recent meetings with the party. At last the SNP has a policy! It is identical to the Conservative party's policy, which will make for some interesting debates.

[John Mann]

We still do not know what the Liberal Democrat policy is—individuals have different views, not least on cannabis—but we do know about the proposal by its new leader. His one statement on the matter was made on 21 December 2002 on the European Parliament proposal for a recommendation—B5 0541 is the paper—in which he makes it clear that he is in favour of the legalisation of drugs. We are beginning to see a policy emerge; it is in process. I hope that the Liberals will give us more of an opportunity in the near future to let us know.

Tom Brake: I want to inform the hon. Gentleman that my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg) has made it very clear—much more recently than the example given by the hon. Gentleman—that he is opposed to the legalisation of skunk, for example. Would the hon. Gentleman like to withdraw his comments?

John Mann: The would-be Home Secretary from the Liberals has not commented on drugs, or anything else, since the change in party leadership. We look forward to the Liberals having policy on this matter; that would contribute to the debate.

1.49 pm

Angela Watkinson (Upminster) (Con): In the few minutes remaining, I am pleased to contribute to the debate. One of the first things I did when I was elected to this place, as a member of the Select Committee on Home Affairs, was take part in an investigation of drugs policy entitled "The Government's drugs policy: is it working?" I do not often agree with the hon. Member for Newport, West (Paul Flynn), but I agree that the policy was not, and still is not, working. I do not think that any of us would underestimate the enormity of the problem, or the task of dealing with it.

Everybody here has the good will to acknowledge that there is a problem, and to try to do something about it. Of course, opinions on how to deal with it are varied. During its investigation, the Committee took evidence from across the opinion spectrum. We took evidence from the legalisation lobby—from people who would make all drugs freely available and supplied by the Government. At the other end of the spectrum, we heard some heartbreaking stories from parents who had lost children to a drug habit. My view, then and now, is that there is an imbalance in drugs policy. It focuses too heavily on harm reduction and the provision of rehabilitation, important though that is, and not enough on drug prevention. The hon. Member for Bolton, South-East (Dr. Iddon) said how important it is to warn very young children about the dangers of drugs. The age at which that needs to be tackled is, sadly, getting younger and younger.

I was unable to agree with the outcome of the investigation, and I was the only person on a cross-party Committee to do so. I tabled about 80 amendments, all of which were blown out of the water. I thought that I was right then, and I still think so now.

Today's announcement—or leak—from the Advisory Council on the Misuse of Drugs was disappointing to me. I believe that the message that reclassification would send out to young people—many of whom believe that taking such drugs is not only legal but harmless, and a purely social occupation from which no harm will come—is very important. We all know, not least from the evidence heard by the Committee and that which we have seen since, that mental health professionals are extremely worried about the increase in psychotic illnesses, depression and so on that arise from cannabis use. If it transpires that the council advises that cannabis should not be reclassified, I hope that the Home Secretary will think long and hard about the evidence that comes from other quarters before she makes her decision.

The hon. Member for Newport, West thought that reclassification was of no importance. I fundamentally disagree with him. The message given to young people is very important. No young person should be in any doubt about the dangers that can flow from the use of illegal drugs. We have to start with cannabis, which is probably the most easily available. Most drug dealers now are poly-drug dealers. If young people buy cannabis, the range of harder, more harmful drugs is readily available to them. The temptation to try other drugs, which can lead to serious habits from which there is often no return, is an important message that would come from any reclassification.

Several hon. Members have referred to the availability of drugs in prisons. The challenge of ridding prisons of drugs is enormous, but we have to take every action we can to help people with drug habits who have been given custodial sentences because of acquisitive crime, because they will not get rid of their habits if drugs are easily available in prison. People who are given custodial sentences for other reasons, and do not have a drug habit, often acquire a habit while they are in prison, and add to the body of people who require rehabilitation treatment.

I want to make some brief comments on the Government website Frank. I looked at it yesterday and today and it provides a helpful A to Z of drugs, including yaba, zero and isobutyl nitrate. I learned more about drugs from looking at Frank than I would ever have found out in any other way. It has videos about parties where drugs are being taken, jokey commentaries, and comic cartoons about replacement brains. I do not think that that website will deter a single young person from taking illegal drugs. It does not present the subject in anything near a serious enough way. I am dismayed to notice that I have run out of time. I had so much to say. *[Interruption.]* The Minister tells me I can have a little longer; that is very kind.

Frank also advertises free information on drugs 24/7, and tells lots of frank stories. We need to give young people serious warnings about what they are doing to their future, their education, their employment prospects and their families, friends, colleagues and neighbours. People do not take drugs in isolation. They affect all the other people around them. Nowhere on the site could I see a simple message such as, "Don't do it. It's illegal and it will harm you." We need to get down to plain simple language rather than wrapping it up in jokey cartoony videos that do not do what the site is intended to do.

1.56 pm

Mr. Coaker: I thank all hon. Members for the quality of the debate. The hon. Member for Southend, West (Mr. Amess) was very complimentary, which was nice

of him. The debate shows some of the difficulty in reaching a drug strategy that commands general support. With drugs charities, drug misusers, others Members of Parliament, parliamentary groups and all sorts of individuals, I have tried to build consensus around the new drugs strategy. We have tried to get away from the false debate about whether we should crack down hard on dealers and those who bring misery to our communities—whether we are therefore tough on drugs—or whether we should support families, provide better treatment and ensure that the outcomes of treatment are more effective, to avoid the sorts of horror that have been described, which is what my hon. Friend the Member for Bolton, South-East (Dr. Iddon) was talking about.

I was disappointed by the comments made by the hon. Member for Hornchurch (James Brokenshire), which is unusual for me. The new strategy was not met with derision, because we had tried to reach that consensus. That does not mean that every person in the country and every group would support it wholeheartedly. One or two would deride it, because they want drugs to be legalised or completely decriminalised. The Government attempted to ensure that we had a radical policy that moved forward, and moved away from the false choice between tough enforcement and just treatment. We tried to bring those together. Our approach was not met with derision, with due respect to the hon. Gentleman, but with general support from the vast majority of people, simply because it moved away from that choice.

My hon. Friends the Members for Newport, West (Paul Flynn) and for Bolton, South-East, who have in the past been very critical, have recognised the shift in our policy. I cannot answer all the points that have been made in the few minutes I have left, but it is essential that we enforce the law against those who deal in misery in our communities by dealing drugs. Every person in this House will accept that. The asset recovery panels are significantly different, because they allow us to take action on arrest rather than on conviction. They will enable us to take the action that people want against those in our communities who deal in drugs.

The key is to make drug treatment more effective. Some hon. Members picked up on that point. If the hon. Member for Hornchurch and others read page 28 of the drug strategy, they will see that it mentions abstinence, and states that we need a menu of options, and that a person's needs will be a matter for a clinical decision, made by a doctor, as to what is appropriate for them. For some people that will be methadone—and I agree that we should not just abandon people on methadone. For others it will be residential treatment, but it is a clinical decision based on the person's individual needs that will make the treatment effective, not some grand statement that everybody should go into abstinence straight away or that everybody should be on methadone. It is about ensuring that there is appropriate treatment for the individual.

I apologise to hon. Members for not answering all their questions specifically. Education is obviously important, and we will wait for the ACMD review of cannabis. I agree with my hon. Friends that it is important to tackle causation, and I thank hon. Members for their contributions to the debate.

It being one and a half hours after the commencement of proceedings, the motion lapsed without Question put, pursuant to the Temporary Standing Order.

[David Wright]

I shall set out a list of the works that need to be done. We need to complete the stabilisation of the Lloyds and Lloyds Head on opposite sides of the River Severn; we need to stabilise the hillside and rebuild the road between Jackfield tile museum and Maws craft centre; and we need to complete the ground investigations in central Ironbridge, reconstruct the riverside wall along the Wharfage, stabilise Lloyds Coppice and carry out work to stabilise the Lloyds phase 3.

That is a significant amount of work. The key issue is that, when a national Government put a site forward for world heritage site status, they accept that the UNESCO charter requires them, as the state party, to ensure that the site is preserved for future generations. It is crucial that we invest in the Ironbridge gorge. It is a significant asset for the nation, and an iconic site that ranks alongside all the other incredible world heritage sites around the globe. I hope that Ministers will look closely at the partnership work being undertaken to secure the gorge's long-term future as a national asset.

Finally, I want to say something about the importance of manufacturing for the west midlands. I am delighted that Advantage West Midlands has published its manufacturing support strategy for the next three years. It is an excellent document and it outlines how important manufacturing is for the area. Manufacturing is the largest wealth generator of the west midlands sector, accounting for about 27 per cent. of the regional gross value added—23 per cent. directly and an estimated further 4 per cent. from its supply chains.

During the early 1980s, when I left school—some Opposition Members will find that comment somewhat surprising—unemployment in Telford was running at just under 10 per cent. I am very proud to say that we have ensured that unemployment has come down over the past few years—it is now running at about 3 per cent.—but to give credit where it is due, one of the most important initiatives in Telford was undertaken by a partnership between a Conservative Government and a Labour council: the designation of the enterprise zone. That extremely important initiative secured cross-party support at the time, and it did a lot for Telford. We also secured the connection to the motorway network, with the opening of the M54.

Those two decisions in the 1980s were very important for Telford, and they were taken in the long-term interests of the town. I should like to thank the politicians who were involved for making those decisions, because they ensured that, in the long term, we were able to grow the manufacturing sector in Telford and draw new companies into Telford. In fact, we were a focal point for Japanese investment for many years. Indeed, we still have a large number of Japanese companies, such as Ricoh and Maxell, in the town, providing thousands of jobs.

We now need to continue to support the manufacturing sector in the region. Such manufacturing will be connected particularly to car manufacture and engineering, but increasingly, in Telford, we are looking at high-tech jobs and innovation. That is why I very much welcome the commitment in the recently published document to the technology corridor between Wolverhampton and Telford. It is crucial that we ensure that we have jobs growth along that M54 corridor and that organisations, such as the university of Wolverhampton, are party to supporting manufacturing, so that we can grow new technology and innovation business and build the skills base in Telford.

Supporting the concept of the city region—the idea is to connect some of the main areas across the central spine of the west midlands into a city region structure—will be crucial. Some clarion voices locally in Telford have suggested that we should not get involved in the city region. In my view, that would be a complete disaster. In the longer term, resources to support manufacturing, the skills sector and training will be decided by organisations such as the city region.

I fully support the Conservative council's decision to continue to subscribe to the city region—a policy that was started by the Labour council before last year's elections and continued by the Conservative council. I very much welcome that, and I urge the council to continue to ignore some of the clarion voices and the doom merchants who suggest that we should withdraw from the city region. It is important that we invest in it and that our skills and manufacturing strategy develops on a regional basis. On that note, I will go off in search of Easter eggs.

2.23 pm

Simon Hughes (North Southwark and Bermondsey) (LD): A belated happy Easter to you, Madam Deputy Speaker, from me, too.

I start with a word about the date of the Adjournment and the recess. Unusually, this year, the nation is slightly confused by these things, because the good old western Christian Church, which fixes its Easter according to certain risings of the sun, I think, and the moon, has had its earliest Easter for about 80 or 90 years—I gather that it will not be as early again for another 80 or 90 years. This year, Easter was on 23 March, and technically, it could only have been one day earlier than that. Obviously, it almost coincided with the first day of spring this year. I notice just in passing that, in 2011, it will be on 24 April, which must be pretty well the latest date that it can ever be, too.

I have no objection to the fact that Easter moves around—it adds a bit of variety and interest in an otherwise over-routine world—but there is an issue that affects our conducting business well. My hon. Friend the Member for West Aberdeenshire and Kincardine (Sir Robert Smith), who helps me on House matters and directly shadows the Deputy Leader of the House, would have been here, except that he is not here, by permission, for a very good reason: his children are on their school holidays, and he and his wife have decided to take their children, who are in London today as opposed to Scotland, to see "The Lord of the Rings". There is an issue for Members and children with regard to the coincidence of our sitting times with school holidays. That is not an easy issue to resolve. Clearly, there should be a break at Christmas, at or around Easter and in the summer, but when we plan our recesses, I would be grateful if the Deputy Leader of the House were to ask her officials to try to make our terms coincide with the bulk of school term times and holidays around the country. We are catering for four countries, which have different education systems.

When I asked my hon. Friend to give me an idea of the school holidays in Scotland, he told me that some Easter holidays—for example, in Edinburgh and

Aberdeenshire—started on 21 March and run until 7 April. The Glasgow ones do not start until 7 April and run until 18 April. The Dundee ones started on 31 March and run until 11 April. When I asked my hon. Friend the Member for Brecon and Radnorshire (Mr. Williams) what the position was in Wales, he pointed out that there is a common view that the holidays run from 21 March to 7 April, but the summer holidays vary. Of course, some Scottish summer holidays start as early as the end of June and run until the middle of August. Obviously, this would need the consensus of the House, but I would be grateful if the Leader of the House were to get officials to draw up a matrix of school holiday plans—they vary, but they can generally be foreshadowed—to try to ensure that our term times match, as far as possible, school term times and holidays.

If we are trying to make the House family-friendly—colleagues have school-age children—we need to ensure, as far as possible, that our term times and holidays coincide with the maximum number of school term times and holidays. I think that that is a reasonable request, and it has been made by colleagues over the years. My right hon. Friend the Member for Gordon (Malcolm Bruce) has made it often, and he was concerned about the issue when he had young children, as many colleagues have. I hope that we can plan to ensure that we do our job for our families as well as for our constituents.

Mr. Burns: I find the hon. Gentleman's comments over the past few minutes just bizarre. I can only put them down to the fact that he does not have schoolchildren. To give credit to the right hon. Member for Derby, South (Margaret Beckett) and the late Robin Cook, that is precisely what they did. They dovetailed our term times and recesses with the school holidays, by and large, for England and Wales. Usually, it has worked extremely well. There is a problem with Scotland. There always will be a problem with Scotland, because the term times and summer holidays there are completely out of sync with the rest of the UK. It is a little churlish to give the impression that nothing has been done, when—I hate to admit it—the Government have made our hours with regard to school holidays extremely family-friendly.

Simon Hughes: Neither was I being churlish, nor did I say or imply that nothing had been done. Indeed, I indicated that the Government have tried to deal with the issue, but the situation could be even better. For example, a week's difference now would have given more people a coincident school holiday and break here. It certainly needs to be addressed for colleagues from Scotland, for whom school holidays run throughout July as well as the bulk of August. Some of us have argued at length over many years that we should not have a three-month summer holiday. It is nonsense that we should break for so long. If we had a shorter summer holiday, one of the problems could be more easily addressed.

Mr. Randall: As a parent of three children who are still at school, I understand what the hon. Gentleman is saying, but does he not realise that hundreds of our constituents do not have the luxury of recesses? They have to pick their holidays. Some teachers have different school holidays from their children, if their children's school is in a different local authority area. We are actually in quite a privileged position.

Simon Hughes: Of course, I am not pretending that the issue does not affect other people. If we in this country are moving towards having five weeks' annual holiday, one would hope that that holiday could always be taken. Normally, families can, by and large, choose when they take their holidays, although teachers cannot. There are other people, too, whose holidays are inflicted on them, as it were, and who must take their holiday at times entirely connected with their profession. I have made my point. This is not a self-interested question; I just request that the issue be considered in the light of continuing requests from colleagues who think that we can do better. We have made progress, but we can do better still.

Let me turn to matters that do not affect the House as directly. I want to mention local issues, as the hon. Member for Telford (David Wright) did. There are three local issues on my list, one of which—post offices—is on everybody's local list. Yesterday was the closing date for responses to the consultation on post offices across Greater London. As I said in Business, Enterprise and Regulatory Reform Question Time earlier today, eight closures are proposed in my borough, four of which are in my constituency, and I have made representations. It is also proposed that a Crown post office be changed to a non-Crown post office and moved from an established Crown post office site on Borough high street to an as yet unopened—and, I think, entirely unbuilt—Costcutter store. That is taking trust a bit too far; it is cost-cutting with a vengeance. We might base our objection to the proposal on the fact that we do not believe that the building will be there until we see it, which might be a good reason for objecting.

I want to make two points on the subject that partly tie in with an earlier interchange. I believe that three of the four post offices for which closure is proposed in my patch are now profit-making. They include the one at Dockhead on the riverside in Bermondsey, where there is family commitment and where the postmistress is extremely keen to continue, and the one on Ilderton road, which is on the Bermondsey-Lewisham border near Millwall football ground. A family have been running that post office since 1979, and they are keen to continue. There is a third on Maddock way, which is on the Brandon estate, near the Southwark-Lambeth border. It probably was not profit-making, but it has a new postmistress who believes that she has just turned the business around. She wants to stay there, because she believes that the business is viable. The fourth one in East street has not been profit-making, and the owner has been trying to get out of the business for some time, but the Post Office is resisting.

The question whether a post office is profit-making should be a consideration. Post Office Ltd should be willing to tell Members of Parliament, with the agreement of the postmaster or postmistress, what an office's commercial viability is—it is far too secretive about such things. It should share all the information that is relevant to a post office, with the agreement of the postmaster or postmistress. If it did that, a business case could be made for many post offices, although not necessarily as free-standing offices—they might be linked to a grocery or other store on the premises or nearby. Now that the London post office consultation information has been submitted—I submitted mine in full yesterday, as did colleagues—I hope that we can have a real

[Simon Hughes]

dialogue with the Post Office, rather than a dialogue of the deaf or a dialogue of non-communication. We want information, and I hope that it will be forthcoming.

My second proposal, which I should like to make through the Deputy Leader of the House to her colleagues in the relevant Department and to the Post Office, is that we consider in every case the effect on the immediate business community. There can be devastating effects on parades of shops and in areas where there is deprivation. We need to consider that. The local authority is in many cases willing to be helpful, and the Post Office must take that into account.

Turning to my second local issue, I gather that a decision has been made, although nothing has been made public yet, about the world-famous poisons unit at the Guy's and St Thomas' NHS Foundation Trust. That is the unit to which people refer poisons, or potential poisons from all over the world for analysis and assessment, both in the context of crime and in the context of general medical treatment. It is to have its funding withdrawn, which is not a central Government matter, but a matter devolved to the Department of Health. The unit is well-established, and has an excellent national and international reputation. I hope that the final word has not been said on whether the money will be withdrawn, and I hope that the unit can remain in place in view of the quality of the service. I ask the Deputy Leader of the House to help me to find out what is going on, so that we can get some information and debate the subject in the open rather than behind closed doors. I hope that we can put, and win, the case for the unit to stay open.

Thirdly, I am pleased to say that my local authority, Southwark council, and the private construction company Berkeley Homes have at last come to an agreement about the site called Potters Fields, which many hon. Members will know. It is on the right when one comes over Tower bridge from the north, next to London City Hall. It has been a derelict car park for many years, and is next to a very nice park. Southwark council and Berkeley Homes, both of which own part of the site, have at last come to an agreement to go back to the drawing board and together plan a new design for a cultural centre worthy of a landmark world heritage site. We have just heard a speech about an eminent landmark world heritage site in Shropshire that I know and admire. The design will replace the horrible eight pillars—a more vulgar name has been given to them—in the design that currently has planning permission. I hope that the Government and the new Mayor of London, whoever that will be, will support the new agreement, and that it will provide something to which the community can sign up, instead of the horrible monstrosity that we were to have inflicted on us, and which the community almost universally opposed.

I have a couple of final points to make, as other colleagues have many issues to put on the agenda. I wish to raise an issue that straddles constituency and national business, which has been raised by many colleagues on both sides of the House and by colleagues down the Corridor in the other place. My constituent Mehdi Kazemi, a 19-year-old Iranian, is at this minute in detention in the Netherlands. He came to the United Kingdom to study and was led to believe that if he went back to Iran he could be in severe trouble, or worse, because it had been announced publicly that he had had a gay relationship in Iran. I am not sure of all the historical facts, and it is not appropriate to share all of them now, but he makes the case that a former partner of his has been executed on the basis of his sexuality and sexual behaviour in Iran.

It is unarguable that the Iranian regime behaves in that way to gay people, as well as to other categories of people, including women and political dissenters. The request being made to the UK Government is that they review the policy in relation to sending people back to places such as Iran and, still, Zimbabwe and Saudi Arabia, when it is obvious that because of Government policy particular people are at particular risk. It is unacceptable that there is a policy under which people are expected to go back to certain countries of the world under certain regimes at certain times and to believe that they will be safe, and I hope it will be reviewed.

In the case that I mentioned, the Home Secretary, to her credit, said to me at the beginning, when I requested a stay after the initial hearing, that the Home Office would look at the case again. My constituent fled to mainland Europe, thinking that that might be a safer place, but if the Dutch authorities, as I expect, send him back to the UK, I am sure the Home Secretary will do that job properly. However, that job would be much easier if there were a general moratorium on deportations in such cases, where the vulnerability is established without argument and where people would be at huge risk if they were sent home.

My final request is topical. This is our last break before the May elections in London, much of England and Wales. May we bear in mind two things that are not working at all well?

Shona McIsaac (Cleethorpes) (Lab): The Lib Dems.

Simon Hughes: The Lib Dems are working, often very well, but I am well used to the hon. Lady's partisan comments.

First, on electoral registration and the avoidance of electoral fraud, we still believe that there is huge under-registration across the country and in London in particular. I know that the Leader of the House is exercised by that. The figures are probably 10 per cent. across England and 20 per cent. in London. There cannot be free and fair elections if so many people are not registered to vote.

The Slough case the other day, where the judge was hugely critical of the system after the conviction of a Conservative councillor in Slough for electoral fraud and his disqualification, reminded the House, I hope, that we must have a system of individual registration—not registration by household—so that people can be individually checked. I hope that the Deputy Leader of the House understands the importance of that. We need to maximise turnout and participation and minimise fraud. We are not there yet; it is work in progress.

Linked to that, we still have a nonsense system for counting people, especially in urban areas where there is a big turnover of population, and in other parts of the country as well, where the census and other ways of counting population are very much behind the reality.

The director—I think that is her title—of the Office for National Statistics, the new boss of the ONS, has made it clear that the system is not sufficiently robust or up to date. The Greater London assembly carried out a survey which suggests that in a borough such as Southwark we probably underestimate our population in official figures by between 5,000 and 10,000.

When population figures are wrong, there is a knock-on effect on the local government settlement. Ministers accept that, but they say that they cannot do anything about the settlement that has just come into effect. We believe that boroughs get less support than they ought to, because the assessed population is lower than it should be. If we are to have a fair system for distributing funds around the country, we need a fair and up-to-date system for assessing how many people live in an area—how many adults, how many children and how many retired people—so that we have up-to-date figures.

My suggestion, which I have made before, is that every year we have, effectively, a census day combined with electoral registration day on a date that people can remember—say, 1 March, with a countdown throughout February that can be tied in with publicity—and that we use those figures not just for electoral registration, but as the latest best estimate on a rolling census basis. A big census would take place every 10 years; another census would take place on a five-yearly basis; and the annual figures would be fed in to update our population count. That would not disadvantage anybody. I hope that it would advantage everybody in Government and local government and be accepted as a good idea.

We welcome the recess Adjournment debate, whether it is the Easter, the April or the spring Adjournment. It is right that we should have a short break at this time of year, and I do not think that anyone opposes it. I hope that the Deputy Leader of the House will pick up the issues that colleagues and I put on her agenda and pass them on to the right places for answers by the time we get back.

2.43 pm

Dr. Ian Gibson (Norwich, North) (Lab): I welcome occasions such as this, when we can raise issues that are important to our constituents. These debates are also useful for getting off our chest something that has been eating away at us for a long time. I intend to do both, and I hope to subtly link them together.

I draw the attention of the House to a 1920 Cabinet memo in which a prominent politician wrote about the occupation of Iraq, which was then Mesopotamia. He described it as

"a profuse and futile expenditure of taxpayers' money",

and he went on to say that

"we cannot go on sprawled out over those vast regions at ruinous expense and ever-increasing military risk".

When I saw that, I thought it was some Marxist speaking, but it turned out to be Winston Churchill in a Cabinet memo. That encouraged me to penetrate *Hansard* further to see what the debates were like on the subject of Iraq in those far-off days, long before our time. I wish I had been alive and had participated in them, because they were much livelier. Members in all parts of the House were involved in discussing the issues. For example, we can see that Lloyd George's Government and all his senior Ministers were involved in various debates over four years or more. The senior members were Curzon, Churchill, Chamberlain, Milner, Montagu, Bonar Law and the Prime Minister himself, Lloyd George—not a bad line up for a premier division team. One can imagine how heavily focused those debates would have been on the subject of the invasion.

I think that those debates were more entertaining and more interesting because they discussed the costs of the new territorial acquisition. Discussions took place in both Chambers and Army and Air Force estimates were looked at in open debate over several sittings. In those days, the essential feature of debates was that they occurred before the decisions had been made. They did not ratify something in an earlier estimate that led to spending; there was genuine discussion of how much should be invested in a particular year and in a particular foreign field. It was interesting.

Looking at our behaviour over the past few years, we see that there has not been complete lack of scrutiny—of course not; it happened elsewhere, in Select Committees and so on—but the financial cost has been pushed aside. It is not irrelevant to discuss that too. I tried to raise it the other night in a serious debate on the need for an inquiry and was told, quite sharply, that it was irrelevant. I do not think that it is entirely irrelevant, and I shall try to explain why.

It seems to me that people feel guilty about talking a lot about Iraq because we are letting the side and the soldiers down. I feel that, and I am sure that everybody round here does too, but I do not feel at all guilty about raising this subject. When I go back to Norwich, I get it all the time when I talk to constituents and hear that the pensioners cannot heat their homes. A few will write in—not a massive number—and there are always a few who come to see me. I always say, "Well, we can't cost up everything." Their answer, which I am sure all hon. Members have received, is, "You don't have any trouble finding money for Iraq and Afghanistan." I see heads nodding. People make a human response. Perhaps they do not understand the detail of it all—I do not think that I do, either—but I understand that kind of response.

I carried out some research with an old colleague of mine—a professor at the university of East Anglia—on the cost of the war to the British Government, which is about £9.9 billion at the minute. That is a minimum estimate, as it takes into account only operational capital expenditure, rather than indirect costs such as higher oil prices, loss of investor confidence and the possibility of a global recession—all the things in which the war has probably been a factor. I am not saying that it has been a major or a minor factor, but expenditure on the war has been a factor in such events across the world.

A book by Joseph Stiglitz, a Nobel prize winning economist, has just been published. I know that economists do not always agree with each other, but winning the Nobel prize is not bad; it is recognition by one's peers. He claims that the war in Iraq alone will end up costing the UK more than £20 billion. His book is called "The Three Trillion Dollar War". It is very significant and well worth a read in the next few weeks when people have the time to do that.

I want to make a contrast with the attitude of my constituents when they see the money being shovelled into that enterprise, be it good or bad as far as individuals and their parties are concerned. There is a local NHS walk-in centre on my patch at a place called Dussindale

[Dr. Ian Gibson]

in Thorpe St. Andrew. Set up by the Government early on, it has had £531,000 taken from it. At the same time and over the same period, we have put in £3,297 million to service the work in Iraq and Afghanistan. That funding seems to have no end, as we heard this week with the continuation of the events in Basra and so on. We do not know where this will end up. Contrasting those things in the minds of the constituents whom we all serve, we can understand why there is a little feeling of unease about how well we perform in making financial assessments. The walk-in centre is successful: 5,000 people a month go for treatment of minor injuries and illnesses, skin complaints, muscle and joint injuries, minor cuts and wounds, and so on. It was very much opposed by GPs, on grounds that only they can handle such things, and is staffed completely by nurses. It is a great success—seven days a week, 24 hours a day—and it is wonderful. It sits next to a big supermarket, so people drift in with their problems.

A polyclinic may be set up central Norwich, which I see as a means whereby GPs can find their way back into the process. They may have a role to play, but it should not be at the expense of the walk-in clinics. Central Norwich had the opportunity to have its own walk-in clinic in the early days of the Labour Government and the GPs rejected it. I am all for progress, but in a big sprawling city, two centres are needed so that people can easily access treatment for minor complaints, so axing such services should not be part of our agenda. They are popular with the local population and they have received huge press coverage; there will probably be more of it during the next few months.

The nurse practitioners say that the centre can be run at a fraction of the cost of the war. We should be rewarding those places for the work that they do, encouraging and expanding it. When something is successful, we should not suddenly do away with it. I make a plea for the funding of the walk-in centre to be restored in full, so that the kind of services that the Government have been talking about this week, including pharmacies, continue. We do not need a GP for many of the functions at the primary level of our health service. I am not saying that we should take money from the war and put it into such services. We must find the right balance. I am not saying that troops should be brought back; that is an argument for another time and place. But the cost of the war should be balanced against these cuts. We have also heard about post office cuts, but in rural Norfolk and parts of Suffolk, as well as Telford, London and elsewhere, they are very important, and we should be finding the resources for them.

The House needs to debate how decisions are made on these issues so that we can strike a balance between where the money goes. The House fails badly when it comes to saying where the Treasury money should go. It is no use holding up our hands and saying that we will never get certain matters past the Treasury. We are in a position to get the Treasury to act in such areas and our constituents expect us to do so.

2.52 pm

Mr. Simon Burns (West Chelmsford) (Con): I shall not seek to detain the House for long, but I want to raise two important issues that my constituents feel should be brought to the House's attention before we go into recess. We have already heard during today's debate about sub-post offices, but the first issue that I want to raise concerns Chelmsford Crown post office.

Until last summer, Chelmsford Crown post office was an extremely fine institution on the ground floor of a stand-alone building close to disabled car parking and accessible to shoppers in the centre of Chelmsford. Solely as a penny-pinching, cost-saving exercise, the Post Office decided to close down that post office and to move it to the first floor of WH Smith in Chelmsford High street. That is not a problem inasmuch as the location is still in the centre of the town with easy access from the outside of the building, but the problems begin on the inside, because as always with such deals the services are on the first floor. No retailer will give up its prime ground floor site where people enter the shop from the street to buy its products. The important issue is whether there is good and proper access to the first floor for members of the public—particularly those in wheelchairs, the frail and those with disabilities. As far as the Chelmsford Crown post office in WH Smith is concerned, the short answer is that there is not.

Before this happened, I warned the Post Office that there would be problems, but my warnings were brushed aside. Unfortunately, the Crown post office has been in WH Smith for six or seven months and, sadly, my fears have been fully realised. There is a staircase to the first floor and one escalator; there is not an up escalator and a down escalator, so that is a problem. However, the Post Office says that that is not a problem because there is a lift. Indeed there is: it is small, so if people in wheelchairs want to use it, queues form. Inevitably, the lift breaks down. It did recently, and that caused tremendous problems. In the past seven months, people—certainly on one occasion—have had to be carried down by paramedics to get from the first floor out of the building. It is unforgivable that such a service is being provided in exchange for the first-class service that we received when we had our own stand-alone post office.

There is another problem. People can get in through the WH Smith high street entrance from the same level, although if they are going to the Post Office they then have to use the escalator, go up the stairs or, if they can, get into the lift. However, the only way to come in through the other entrance—in the London road, where all the buses stop—is down four very steep steps. There is no access for wheelchairs, so wheelchair users have to go all the way round to the other entrance. For those with non-motorised wheelchairs, that is a long distance. That is unacceptable.

My constituent Mrs. Gower was so incensed by the issue that in a relatively short period she started a petition that got more than 600 aggrieved—and mostly, but not exclusively, elderly—people to complain and try to pressure the Post Office into doing something about the situation. The best solution would be to go back to the status quo of a year ago. I fear, however, that that is not a viable option; the Post Office has made the move and is saving money. It does not seem that concerned about the quality of the service that it provides its customers, because people have to buy stamps and take their parcels, so they are, up to a point, a captive audience. That is particularly true because in previous waves in the past five years—although not this wave—the company closed many of the sub-post offices in the

surrounding area, saying that the Crown post office could become people's sub-post office. Despite the lip service that it pays to the interests of its customers, the Post Office is not desperately concerned; otherwise it would not have moved the Crown post office to that unsuitable site and it would certainly have done something about access to it.

Something has to be done; the situation cannot carry on in this way. I have presented the petition to the head of the Post Office and I have been told that the regional manager of WH Smith will visit shortly to have a look at the situation. That is good of him; I am grateful, and I hope that he does visit. However, I also hope that he realises the problems and comes up with concrete ideas to overcome them. One such idea would be to put a proper access way at the London road entrance so that wheelchair users, the frail and those with mobility problems would be able to use the entrance. Many of them use buses to come into town and the buses stop immediately outside the entrance.

The second issue is that when people finally get upstairs, there are queues before they can get served. It would be sensible if there was a counter on the ground floor for the elderly and those with disabilities or mobility problems. That would save them having to go upstairs in the first place. I suspect that that is pie in the sky, because WH Smith does not want to restrict on its ability to make profits. However, if it is going to use its premises as a short-changed way of providing a Crown post office, perhaps it could sacrifice a little bit of space to help its customers.

I hope that the Deputy Leader of the House will not only pass on my comments to the Secretary of State for Business, Enterprise and Regulatory Reform but ask him or one of his junior Ministers to have a word with the Post Office to see whether something positive can be done in the near future to alleviate the problem.

Mr. Stewart Jackson (Peterborough) (Con): My hon. Friend is making a powerful and impassioned case on behalf of his constituents. As regards lip service, does he share my disquiet and the cynicism of many voters on learning of the behaviour of some Labour Members of Parliament who, two weeks ago, rushed hot-foot from voting against the Conservative amendment against post office closures to public meetings and to publicise on their websites and in local media the fact that they are saving their local post offices? Is he as unsurprised as I am that people are cynical about politics?

Mr. Burns: My hon. Friend is absolutely right—that does contribute to the cynicism. Of course, some extremely honourable Members on the Labour Benches actually stuck to their principles by putting their vote where their mouth was and joining Conservative Members in supporting that amendment. It is incomprehensible to me, as someone who is as honest as the day is long, that someone can say one thing to their constituents outside this place, then come here and, at the behest of Government Whips, do something else in the Division Lobby. I find that slightly uncharacteristic of Labour MPs. It is the hallmark of Liberal Democrats every day of the week. We are used to it from them, because they, unlike us and Labour Members, also have the knack of being able to walk down a street, knock on 30 doors and, if they think they are going to win a vote, give 30 different answers to the same question that is asked of them. But c'est la vie—that is what old warhorses in the Conservative and Labour parties have come to expect from the Liberal Democrats. That is why I am surprised that in the vote on post offices only about 30 Labour Members of Parliament abided by what they were telling their constituents and joined us in the Division Lobby. However, that is on their consciences, and I am sure that the truth will out.

It was interesting listening to the earlier part of the speech by the hon. Member for Telford (David Wright), who regaled the House with his problems with a sub-post office facing closure. He, of course, did not join my hon. Friends in the Division Lobby in the post office vote. Perhaps he was convinced by the arguments of the junior Minister who wound up for his party at the end of the debate, although having listened to that speech I would be slightly surprised if that were the case. I think that the hon. Gentleman might have been more convinced by the fact that he is Parliamentary Private Secretary to the Financial Secretary to the Treasury. Greater love hath no man for his job on the way up the greasy pole, in the hope that perhaps by the time the election comes in two years this will all be long since forgotten and he will survive. I suspect that people not only in his constituency but in Liberal Democrat constituencies have longer memories and get perplexed when they are told one thing in their local papers and then see their Members of Parliament doing another thing here.

However, I must not be diverted, Mr. Deputy Speaker, because I wish to raise another important issue—the A12 road that runs through the spine of Chelmsford and Essex up into Suffolk and beyond, just into Norfolk. It is one of the main feeder roads into the east of England and East Anglia. It serves not only the county of Essex, but the ports at Harwich and Felixstowe. The serious problem is that this road is old and constantly having to be repaired and, sadly, because of the increase in traffic—some of it domestic vehicles and a lot of it business generated by the ports—it is becoming too congested to be viable as a through road and a main road into one of the most important regions of this country.

I am pleased to see that Essex county council has spent the last six months making significant changes to the entrance and exit from the M25 on to the A12, which, although it has been open only for a few weeks, has made a significant improvement. If one goes from that point to my constituency of West Chelmsford, which means travelling 13 miles of road, one will see that about half of it is made up of three lanes, and the other half, two lanes. Beyond that, on the way to Colchester and Ipswich, the road constantly changes from two lanes to three lanes, which enhances the congestion problems.

Another problem is that investment is needed to improve the road to make it one worthy for the demands made of it, and to enhance it for domestic and business travellers in the region, and to and from the region and its ports. There was a crackpot idea some years ago, in the early 1990s, when the then Government suddenly unveiled in one of their White Papers on road building that they proposed to build a brand new motorway known as the M12 from a point off the M25 right up to Chelmsford, going west of the existing A12. That came as a considerable surprise to most people because no

[Mr. Burns]

one had been calling for a new motorway. I thought that it was particularly noble of the then Secretary of State for Transport to come up with the idea, because the road passed within about 200 yd of the garden of his house, which seemed rather extreme to me. Fortunately, though, cooler and saner heads prevailed and the then Government abandoned that cockeyed scheme. It has not been resurrected, even though when the current Government were carrying out inquiries and investigations on how to improve the road situation around Ipswich and the knock-on effect down the A12, it was looked at. Rightfully and thankfully, however, it was dismissed as a non-starter.

We do not need a brand-new road. There is a simple solution to the existing problem, which is to invest in the infrastructure by upgrading the existing A12 in order that all the stretches of only two lanes have three lanes. That will cater for traffic and reduce congestion problems, costs for industry and the road safety problems that result from the bottlenecks. I asked the Under-Secretary of State for Transport, the hon. Member for Glasgow, South (Mr. Harris), about the matter on 4 March, and I was pleased to find that he shares my view that the road is of national importance and that it needs a major upgrade.

That view is shared, interestingly enough, by the Minister for the East of England; it is nice to know that she has a view on the issue. It would be quite nice if she popped into Essex at some point as she is the Minister for the East of England, and no doubt, at some point, she will. She has had that job since the beginning of July, and she has not yet stepped into the county council area of Essex, which is the county with the largest population in the region for which she is the Minister. We look forward to welcoming her to Essex at some point when, in the course of her busy duties in the east of England, she can find time to visit us. She, too, believes that the road is important and needs improving and enhancing.

When comments are made quickly at Question Time, the full horror of what is being said does not always sink in. However, the Under-Secretary of State for Transport said that

"it is up to the hon. Gentleman and others to try to persuade the regional transport board for the east of England that it should prioritise that work... It is for the transport board to look at the priorities and make its recommendations to the Government." [*Official Report*, 4 March 2008; Vol. 472, c. 1584.]

When one reads between the lines and finds the other side of the story, it is clear that the regional funding allocation for the east of England is not sufficient to meet the needs of the region. That surprises no Conservative Members, because we have been complaining for many years about the way in which the Government spread their allocation of funding around the country. There are not that many Labour councils or Members of Parliament in the east of England, so as with other distributions of moneys, we do not do as well as the Labour heartlands.

A letter from Essex county council states that

"the Regional Funding Allocation... is not sufficient to meet the needs of the Region. For example, the A120 proposed improvement alone is expected to cost in the region of £400 million, which is almost half the total available for the Region's transport budget for the period to 2016. If one adds approximately £600 million for the A12 upgrade, and it could be much more, then it is obvious that unless funding is significantly increased the A12 will again fail to be funded under the RFA."

What is badly needed now will become a pipe dream and we will have to wait many years for its realisation.

Given that Ministers recognise the importance of the road and of improvements to it to solve the current problems, which will only get worse as time goes on, it is time the Government were prepared to reconsider and either make realistic allocations of money to the region for its road funding programmes, or make the road a project in its own right, and provide substantial funding so that we can get the work done and improve and enhance one of the main feeder roads into one of the most important regions in the country.

3.12 pm

Shona McIsaac (Cleethorpes) (Lab): I am especially delighted to speak today because it is my birthday, and I can think of no better way in which to spend it than in addressing my constituents' concerns in the House of Commons. Today's birthday is not special – there is no zero in it and I am a few years away from my bus pass.

I want to consider bus passes today. A couple of days ago, on 1 April, free travel for the over-60s and people with disabilities was extended to cover off-peak travel anywhere in England, including outside people's local authority area. I praise North Lincolnshire council and its leader, Mark Kirk, for the scheme that it has introduced for residents.

North Lincolnshire council's literature says:

"you may travel free on any local bus service at any time of day... In the rest of England outside North Lincolnshire, your pass entitles you to free travel on local buses between 9.30am and 11pm only, Monday to Friday."

North Lincolnshire is doing a wee bit more, so its scheme is especially good. Under that scheme, people can also use the pass on local trains. They have to pay half fare, but allowing the pass to be used on local trains helps many community routes in my area. The scheme also provides for companions to travel, some free and some for half fare. If a person with disabilities has a bus pass that displays a specific symbol, they can take a companion with them free.

That is a fantastic scheme. However, I am sorry to say that North Lincolnshire council does not cover the whole of my constituency. Part of my constituency is covered by North East Lincolnshire council. Those who do not come from the area might think that having one authority called North Lincolnshire council and another called North East Lincolnshire council could cause a little confusion, but they are in fact different councils. In North East Lincolnshire, free travel is being restricted. Although pensioners and people with disabilities everywhere else in the area are getting an extension to free travel, travel for those who happen to live in Grimsby or Cleethorpes is being cut back.

Today's *Grimsby Telegraph*, the local paper covering the area, gives the game away by talking about the "controversial" Government scheme—I do not know whether other hon. Members have, like me, been inundated with masses of letters about this so-called controversial scheme. The newspaper states—this is the spin being put out by North East Lincolnshire council—that the

extension replaces what was there before. In effect, the paper is trying to have us believe that the extension is not an extension, but a completely new scheme replacing the existing scheme.

I have looked into the issue in detail, given the number of people who have contacted me asking, "What's going on here? This was meant to be a great extension to the scheme, but I'm now being told, 'You can't get on this bus,' 'You can't get on that train,' or 'You can't bring so-and-so with you.'" Some people with disabilities have told me, "I have no choice when I travel. I only do 16 hours a week, but this helps me get to work. Now I'm going to have to pay £9 a week." There has been absolute outrage.

I have raised the issue with the Prime Minister and the Secretary of State for Transport, and on several occasions with my right hon. Friend the Member for Doncaster, Central (Ms Winterton), both as Minister for Transport and as Minister for Yorkshire and the Humber. And every time they have told me that the decision is not a Government decision, but one made locally.

I want to look back at how the council got where it is now. In 2000 a mandatory half fare scheme was introduced for the over-60s and disabled people. In 2006 that was extended to free travel on local buses, although people complained that it extended only as far as their local authority boundary, unless groups of local authorities in their area decided to club together. This year's scheme is an extension of that scheme.

I checked on the funding for the scheme. In 2006-07 the Government provided English local authorities with an additional £350 million through the rate support grant to implement free local bus travel. That money will increase in subsequent years. In 2008-09, it will increase to £377 million and by 2010 it will be £396 million. Then I looked further, into the funding to tie that in with the extension. In 2008-09, the Government are providing an additional £212 million for the extended travel, on top of the rate support grant moneys, which will also increase year on year. That equates to an average funding increase of about 30 per cent. throughout the UK. I have checked with Ministers, who have told me that councils had their free scheme, but with the national scheme they can choose to add extra bits here and there, which is what North Lincolnshire council is doing through, for example, companion travel and half fares on local trains.

The average increase in the region in which my constituency lies is 25 per cent., but let us examine the two neighbouring local authorities covering my constituency in more detail. Until now, North East Lincolnshire council has invested about £1.6 million in the concessionary fares scheme, while neighbouring North Lincolnshire council has invested £1.1 million. Both councils have had additional funding for the extension to the travel scheme. North East Lincolnshire has received £603,000, and North Lincolnshire has received £409,000. My maths might be a wee bit ropey, but that increase, at around 35 to 37 per cent., seems to be above the average. That is a pretty good increase in funding. Within the former Humberside area, the East Riding of Yorkshire has had a 24 per cent. increase, and Hull city has received 33 per cent., so the two authorities in my constituency have done pretty well. However, we still have a cut in travel funding, which has outraged thousands of people.

A stone's throw away from the town of Immingham is the village of East Halton, but the local authority boundary lies between the two. Family members live on either side of the boundary, and while one lot can travel free at peak times, the others will now have to pay, having enjoyed free travel for the past two years. There is only one way to describe this: it is a cut, pure and simple. I think that it is one of the meanest cuts I have ever seen. At one end of the two local authority areas is the town of Scunthorpe, with Grimsby and Cleethorpes at the other. Pensioners can get on a bus at either end and travel across the area. Some will have to pay full fare, but others will enjoy free travel. That is absolutely ludicrous.

When I checked with the ruling group on North East Lincolnshire council, it said that it was getting only £613,000; in fact, it is £603,000. I tried to argue, saying, "Hold on! You've had £1.6 million from the rate support grant. Where has that gone? What have you done with it?" There was no answer to that. That was the council's explanation for having restricted the travel arrangements. I really want to know where that money is going.

The council is blaming the Government, saying that they have cut the funding for the travel scheme in North East Lincolnshire, but nowhere can I find evidence of that happening. If this were a problem of Government funding, the neighbouring authorities would be in a similar position, but they are not. As I have said, North Lincolnshire council is providing free travel within its own area without restriction, and the East Riding of Yorkshire, which is Conservative controlled, is operating a broadly similar scheme. I think that people there pay an administration fee of about £15, but they then enjoy free local travel.

Dr. Gibson: Has my hon. Friend thought about setting up a cross-party group a sort of mini-Select Committee that could call the council in? We have done that several times in Norfolk, and what we have found out has been very interesting. It often involves one person misappropriating the money into some other coffer. My hon. Friend is in a strong position to set up such a group. Has she considered doing so?

Shona McIsaac: I have been asking the council to rethink over recent weeks and months. Now that the new scheme is in place, I am going to crank this up a bit. Holding some sort of inquiry is a good idea, although North East Lincolnshire council tends to be the one calling me in all the time, rather than the other way round. I really do not know whether what is happening is deliberate or whether it simply involves someone who has totally misunderstood the situation.

As I have said, the East Riding of Yorkshire, Hull city and North Lincolnshire are all providing the scheme as it should be run. It is a new scheme, but this is becoming a postcode lottery. Residents want action to be taken, and I am sorry that the council has not rethought what it has done to people. Will the Deputy Leader of the House speak to Transport Ministers to see whether there is anything they can do to force North East Lincolnshire council to look again at what it has done, and to do what everyone else in the area is doing?

[Shona McIsaac]

It is grossly unfair that the pensioners and disabled people in the North East Lincolnshire council area should be discriminated against in that manner.

Another issue affecting my constituents at the moment is closures. I see some ears pricking up on the Conservative Benches, but I am referring not to post offices but to fire stations. The Humberside fire and rescue service completed a consultation about reorganisation on 31 March, and the fire authority is due to announce which stations will be closed on 11 April, in the middle of our recess.

A cross-party group of Members of Parliament representing the area, including the shadow Home Secretary, the right hon. Member for Haltemprice and Howden (David Davis), is objecting to the planned closures and cuts. "Cross-party" does not include Liberal Democrats, however. We have no Liberal Democrat Members of Parliament, although sadly we have a few Liberal Democrat councils, North East Lincolnshire being one of them. The message that I want to convey to the fire authority is that if all the local Members of Parliament are saying that its proposals are wrong, it ought to think again.

My hon. Friend the Member for Brigg and Goole (Mr. Cawsey), who was in the Chamber earlier, reported that one council, East Riding of Yorkshire, had voted in favour of the closures. I find it sad that a council so many miles from the part of my constituency where the closures will take place can affect what happens. I would be surprised if any of those councillors had ever crossed the notorious Humber bridge into Lincolnshire, and had even seen the fire stations for whose closure they voted last night.

Everyone seems to want to raise more than one issue today. The next issue that I want to raise is slightly nicer; it involves something called Pilgrim 400. The town of Immingham, which I mentioned earlier, has a connection with the history of the Pilgrim Fathers.

Dr. Gibson: And the minors.

Shona McIsaac: And the minors, yes.

It is not a well-known fact in British history that the original point of departure of the separatists from Scrooby, Babworth and Gainsborough was the port of Immingham, although people associate them with Boston. They then went to the Netherlands, some of them stayed in Amsterdam for about a year before moving to Leiden. Finally, they made the journey to found the Plymouth plantation in what became the United States of America.

The separatists did try to leave from Boston in 1607, but were captured and imprisoned. Eventually they were released, and, wishing to escape religious persecution, managed to find a Dutch captain with a vessel in Hull who agreed to take them to the Netherlands. The women travelled by barque down the Trent and into the Humber to connect with the boat. The men travelled overland, and eventually managed to get on the boat and leave the country. Sadly, the women and children did not, because the barque ran aground. They were captured by soldiers and arrested. That caused something of an outcry, and they were finally released and allowed to join their families in the Netherlands.

Many of the street names in Immingham—Clyfton, as in Clyfton crescent, Brewster, Allerton, Bradford, Winslow—are the names of people who are still commemorated in the town today. This summer it will celebrate the 400th anniversary of the pilgrims' departure, and I pay tribute to those who are educating people in the area about its historical links. We have had some tremendous communications from various Mayflower societies in the United States.

Finally, let me wish everyone well for our April break, spring break, or whatever we want to call it; we cannot really call it an Easter break. Members are welcome to visit the wonderful resort of Cleethorpes, where my family will be descending on me to celebrate my birthday—in style, I hope. I also want Members to support my bank holiday Bill; I notice that the hon. Member for Southend, West (Mr. Amess) is present. It will come before the House after we return from the recess. I am calling for an extra bank holiday—in the autumn, as the current time of year is a bit crowded with bank holidays—and I hope that all Members will support it.

3.30 pm

Mr. John Randall (Uxbridge) (Con): It is a pleasure to have been called to take part in this Adjournment debate. Although I shall address some local issues, as is the custom in such debates, I also wish briefly to touch upon a couple of events that have been reported in today's news media and which are far from constituency based.

I have read today that at the Bucharest NATO summit Macedonia's application to join NATO has been turned down. Although Croatia and Albania have been asked whether they would like to join, Macedonia has not. That saddens me, as Macedonian forces have been fighting alongside our own and NATO forces in various theatres. It is openly acknowledged that its application has been turned down purely because Greece objects to Macedonia being called Macedonia; it wants to call it the former Yugoslav Republic of Macedonia. That seems rather bizarre, particularly in the current age when we in Europe are all trying to get along together. The British Government must play their part in trying to resolve this matter. If we are trying to welcome countries in, we must reject the idea that their past somehow stays with them; such territorial disputes often go back a long way in history and are not really disputes at all any more but largely imagined, and they are no part of today's Europe.

The other event in today's news is particularly close to my heart: the Government have published their draft Marine Bill. That is much to be welcomed—although judging by its size it will provide Members with a considerable amount of reading material in the coming weeks. I have been closely associated with this subject ever since I attempted to introduce my own Marine Wildlife Conservation Bill, which was reasonably successful as it got as far as the House of Lords before it was holed below the line.

I do not want to be churlish, but it has taken a long time for this draft Marine Bill to be brought forward, yet it was part of all three major parties' manifesto commitments in the 2005 election. After the draft Bill has been subjected to the scrutiny that it is designed to

receive. I urge the Government to introduce a Bill before the House as soon as possible, because urgent action is needed as there is very little protection for the marine environment. Members know from the reaction not only to my Bill, but to various organisations' campaigns, that this subject is very dear to the hearts of most of our constituents, regardless of whether we represent inland or coastal seats.

I shall now turn to my Uxbridge constituency. Like many other MPs, I have been taking up the issue of the closure of post offices. As the hon. Member for North Southwark and Bermondsey (Simon Hughes) said, the consultation closed yesterday, and I have made *representations for the Moorfield Road and Uxbridge* Common Park Road sub-post offices to remain open. When Members look into this matter, all of us realise—even those whose wish to save their post offices does not always translate into votes in the House—how much these post offices are valued, particularly by the elderly and the vulnerable. That is to do with so much more than just the services they provide, such as selling stamps or foreign currency. The sub-postmasters and mistresses are still in that great breed of retailers who want to give service and who are part of the community, and the loss of that would be the most tragic loss of all.

I still think that the Post Office has not examined how it could provide that sort of service, because not all the requirements are necessary. Members of the community who want to renew their road tax can do so online or they can use their car to go to the next sub-post office, but people who want to collect a pension or to post a parcel may not have such access—a bus does not even go nearby the Moorfield Road post office. As I mentioned in the debate a couple of weeks ago, a system of services must be put in place. My retail outlet sells stamps, but it is not allowed to do anything more than that. I cannot help feeling that it would not be beyond the Post Office's wit to supply the weighing machines that produce the stamps—not the ones that people put on things, but the labels—so that some of that service could be provided by other outlets. It is a great shame that the Post Office is rushing ahead with this whole closure programme without thinking about how to improve its service—it just keeps cutting back all the time.

Simon Hughes: The hon. Gentleman prompts me to respond on that point. One frustration is that offices that say that they would happily deal with tax discs or passports, that to do so would make the difference and that people keep asking for that service only to be told that it cannot be provided are being turned down by the Post Office when they request to provide them. Their opportunity to be more profitable is hindered from upstairs by Post Office management, although it would help everybody on the ground.

Mr. Randall: The hon. Gentleman is right. One of the things that I find most frustrating in today's world is that the Post Office seems to be cutting its own throat. It should be able to provide the things that people want in more outlets rather than restricting them.

I was interested to hear the comments made by my hon. Friend the Member for West Chelmsford (Mr. Burns) about the Crown post office in Chelmsford having already moved into WH Smith. I believe that on 17 April, the Uxbridge Crown post office will move to the local WH Smith. Although I made representations, met representatives of the Post Office and was given various assurances about the services that would be provided to ensure that there would be no difficulties in respect of access and the number of windows open, his experience fills me with dread. I try to be positive—I am not someone who always objects to change for the sake of it—but I have heard about several of my hon. Friends' experiences with these transfers of Crown post offices to WH Smith and I am concerned. I can tell the Post Office and WH Smith that I shall make several wanders down the high street in Uxbridge in the coming weeks to see for myself exactly whether they have lived up to their promises or whether a terminal 5 is taking place in a mini world in Uxbridge. I am concerned about that.

Another local issue of great concern that is constantly being raised with me is what is these days called "garden grabbing". It occurs when family homes in suburban streets are destroyed or knocked down as developers put up flats, when gardens disappear through infilling and so on. That practice, which is destroying the character of many of our roads and communities, is happening in many areas of my constituency, but it is at its worst in Fairfield road, Uxbridge, where 35 per cent. of the properties have some sort of application lodged or an appeal going on. The poor residents of that road say, "We are going to stick it here, as we have lived here all our lives", but they see another development going up and another being granted on appeal. That is one of the most frustrating things—the local authority understood exactly what the application would mean and therefore rejected it, but it was then granted on appeal.

One of the problems is that the inspectorate considers the individual planning application rather than looking at the area in a street or a road, which would make a lot of difference. The London borough of Hillingdon planning department is as frustrated as anyone else and it is trying to look at the strategy to see whether it can change it, but it is frustrated at every level.

I have raised the subject before and the Government must look hard at it. Uxbridge is a pretty pleasant place to be, although it has its problems, but many of the ills of our society emerge as we destroy the fabric of our communities and of community life. If we destroy that community feeling, that will only bring more problems. We have seen that happen elsewhere, and it is about time that such things were regulated in a much fairer and better way. We should put the residents' interests first.

The hon. Member for North Southwark and Bermondsey made a plea about the parliamentary holidays and for us to be able to spend time with our children. I agree that it is incredibly important for all families to spend as much time together as they can. My children's holidays have not on this occasion matched the parliamentary recess, but I was able to spend the weekend away on a rugby tour with my daughter, who is the only girl in the boys' team. It will be her last tour away because once players get past the under-12s, they are not allowed to play mixed rugby any more.

I want to pay tribute to all sports that get our kids actively involved. I am sure that the hon. Ladies on the Labour Benches will be delighted to hear that I am an advocate of women's sport. That has probably come from having a daughter who is keen on sport. I have seen its benefits. Sports are incredibly important for both boys and girls, especially team sports, because of

[Mr. Randall]

their fitness levels and also to help them to bond together. Although such activity is mainly for the kids, the parents can find some diversions here and there. I am sure, Mr. Deputy Speaker, that you have no idea what goes on on such occasions, but they are very civilised. In fact, it is akin to what goes on in the Opposition Whips Office, as far as I can see.

As it is the last season for my daughter, I want to thank Ruislip rugby club and those involved with the under-12s, especially the coaches, Mr. Terry Russell, *Phil Skelton and Robin Nelson. They have done* so much. At least 40 kids turn up on a Sunday morning to play in all weathers, which is a tribute to the coaches.

I shall be doing my own bit for fitness in the weeks of the recess, as I shall be walking the streets of Hillingdon as a part-time postman for my hon. Friend the Member for Henley (Mr. Johnson) and his ambitions to become London Mayor. All of us who love this great city of ours realise that that gentleman will keep it a great city. I hope that when I return hon. Members will see a slimmer, fitter Member for Uxbridge.

Finally, I cannot not mention the most pressing issue for most of my constituents, which is the proposed third runway at Heathrow. We had a debate on the subject yesterday during the Liberal Democrats' Opposition time, when I was disappointed that the debate turned into a party political one. It is a very serious matter and people from all parties have views on the subject. I find it particularly sad that on that matter, and incidentally on an inquiry into the war in Iraq, the Liberal Democrats do not seem to like anybody else to agree with them. They seem to think that it is their own particular thing, and they are rather sad if anybody dares to agree with them. *[Laughter.]* Liberal Democrat Members laugh, but such things are very serious. When I have spoken to many Liberal Democrat Members at public meetings there has been no difference between us, but they suddenly seem to turn on those of us on the Conservative Benches who share their views when they are in the glare here. I find that particularly worrying. It is a different matter in Westminster Hall, which speaks volumes for that chamber.

I have been discussing with my hon. Friends some of the things that people do not understand. One of my hon. Friends said to me, "But they're not going to increase flights, are they? I have been told by BAA that it is not going to increase flights – it is just to make the capacity a bit bigger so that there is more space." But 220,000 extra flights a year is, I think, an increase.

There is another thing that is incredibly important for all Members to understand, which Members who do not live nearby or have not taken a special interest do not realise. When we talk of a third runway, one could almost say, "Well, what are they worried about? It is a bit of tarmac. It's just going to go down the road a bit, it's not really a problem." In fact, there are a couple of Labour wards that I could put a bit of tarmac through quite happily, but it does not work like that. It will not just be a third runway and a sixth terminal; what is proposed is a whole new airport the size of Gatwick being put alongside Heathrow. That is what people do not understand.

Simon Hughes: I was not able to be at yesterday's debate. I have it to read, but I have yet to do so. I share the hon. Gentleman's view that if there can be cross-party agreement on such issues, we all benefit. Although I am not a west London MP, having been to see colleagues and friends in west London and beyond, it seems to me that he and his constituents are right to seek support from others on what is not just a little expansion but a transformation that will go far beyond the inconvenience and environmental pollution that they already suffer from.

Mr. Randall: I thank the hon. Gentleman. In the London borough of Hillingdon and the neighbourhood, the matter is completely cross-party, and long will it be so, I am sure. I regret the fact that the hon. Gentleman was not at the debate, because perhaps his reasonableness might have prevailed and the debate might have been different. There might not have been time for many other speakers, though.

Finally, I wish a pleasant recess to Members of the House, and particularly to Officers of the House and all those hard-working people who have to put up with us day in, day out. I know that some of them will still be working, because when we go to our constituencies it is not all holiday, whatever those in the Press Gallery might say. Far from it. It is important that we recognise that this place is a community in itself, and we must thank those who work so hard on our behalf.

3.48 pm

Mr. Geoffrey Cox (Torridge and West Devon) (Con): I endorse and echo the good wishes of my hon. Friend the Member for Uxbridge (Mr. Randall) to all Members of the House and to all those who help and service the House. For their patience and kindness, often to a very new Member, I am deeply grateful.

I do not propose to detain the House for long, but I want to draw attention to a number of matters that deeply affect the constituents whom I have the honour to represent. My constituency is profoundly rural, encompassing a large part of the north Devonshire coast. It contains a number of coastal communities, which are particularly affected by factors such as seasonal work, coastal erosion, outward migration and deprivation. In fact, it is not widely known that Torridge and West Devon contains two of the most deprived wards in England. People are often surprised to learn that – including a Minister whom I and a number of constituents from the town of Bideford met yesterday.

My constituency includes part of the north Devon coast and in the south it embraces a large part of Dartmoor. The moor is characterised by hill farming, but it also has a considerable amount of deprivation and rural isolation. Today, I want to speak specifically about the matters that affect people living in its fragile rural communities. I have been aware for some time that people in my constituency feel a sense of helplessness that arises from their belief that they are no longer able to affect the fate, future and destiny of their communities. Increasingly, that power is being removed to a remote and unaccountable quangocracy that includes the regional development agencies and regional assemblies, as well as bodies such as Natural England.

Although I have no doubt that Natural England is motivated by a genuine sense of the public interest, its decisions do not always seem to be explicable or accountable.

Moreover, it does not always consult the people likely to be affected. For example, Natural England has declined to assist people living in the coastal town of Northam, in the northern part of my constituency, who are facing acute problems with erosion in an area known as the Northam burrows. It is a beautiful spot: when the spring breezes tease the flowers from their buds, nowhere is nicer for a refreshing walk.

The Royal North Devon golf club—one of the old-fashioned clubs that sprang up on the sand dunes and grassy banks of our coastline—is situated in the Northam burrows. However, the tide has been advancing relentlessly for some years, and it has begun to erode the pebble ridge that offers protection from the sea's depredations. The pebble ridge is an idiosyncratic feature of the area, and it is a precious and protected site, but only the other day we lost 25 m of it to erosion.

The people of the communities that I represent cannot understand why the responsible authorities—the district and county councils—do not take the action that their fathers and forefathers took to protect the Northam burrows against coastal erosion. Simply recharging the pebble ridge would afford protection against the oncoming tide and the erosion that it causes. No such action has been taken because Natural England no longer believes that recharging the pebble ridge is the right thing to do, even as an interim measure. Instead, it believes in what is called managed retreat. I do not contest that there are sound reasons for that belief, but managed retreat means that the cycle of tides in that part of the Torridge estuary should be allowed to do its work, and it also means that interim measures are not in the interests of the Northam burrows.

If Natural England is right, it is vital that its reasoning be communicated to the people who live in the area, because they are the ones who are affected by coastal erosion. Their houses and communities are at risk, as are the precious Northam burrows that they have loved and lived in for decades and centuries. They feel that the policy has been devised at a distance from them and has not been one on which they have been consulted and that, in any event, it lacks the justification and substance that it ought to have.

There is an additional problem—a problem that, I hope, when I reveal it, will make apparent to hon. Members why the community is so concerned. On the Northam burrows—this is common to many precious and protected sites—many years ago, a landfill site was deemed appropriate. On that landfill site, which closed 40 or 50 years ago—certainly, 30 or 40 years ago—there was placed, pre-war and in the 1940s, a whole range of the odious and the bad. It is believed that there are many tonnes of asbestos of the most dangerous kind, that there may be medical waste and that it is all lying in a vast mound in the middle of the Northam burrows.

As the tide advances and surmounts the dunes, as it is beginning to do, it is beginning to sweep in and encircle that landfill site. None of us knows what is in the site. We believe that it contains asbestos—we are pretty confident that it does—and we know that it will contain something very unpleasant. As the tide encircles it and begins to erode it, we can only speculate and greet with some fear and trepidation what may be uncovered by the tide.

There is no doubt that the problem is urgent. There is no doubt that the problem is acute. All agree that it is urgently necessary, since the records of the landfill site were lost by the county council many years ago, that some urgent steps are taken to investigate what lies beneath. Yet month has followed month and year has followed year, but no such investigation has been carried out, while the tide continues to advance, while the pebble ridge continues to recede and be eroded and while the danger increases step by step, nearer and nearer to the communities that I represent.

So I use this opportunity to raise in the House, I hope, in as clear and compelling a way as I can, the urgent necessity for Devon county council to act now. Those whom I represent believe that, as the tide encircles that landfill site not a catastrophe but certainly a very dangerous situation indeed could arise. The county council has committed itself to move forward with those investigations now for many months, if not years, and those investigations must commence. My constituents cannot understand the delay, and they cannot understand the policy of not recharging the pebble ridge and thus protecting the landfill site from the further inflow of the tide.

One or other thing must happen, and the delay, inertia and apparent unwillingness of the county council, which I say with no partisan spirit is Liberal Democrat controlled, is something that those whom I represent can no longer countenance, understand or tolerate. I believe and hope that these words will be heeded, as will the cries and pleas of the local communities that I represent. That is the first issue, which illuminates, as I believe, why those whom I represent resent the sense of a quangocracy at a great distance from them not listening to the interests of the fragile rural communities in Torridge and West Devon.

The future of post offices is, as the hon. Member for Telford (David Wright) has mentioned, a critical question that is, even now, bearing on the consciousness of those whom I represent. We are in the middle of the stage of identifying the sub-post office branches for closure. I have never experienced such a process. It is characterised by what I can only describe as a rather sinister sense of intimidation. I have postmasters ringing me quietly in the night, afraid even to speak to their Member of Parliament because of confidentiality clauses and the implied and unspoken suggestion that if they speak to their Member of Parliament, make a fuss or draw their position to public attention, they may lose their compensation. They whisper to me in corners, and they telephone me confidentially. They are anxious and troubled—it is not too much to say that they are afraid.

When the communities that I represent learn how many and which post offices will be affected, it will cause an outcry. Some of the post offices affected are in the heart of the most vulnerable, distant, remote, isolated and rural communities that I represent. It is well known that Devonshire has the largest county-wide network of roads in the country, some of which are of third-world standard. Even the manager of Stagecoach, the local bus company, has said that many of the roads in Devon—I represent one of the most far-flung regions in Devon—are inaccessible to bus services generally. Villages may have one bus a week, and certainly no more than one a day, yet post offices are to close, and the frail, the elderly, the vulnerable, and those in wheelchairs and electric buggies will have to negotiate their way to the post office on the roads that I have described. As for the weather, hon.

April Adjournment

Motion made, and Question proposed, That this House do now adjourn.—*[Ms Diana R. Johnson.]*

2.1 pm

David Wright (Telford) (Lab): I appreciate your calling me so early in the debate, Madam Deputy Speaker. I shall return home to Telford and search out the remaining Easter eggs in my cupboard, and send them down to you in the following week.

I should like to raise four issues that are important for the House to hear about before we adjourn for the recess.

Mr. Simon Burns (West Chelmsford) (Con): I am sure that what the hon. Gentleman is going to speak about is very important. Given that, no doubt he will wish to stay for the winding-up speeches, which finish at 6 o'clock, so he may be a bit delayed in getting back to his constituency.

David Wright: Of course I will be here for the winding-up speeches. I will then return to Telford and hunt out those Easter eggs for you, Madam Deputy Speaker, and return with them in two weeks' time if I have not already demolished them.

The first of the four issues that I wish to bring to the House's attention is audio description on television. Yesterday, I met Caroline Ellis of the Royal National Institute of Blind People to discuss how we can ensure that digital television is fully accessible to people with sight problems and to examine some of the latest technology. Television plays a pivotal role in the lives of people with sight problems. Some 73 per cent.—nearly three in four—spend five hours or more a week watching television. It is a major source of information, news and entertainment, and 86 per cent. of people with sight problems would watch more television if more programmes were accessible.

With that in mind, the RNIB is encouraging more of the 2 million blind and partially sighted people in the UK, including about 3,000 in my constituency, to watch TV by switching on a free existing service called audio description. Many of the nation's favourite TV moments have never been fully enjoyed by blind and partially sighted people. Relying on the soundtrack means that they cannot follow what is going on.

I was shown a clip of a programme yesterday—it was "Doctor Who", which is one of my favourites and has a new series starting on Saturday. If I closed my eyes or looked away from the screen, I could not tell what was going on. One advantage of audio description is that in addition to the speech in the programme, there is commentary that fits in between the dialogue and describes the body language, expressions and movements of people on the screen. It makes the story clear through sound and is a fantastic innovation.

As well as giving people with sight problems access to the nation's favourite entertainment and drama programmes, audio description stops people feeling isolated and excluded, because they can discuss programmes with family and friends who are watching at the same time. At the moment, about 13 per cent. of programmes on digital TV have audio description, which is not nearly enough. Many of those programmes are repeats on channels such as The History Channel. It is still worth while tuning in, but we need to ensure that more programmes have audio description.

The service can be accessed on Sky, Virgin Media and some freeview boxes and integrated digital TVs. People can call an audio description hotline to get help, and I believe that the service brings a clear benefit to those with sight problems. The downside, as those with digital TVs will know, is that one has to navigate one's way through visual menus on the screen to select programmes to watch, which is difficult and frustrating for people who are blind or partially sighted. Audio description may be available on a programme, but they cannot access it because the digital menu is visual in nature. We need to take action on that so that people who are blind or partially sighted can navigate around the screen and secure access to the new services. We cannot have a large proportion of our population, including, as I have said, about 3,000 people in Telford alone, excluded from the service, given that in future digital television will be the only option.

Digital switchover will come to the Central ITV region from 2011. I know that there will be a help scheme to ensure that households that have a disabled person or an elderly person over 75 in them, including those registered blind or partially sighted, can convert to digital TV on one set. Eligible people who are partially sighted or blind could do with securing a quality set-top box with audio description and easy-to-use remote controls, so that the TV guide on the screen tells them what programmes they are selecting and what is coming on next.

The Government have not yet committed to ensuring that providers put audio description support into set-top boxes. It is important that they do so soon, so that all digital services have a talking menu, and a talking recording menu if there is a hard drive on the box. It would be good if the Government could commit to that initiative, which I am sure will secure cross-party support. It is important to thousands of people in constituencies across the country, and I would like to see it delivered as soon as possible.

The second issue that the House needs to be made aware of before what I see from the annunciator is the April Adjournment, rather than the Easter Adjournment, is post offices. This week, we had the long awaited announcement about post office closures in Telford. I think that it is fair to say that the impact on the constituency was not as great as many had predicted. It had been suggested that at least four post offices would close in Telford, but in fact just one, at Randlay, has been named for possible closure. Ten others will remain intact. The main problem with Randlay post office is that it is very close to Telford town centre and a short bus ride from a Crown post office less than a mile away. I have spoken to the postmaster at Randlay, visited the post office there and written to every resident in the community. Throughout the six-week consultation period, I will help local people to make the case for the post office to stay open.

Post Office closures are an emotive subject, but we need to examine the facts if we are to proceed logically. At present, we as taxpayers subsidise the national network to the tune of £3.5 million a week. That level of subsidy is clearly unsustainable, and some offices will have to close across the UK. That money could be invested in

schools, hospitals or local policing. Additionally, our shopping habits are changing and we are increasingly using the internet, the telephone and other outlets to purchase services and things we used to buy at the post office. New technology and the increasing preference for direct payments and online services have, and will continue to have, a significant effect on how post offices provide services to their customers.

We should not forget that locally, we have had some real successes in relation to post offices in recent years. I particularly want to thank the Co-op for its work to ensure that many post offices in Telford stay open. Three post offices have moved into Co-op stores: that has been extremely successful, and I am sure that similar moves have been successful elsewhere across the country. In Oakengates, Trench and Dawley the post office service is provided in the Co-op, where the environment is much better than that in the old offices. Post office services will remain at those three sites, and we will also be keeping services at Horsehay, Ironbridge, Brookside, Madely, Sutton Hill, Overdale and Telford town centre.

Some people have suggested that I voted in this House for the closure of post offices. That is absolute nonsense, and a display of the worst kind of political opportunism. The Opposition motion that we debated would merely have postponed the consultation exercise while options such as having local councils taking over post office services were examined.

In that debate, the Opposition made it clear that they would provide no new resources for post offices, and they were not even able to commit to maintaining the existing Government subsidy over the next decade. Also, I have seen no evidence that the Conservative-run Telford and Wrekin council will step in to save post office branches in Telford. If it were going to do so, it should give us the details of the plans and the precise amount of the council tax increase that would have to be imposed.

Mr. John Randall (Uxbridge) (Con): Does the post office that the hon. Gentleman is trying to save make a profit?

David Wright: I am meeting the postmaster of that office next Tuesday to look at the books. If it does make a profit, we will make the case that it should stay open and I shall work with local residents to that end.

I recognise that post offices provide a critical resource for many communities, and we must make sure that the network is both viable and sustainable. Sustainability is the crucial element: without funding from this Labour Government, thousands more branches would have been under threat and there would have been thousands more closures.

Of course, thousands of post offices closed under the previous Conservative Government, and as far as I am aware there was no compensation for sub-postmasters then. At least, they have received some compensation in recent years, and there has been a proper national debate about how we should move forward in respect of post offices. The Opposition campaign to keep open every post office branch in the country is a sham.

The third issue I want to raise is Ironbridge, which is a world heritage site. I am chairman of the all-party world heritage sites group, and I am very proud to have in my constituency the Ironbridge gorge, which was inscribed in the UNESCO world heritage site list in 1986. The inscription relates the area's role in the birth of the industrial revolution, and even people who have not visited will know the iconic image of the iron bridge over the River Severn.

The world heritage site is also a living community, with a resident population of about 4,000. They run businesses and live in the area, and there are also various museums along the gorge. The gorge itself attracts about 750,000 visitors a year, and about 300,000 pay to visit one or more of the 10 museum sites. The iron bridge was completed in 1779. As a symbol of the industrial revolution, it is recognised around the world. It is owned by the local council, under the guardianship of English Heritage.

The gorge is one of the UK's most important visitor attractions. Through various sources, the nation has spent tens of millions of pounds of public money over the years to make sure that it acts as a tourist magnet and an engine for the local economy. The gorge is therefore incredibly important, but it is under threat from land instability caused by a combination of natural geology, past mining activity and the fact that its hillsides have been loaded with tipped waste, buildings and infrastructure.

That instability is exacerbated by the flooding on the River Severn that happens every two or three years. A flood barrier has been established for the Wharfage, but the floods still cause significant erosion along the gorge. Generally, the land movement is quite gradual, but the times when it has been great and fairly catastrophic have resulted in the partial blockage of the river and caused the destruction of buildings and property. There is always the possibility that a blockage of the river could cause major flooding and damage, both upstream and downstream. Moreover, life and property could be put at risk if the clearing of that blockage caused a rapid release of water.

A lot of work has been done in the gorge, much of it in recent times. Studies of the scale and extent of the flooding problem have been carried out, and they have identified the areas at greatest risk. Ground investigations have been undertaken by the council and land movement is being carefully monitored. The local council and the Government have acted in a partnership to invest in stabilisation, at Jiggers bank in 2002 and at the Lloyds phase 1 in 2007.

Residents are aware of the problem. An information pack has been made available so that they can report incidents of land instability or any problems that they might encounter on their property. There is also an emergency plan covering the worst-case scenarios of what might happen in the gorge, but there is a need for further investment to ensure that the environment is stabilised.

The local council, in partnership with the Government, has undertaken a cost-benefit analysis, and it is estimated that we need to spend about £86 million to ensure that the gorge is safe in the long term. If we delay, the cost may rise to more than £100 million—an enormous amount of money, and one that the local authority on its own clearly cannot come up with. I am therefore working with the local council to try to lobby Ministers to ensure that we get a fair share of resources so that the required works can be carried out.

[Mr. Alan Reid]

generally. Despite the benefits of the new testing regime, there are serious deficiencies in the way in which the Government are introducing it.

In order to carry out the new practical test, the Government are constructing multi-purpose test centres. A few years ago, they agreed that most learners should be able to reach a test site within 45 minutes' travelling time and by travelling no more than 20 miles from their home. However, the construction of the new test centres is running well behind schedule. For example, in Scotland only two test centres are operational, one in Glasgow and one just outside Edinburgh. By September, when the new test becomes compulsory, the Driving Standards Agency expects only three more sites to be operational in Scotland—in Wick, Inverness and Kirkcaldy. That will leave a very large part of Scotland, including nearly all my constituency, well outside the 20 miles. In fact, some of the learner motorcyclists on the mainland parts of my constituency will have a round trip of well over 200 miles and even greater problems will face learners from the islands.

For example, at present the test can be carried out on the isle of Tiree. However, in future someone from there will have to make a three-day round trip, with two nights away from home, to sit the test. The DSA says that it is negotiating for other sites. Oban in my constituency was on the original published list of sites, but what the DSA terms the "Oban site" may end up in Fort William—44 miles from Oban and well over 130 miles from Campbeltown, which is at the other end of my constituency. Even if the Fort William site proceeds, and that is by no means certain, it will definitely not be ready by the time the new tests start in September.

There are no transitional arrangements; on 29 September, every learner in the country will have to go to one of the new test centres to sit their test. The new system has already resulted in a business casualty in my constituency. Just a few days ago, a motorcycle school in Oban closed; the owners said that there was no point in continuing to teach motorcyclists if they had to travel all the way to Glasgow to take their tests, rather than take their tests locally as they can at the moment.

I ask the Government urgently to rethink their plans for test centres. Better testing may well save lives, but only if it is accessible to learners. Under the current proposals it is not; round trips of hundreds of miles, or three-day round trips for islanders, cannot be considered to represent accessibility. I have already seen one motorcycle school close and I am sure that others elsewhere in the country will do so. Furthermore, there is a risk with the new scheme: people will be tempted to skip the test and use their motorcycles illegally if the test centre is too far away. Given the cost to society of a fatal accident—the human cost, plus the estimated £1.5 million financial cost—I urge the Government to ensure that there is an easily accessible range of test centres and to remember the 45-minute, 20-mile commitment that they gave a few years ago.

I want to raise another issue, which is of great concern to the hill farming community in my constituency—the European Union proposals for electronic sheep tagging. They are still at the consultation stage, but the current proposals for the recording of individual sheep movements are completely impractical in a hill farm setting. They would involve recording each individual sheep's identity when a batch of sheep was being moved, but that is simply not necessary; recording the batch movement itself would be just as good for the purposes of disease control and food safety.

Batch recording is in use at present and delivers a sustainable and robust method of recording sheep movements. It delivers food traceability and disease monitoring, as was demonstrated during last year's foot and mouth outbreak. Through the batch recording of sheep movements, every sheep in Scotland was traced within three days of the outbreak on 3 August. The current proposals are completely impractical in a hill farm setting, where flocks can be made up of more than 1,000 animals. The price of sheep is so low that the sheep farming industry simply could not sustain the price of electronic identification technology. When a batch of sheep is moved, recording batch movements, rather than each individual sheep's identity, is perfectly adequate for disease control and food safety purposes. I urge the Government to ensure in the negotiations at EU level that the proposed regulations are modified to reflect that.

There is mounting concern in the Scottish shipbuilding industry at the delay in signing the contract to build the new aircraft carriers. The shipbuilding industry supports thousands of jobs in Scotland and is desperately waiting for the new aircraft carrier contract. I hope that the Government will sign that contract soon to allow the work to start. I also want to make the case for the carriers, once they are in service, to be based at the Clyde naval base at Faslane. Faslane has superb facilities. It is a superbly sheltered anchorage that gives enough clearance for large ships such as the new aircraft carriers to dock at low tide. There is enough space round about to accommodate all the back-up support that the carriers would require, as well as plenty of skilled workers within easy travelling distance and plenty of empty Ministry of Defence housing. Faslane has the setting, in the Gareloch, and the local infrastructure and work force to be an ideal location for basing the new carriers.

My next subject—this time it is not a complaint but a welcome—is the Competition Commission's proposal for a new grocery supply code of practice, with the easily remembered acronym of GSCOP, and an ombudsman to police it. I welcome that recommendation because the current supermarket code of practice has proven ineffective at protecting farmers and other suppliers from exploitation. A good example is the huge difference between the price of milk at the farm gate and on the supermarket shelf. When the Select Committee on Environment, Food and Rural Affairs investigated that, it could never quite get to the bottom of where all the money was going, and the new code of practice and ombudsman are ideal for that purpose. I hope that the Government will take those proposals on board and give them their backing, and that GSCOP and the ombudsman will quickly be put in place.

Finally, I want to raise an issue that has been raised by almost every hon. Member who has spoken—post offices. In my constituency, the axe has already fallen and eight post offices have closed, but that may not be the end of the matter. It may be the end of the compulsory closures in this scheme, but I am worried about the long-term viability of many of the post offices that have escaped the axe.

Simon Hughes: My hon. Friend is right to be concerned, because sometimes even when one is given a promise, as we were during the last set of closures, that is not the end of the matter. We were told that the closure of two post offices—Abbey street and Bermondsey street—would result in the Dockhead service being strengthened and made more successful for the future, as it has been, but we now discover that the Post Office is saying that another one has to go. He is absolutely right to take these promises of "closure now and all safe later" with more than a pinch of salt.

Mr. Reid: I am grateful to my hon. Friend; he is quite right.

The main concern of all the postmasters and postmistresses in my constituency is what is going to happen to the Post Office card account after 2010. We are still waiting for a formal announcement from the Department for Work and Pensions. If the Post Office is not successful in being given the POCA, I can envisage far more post offices in my constituency being forced to close. A warning of what could happen came when the TV licence contract was given to PayPoint. PayPoint has a large network of shops throughout the country, but they nearly all tend to be in towns and large urban areas—they do not have a rural network. For example, several islands in my constituency have a post office but no PayPoint outlet, so people cannot pay their TV licence over the counter any more, and the whole of the rural north Argyll area has no PayPoint outlet but several post offices. There is fear that the Government may give the contract to the likes of PayPoint or a consortium of banks, which do not have the rural network that the Post Office has.

I urge the Government to write into the specification of the contract that whoever wins it must have a rural network—and an island network, which is important for my constituency. If the Post Office does not win that contract, it will mean the axe for a huge number of other post offices, and it will make it difficult for people to collect their pensions and benefits. I urge Ministers in the Department for Work and Pensions to specify that whoever wins the contract, it must have a large rural network. I believe that the Post Office is the only organisation that can deliver that contract. The announcement must be made fairly soon to give security to postmasters and mistresses.

Thank you, Mr. Deputy Speaker, for giving me the opportunity to raise those issues. I hope that the Deputy Leader of the House will pass them on to the relevant Ministers. I wish you, Mr. Deputy Speaker, all hon. Members and all staff of the House a very enjoyable April recess.

4.30 pm

Mr. Dai Davies (Blaenau Gwent) (Ind): I am grateful to be able to raise a few issues on behalf of my constituents, although I can certainly relate to a number of the other issues raised by hon. Members today.

The first issue is the minimum wage and the low-paid. We have heard a lot over the past few weeks about the minimum wage rising to £5.73 an hour, but when we look at the moneys that people actually receive on that sort of wage, we find a 40-hour week giving £11,950 a year. If we add the basic working tax credit and the child tax credit, we have a total of £14,295. We are told that the poverty level is anything below £15,000 a year, so we can see that there are significant problems with the level of the minimum wage. I support the comments of the right hon. Member for Sheffield, Brightside (Mr. Blunkett), who said that the minimum wage needs to be reviewed.

I am told that the average wage in my constituency is £18,000 a year. If we take a simple figure of 10 people, with one of them earning £100,000 and the other nine earning £10,000, we find that the average is £19,000. But only one of them would be on a significant wage, so averages are very misleading. If we take out those on significant earnings, such as the Member of Parliament, local authority officers, doctors and nurses, we find that the people earning lower wages in factories and shops are nowhere near even the average wage in my constituency, but we expect those people to pay rising fuel bills and council tax bills. That shows just how difficult it is for people to survive.

My constituency has the highest rate of band D properties in Wales. According to any of the other statistics that we could look at, it is one of the poorest boroughs—we have high deprivation levels—but we pay the highest council tax, at band D level. The average house price is £110,000. Even if someone was on the average wage—if it was £18,000—how on earth would they afford a property that cost £100,000?

Alongside that is a case that has been discussed in this House on many occasions—council housing. There should be support for councils so that they can have a level playing field with housing associations and other providers of social housing. The worry is how long social housing lasts. Is it up to the first buyer, or the second buyer? How long is shared equity? Is it for life? How do those who buy at shared equity levels ever move on? It is necessary to ring-fence social housing to ensure that affordable housing is always available. It is extremely difficult for people with an income averaging at about £15,000, £16,000 or £17,000 to get a mortgage at the level of £60,000, £65,000 or £70,000.

I support wholeheartedly the scrutiny of MPs that has been initiated during the past few months with regard to how we operate, how we are paid and how we are paid expenses, but it should apply to all those paid by the public purse, including local councillors and MEPs. It should not stop at the House. I asked several local councillors and officers for whom they work, and the answer was invariably the same: the local authority. I asked again, "Who do you work for?" and they answered again, "The local authority." Not once did anyone say that they work for the people, that they are paid from the public purse and that they are there on behalf of the people. There will always be times when they cannot deliver the people's expectations, but hiding is not the answer.

We have heard about planning and house building. If land is in the ownership of the borough council, who owns it? When a borough council decides to sell off its land, surely it should ask the people. Around our community, there are fields and green areas owned by the borough council, but sold off for development with almost no consultation.

There is a huge difference between consultation and negotiation. If there is to be consultation, it should be meaningful. If there is no intention to listen and pay

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heed to those consulted, it should not be done. The credibility of politics is a problem for all of us. Not listening to the people whom we represent is a cardinal sin. We may not like what comes back from the community, but we walk away from it at our peril. We are driving people away from the political process. When we have local consultation and the involvement of local people, they should drive the decisions. They should be involved at every opportunity, but we do not involve them; we isolate them at every opportunity in the hope that perhaps they will go away.

The previous debate was about the drugs strategy. I intended to speak then, but I hoped to contribute to the current debate, so I left my comments until now. I pay tribute to the hon. Member for Bolton, South-East (Dr. Iddon) for his work on the all-party group on drugs misuse. Recently, we met a group of young people from all over the country to discuss the drugs strategy. The first thing on which they picked up was the lack of input from young people. There are few conversations with young people. They do not have to be with those who take drugs; they could be with those who would argue against that. We should ask for their input on what we should do to prevent young people from becoming addicts. Schools and education are huge topics, and time and again young people say, "No one asks us. We are told what education we should receive, but we're not asked."

Let me consider inactivity. When the Government pledge funds to community facilities, I am sure that we all support that. The problem is how long the funding will last and whether it is short-term funding, with borough councils then saying that they cannot afford to help and support community centres and youth projects. It is no good funding something for six months, 12 months or two years. If we cannot fund according to need, there is no point in funding.

We need to fund more youth workers and social services so that the contact with those who need them happens where the problems occur. I recently spoke to some of our police officers, who said that they were providing cover because there is no input from social services and not enough youth workers. We need to be proactive, not reactive. At the moment, we put pressure on our police forces to be reactive rather than putting permanent structures in place. Yes, that means money, but if it is well spent, it will pay dividends in future. I hope that the Government will listen to some of those arguments.

Mr. Deputy Speaker, I wish you, the staff of the House and all hon. Members a peaceful and restful recess.

4.39 pm

Mr. David Amess (Southend, West) (Con): I join other hon. Members in sending my best wishes to the hon. Member for Cleethorpes (Shona McIsaac), who is not currently in her place, on her birthday. Whatever her age, she does not look it. The Deputy Leader of the House smiles; I hope that she will deal with all the points that the hon. Lady made. I share with my hon. Friend the Member for Uxbridge (Mr. Randall) his passionate support for ladies playing sport. Like him I have a daughter who plays sport—mine is a successful female footballer—so I applaud any strategies to encourage ladies to play sport.

There are 10 points that I wish to raise before the end of this April Adjournment debate. Because of the shortage of time I will rattle through them, but the Deputy Leader of the House is very good at ensuring that I receive answers to my points in due course. My first point is about parliamentary questions—a subject that was raised at business questions earlier. The Leader of the House gave an assurance that the practice of Departments referring hon. Members to websites would no longer be seen as satisfactory.

The reason why I ask a lot of written questions is that I do not always receive answers to my original questions. To give the Deputy Leader of the House just one example, last year I asked the Home Secretary about her meetings with Sir Ian Blair. I did not expect her to tell me the detail of every location and so on, but the process of answering that question has been tortuous, and at the end of it all I am still none the wiser. Some Departments are splendid and give good answers, but others are very tardy.

Now that my hon. Friend the Member for West Chelmsford (Mr. Burns) has returned to the Chamber, I want to congratulate him on his campaign to improve the A12 network, which, as an Essex MP, I know would certainly benefit my constituents.

Mr. Burns: I am grateful for my hon. Friend's generous comments, but it would be unfair of me to take all the credit for what is happening. Essex county council is doing tremendous work, as he knows, but I also pay tribute to the *Essex Chronicle*, my local paper, which, in the finest traditions of all local papers, has mounted a vigorous campaign to get action to redress the problems on that important road.

Mr. Amess: In the true modest style of an Essex Member of Parliament, my hon. Friend is not taking the credit for the campaign. I join him in congratulating his local newspaper on its campaign.

Secondly, I am the chairman of the all-party group on inflammatory arthritis. There is a type of arthritis called—I hope that I can pronounce this properly—ankylosing spondylitis, which is a chronic degenerative arthritis of the joints that causes inflammation at the sites where ligaments and tendons attach to the bone. Ankylosing spondylitis is an incredibly painful type of arthritis that is quite difficult to treat and for which there is no known cure. However, there are treatments and medications available to reduce the symptoms and the pain.

The National Institute for Health and Clinical Excellence recently undertook an evaluation of the latest treatments for adult patients with severe forms of the condition. After considering all the evidence, NICE recommended that the two most cost-effective treatments should be available to patients through the NHS. Those treatments can also be administered by the patient at home instead of in hospital, thereby enabling them to take control of their condition and medication. That is a good decision, supporting a modern NHS.

However, although its evaluation has been lengthy and thorough, NICE has acknowledged that the appeal hearing against the recommendation, which took place

this week, could lead to further delays before guidance is finally issued. I would therefore ask the Deputy Leader of the House to have a word with the Minister of State, Department of Health, the right hon. Member for Bristol, South (Dawn Primarolo), to see whether something can be done to expedite matters.

My third point concerns people using mobile phones while driving cars. My view on mobile phones was shared by the late and much lamented Eric Forth. I have asked the Department for Transport a series of questions about the number of prosecutions of people using mobile phones. The answer, from the Under-Secretary of State for Justice, the hon. Member for Liverpool, Garston (Maria Eagle), was very instructive. I am absolutely baffled by the disparity between regions. The legislation was introduced in December 2003, but in some areas no prosecutions or proceedings have ever been instituted, so the law is simply not being enforced throughout the UK. I have lost count of the times I have been stuck behind a lorry whose driver is obviously involved in an interesting phone call and showing no regard for other road users. This is a serious problem, and I hope that we can start to take it a little more seriously than we seem to at the moment.

Dr. Vini Khurana, an eminent neurosurgeon in Australia, has just produced an interesting paper stating that there is a direct causal link between people using mobile phones and the incidence of brain tumours. Once upon a time, Members used to present petitions about mobile phone masts and similar issues. That all seems to have gone very quiet at the moment, but it has certainly not gone quiet as far as I am concerned.

I was honoured to be the only UK representative at the recent Taiwanese elections. Compared with what has been going on in Zimbabwe, it was a joy to go to Taiwan and to see people enthusiastically grasping the opportunity to vote in an election. The election was fought rigorously between the KMT and the ruling Democratic Progressive party, and the KMT won, receiving the largest percentage and number of votes in the history of Taiwan. I was also fortunate enough to meet the new President, Ma Ying-jeou, on the evening of his election. I was struck by his warmth and humanity, and by the clear vision that he had for the future of his country, given all the challenges of trying to work with China and of not becoming isolated.

I hope that the Deputy Leader of the House will pass on my thanks to the Minister of State, Department for Transport, the right hon. Member for Doncaster, Central (Ms Winterton). In the Christmas Adjournment debate, I made a plea for money to help to tackle cliff slippage, and she listened to my plea. I was supported in my representations by my hon. Friend the Member for Rochford and Southend, East (James Duddridge), and we were delighted to receive the extra funding. It is being well used, but I am sure that the Deputy Leader of the House can guess what I am going to say next. Southend needs more money, because there is now further slippage closer to the town centre, so I hope that the hon. Lady will once again be able to work a charm offensive with her right hon. Friend.

Another issue that hon. Members are trying to deal with at the moment is that of hospital parking charges. I remember clearly when those charges were first introduced. Labour Members who were then in opposition protested about them, but they are now widely accepted. My hospital in Southend is land-locked; there is no room for it to expand. My constituency has a huge number of elderly people. They are not lazy; they need their cars to get to the rheumatology clinic, for example. The parking charges can range from £2 to £4, and that can soon mount up for people visiting a loved one with cancer, for example. The hospital is now building a multi-storey car park, but that is causing further difficulties. Will the Deputy Leader of the House have a word with her ministerial colleagues to see whether they have a view on this matter?

Another issue that I have raised before in these Adjournment debates concerns a constituent named David Clark. Ten years ago he was working for Essex police as a police officer. He was forced to retire from his job on medical grounds, following bullying and harassment by senior officers. This is too complex a story to develop in just a minute, but it is all to do with whistleblowing. My constituent did a splendid job in his time with the police force. His maltreatment followed his managing an investigation into theft and stolen goods in 1997. He did the right thing and decided to pursue legal action against the chief constable of Essex in July 2006. In the recent High Court hearing, Mr. Justice Tugendhat ruled in my constituent's favour and, nine months on, in June 2007, he received £93,000 in compensation from Essex police force in an out-of-court settlement. What is not acceptable is that the costs of the case—£35,000—have still not been paid, which is putting my constituent under a huge amount of strain.

During the High Court hearing, the judge condemned the detective sergeant involved as "not capable of belief", and said that he could not be regarded as a "candid witness". He made a number of criticisms of the organisation of the Essex police, which he said was in stark contrast to my constituent, whom he considered to be a "careful and honest witness". Most frustrating of all, my constituent has tried over and over again to arrange a meeting with the chairman of Essex police authority, to absolutely no avail. I find that desperately disappointing.

The hon. Member for Argyll and Bute (Mr. Reid) raised an issue involving his local driving test centre. My hon. Friend the Member for Rochford and Southend, East and I are confronting exactly the same issue, and we are very concerned about it. I will not be disloyal to my former constituency, Basildon. I will simply say that to relocate the entire test centre to Basildon will cause huge problems in Southend, because it means a journey of nearly 14 miles. I strongly support the efforts of the Southend and District Driving Instructors Association to save the Southend centre.

The penultimate issue that I wish to raise concerns Mr. and Mrs. Eeles, who came to my surgery recently. The couple, aged 71 and 76, took a one-day coach trip to Belgium to buy cheap tobacco. They acted within the law: they bought 3 kg. The Customs officer stopped Mrs. Eeles and detained her—an elderly person—for two hours, confiscating her legal amount of tobacco. That was absolutely crazy. Mrs. Eeles is very upset, and I support her in all the representations that she is currently making.

Finally, I want to say something about a young lady in my constituency called Felicia Cantone. Last week a local newspaper ran the headline "Felicia loses leg but has just two days off". The story was about a 10-year-old

[Mr. Amess]

girl who returned to school two days after her leg was amputated. She had to have that horrific operation to prevent the spread of bone cancer—a rare type of cancer called Ewing's sarcoma, which was first diagnosed when she was seven. She is an incredibly brave girl, and she returned to school in two days. Apparently, the operation increased her chance of survival from 20 per cent. to 40 per cent.

The point that I want to make—and I do not say this is a joke—is that Felicia needs a prosthetic leg, and cannot obtain one from the national health service. I am baffled by the reasons for that, but there are all sorts of problems: for instance, she is very young and is growing quickly. The family are fundraising locally in order to send her to America. It is an extraordinary case. I hope that after I have written to the Deputy Leader of the House with more details, she will ask the Department of Health to consider it.

I join other Members in wishing everyone a very happy April break.

4.53 pm

Mr. Stewart Jackson (Peterborough) (Con): It is a pleasure to follow my hon. Friend the Member for Southend, West (Mr. Amess). I, too, send birthday greetings to the hon. Member for Cleethorpes (Shona McIsaac).

It is a year or so since I had an opportunity to speak in an Adjournment debate. Things have moved on quite well in Peterborough during that time, not least given the prospect that the Posh will be promoted to league division 1 for next season. They are currently top of the league.

Last September saw the opening of the Thomas Deacon academy, the largest academy in England and Wales. We have had the first tranche of city centre regeneration, and the planning application for the North Westgate development has been submitted to Peterborough city council. The super-hospital is about to enter a new stage of construction, and we hope it will be opened in 2011 or 2012, and we also have other interesting projects connected with the regeneration of Peterborough.

I shall now briefly raise some key issues. First, I beg the indulgence of the House as I wish to return to the matter of post offices. It is often forgotten that a reduction in the urban network is also a major issue. Under the rather Orwellian-sounding urban reinvention programme, my constituency has lost six post offices in the last six years, reducing the total from 23 to 17, and we fear that when in July the proposals are put out for consultation across Cambridgeshire—and Northamptonshire, I believe—we may lose another six to eight just in the Peterborough constituency. I know that my hon. Friend the Member for North-West Cambridgeshire (Mr. Vara) is leading the campaign in his constituency against post office closures, and I pay tribute to Sir Peter Brown, the Cambridgeshire cabinet member for communities, who is co-ordinating all the local authorities and other key stakeholders in Cambridgeshire to put the case for keeping those post offices open. That is needed, not least in my constituency; I once described the Crown post office at Cowgate as resembling a Dickensian soup kitchen because it was completely overflowing with people, and the queues can go out on to the street, particularly in the summer. The idea that we can lose another six to eight sub-post offices is barmy.

Flag Fen is one of the finest bronze age settlements in Europe, but it is desperately short of money. Sadly, its manager, Georgina Butters, recently left because there is insufficient funding. Although it has had some money remitted via English Heritage, there is not sufficient funding to develop both the artefacts and the tourism and leisure side of the site. It would be a great shame if Flag Fen were to be left to close, and its great attractions were to be lost to Cambridgeshire and the country as a whole.

Members will know of my consistent interest in the issue of the fortification of some foods with folic acid, which is mainly as a result of the fact that the Association for Spina Bifida and Hydrocephalus is located at Park road in Peterborough. There is an unanswerable case that folic acid helps to reduce massively, if not completely eliminate, neural tube defects and appalling disabilities such as spina bifida and hydrocephalus, which afflict hundreds of families a year and cause hundreds of elective terminations. That can be ameliorated if folic acid is introduced into women's diets before they become pregnant. Last year, the Food Standards Agency cleared the way in making that case, but unfortunately there has been a delay in respect of a ministerial recommendation. I hope Ministers will look very favourably on the huge weight of scientific evidence, because this is about people's lives—it is about the quality of children's and families' lives. It is time that we followed the lead of the United States and 32 other countries across the world, and embraced the fortification of some foods with folic acid.

Another major health concern in my constituency is chronic obstructive pulmonary disease. In Peterborough, about 2,700 people suffer from the condition; it is the fifth biggest killer in the United Kingdom, and the people in my primary care trust area are 10 per cent more at risk of hospital admission than those elsewhere in the UK—indeed, it is described as a COPD hot spot in the east of England. I was recently privileged to attend and speak at an event at the Thomas Walker medical centre in Huntly grove: a British Lung Foundation reception and launch for its Breathe Easy campaign. It is important that Government understand how important this issue is. We do not know why the condition particularly affects Peterborough. Long ago, Peterborough moved on from being a large industrial engineering city and a railway city, but agricultural materials are burnt in the area, and agriculture, food processing and packaging takes place across the area. The combination of those things might mean that our area is particularly afflicted by that condition, and, indeed, by asthma, which is also a significant problem. The last figures showed that my local Peterborough primary care trust was ranked 32nd highest for asthma admissions out of 300 trusts nationwide.

The final health issue that I wish to discuss is teenage pregnancy, which is a major problem. It is a badge of dishonour that my constituency and the city of Peterborough is the teenage pregnancy capital of the east of England, and that, regrettably, the trend in my area is either stable or rising, rather than reducing, as it is in so many other parts of both the east of England and the country as a whole. That is particularly the case given that some 43 per cent. of the 190 young women

between the ages of 15 and 17 who fell pregnant in 2006 in my area chose to have an elective abortion—that is a tragedy and social catastrophe. We must do more. We must not just repeat the mantra of sex education and more access to contraception. Although it may be unfashionable, there must be a moral aspect to this issue, and girls and young women should be given different paths to go along. This is not just about sex education.

The main substance of my remarks will not be about that issue, but about the report produced earlier this week by the House of Lords Select Committee on Economic Affairs entitled "The Economic Impact of Immigration". It is timely that we debate that report, albeit during the debate on the April adjournment. I hope that Ministers will find Government time in the next Session to debate the issue, because I believe that unfettered, unrestricted and uncontrolled immigration has, in many respects, been a social disaster for this country in terms of social cohesion, community relations and the economic situation in many towns and cities, particularly in the east of England.

Immigration has had a massive impact in a small number of areas, not only Peterborough, but Breckland, King's Lynn, Boston and other parts of both the east of England and the rest of the country. It has had a big impact on the delivery of housing and health services—indeed, I was advised only today of a big increase in tuberculosis in the Peterborough city council area. That is just one of the side effects of large-scale, unfettered immigration. It also has an impact in respect of policing, the issue of people trafficking and the sex trade, adult social care and, in particular, education.

The issue that I would like to discuss most is the entrenching of welfare dependency, particularly in the host community. Who would have believed that a Labour Government would have allowed such uncontrolled immigration as to leave us nationally with a situation where 5.2 million people are on benefits, where we have to recruit low-skill, low-wage people to do jobs that our own people should be doing and where we tolerate slum housing, low wages and poor working conditions because we are told spuriously the Government's bogus argument, advanced by the Minister for Borders and Immigration, the Home Secretary and others, that immigration has produced benefits to the value of £6 billion a year? That argument has been conclusively demolished by the report produced earlier this week. I feel vindicated by that cross-party report, which has been produced by experts and has rubbished the Government's campaign of misinformation on unprecedented and uncontrolled immigration. Sadly, it is five years too late. I feel that I have ploughed a lonely furrow on this issue. If one ever mentioned the subject hitherto, one was inevitably accused of racism even though it is incumbent on every Member to judge the situation in their constituency and to speak up for their constituents, irrespective of their race, religion, creed or colour. I have done that.

I have never taken the view that immigration per se is a bad thing—I believe that controlled immigration is a good thing. Such massive economic and social change has come at a high price, with a massive strain on community resources, the delivery of public services, resentment between communities irrespective of racial group and, in particular, the embedding of a low-wage, low-skill economy and the pricing out of many people onto jobseeker's allowance and other benefits.

If we consider the situation in Peterborough over the past few years, we see that the number of those on active jobseeker's allowance rose from 1,640 to 2,280 between 2001 and 2007. The median gross weekly rate wages have declined from £447.10 to £421.90 over the past two years. The number of NEETs—those not in employment, education or training—has risen. In fact, there was no change overall in the five years between 2002 and 2007. Some 4,500 people in Peterborough have been on benefits for more than five years.

Did no one think that this would happen? When the Government told us that between 8,000 and 15,000 people would come from the European Union countries in 2004, did they consider what the impact would be on a constituency such as mine? In my constituency, 49 per cent. of pupils achieve five GCSE grades from A to E, the lowest in the east of England. We have the third lowest proportion of adults with degree-level qualifications and the third highest with no qualifications. We have 10 super output areas of the most deprived 5 per cent. of the region. One in 14 of my constituents is on incapacity benefit and 24 per cent. of jobseeker's allowance claimants are in the 16 to 24 age group. Self-employment levels are low and the resident earning figures reduced over the past few years.

We were told that mass immigration was a panacea, and the Government told us that it was a "good thing". There was no proper methodology or analysis and no economic study was undertaken to see the impact on a low-skilled, low-waged, low educational attainment constituency such as mine, which is moving from a heavy industry, railway-focused economy to a more service-based economy.

It could be said that Peterborough is the victim of its geographical circumstances. It is on the A1 and the A47. It is a transport hub and naturally the sort of place where businesses would consider developing the service industry, the food processing and packaging industry, transportation and logistics. It is at the centre of a rural area near south Lincolnshire, Northamptonshire and the rest of Cambridgeshire. However, no thought was given to the impact of 20,000 EU migrants coming to the city and what would happen to primary care, primary schools, transportation, policing and other services.

It has been lonely to put this case. It has not always been fashionable to make the arguments that I have made today. I have held two Adjournment debates on the subject over the past two years, one last June and one the year before that. I feel vindicated by the report. I feel that I have done my duty to my constituents. I welcome those who want to make a better life for themselves and their families and contribute to my community, but the Government have failed dismally in their responsibility to have regard to social and community cohesion, a good balance and proper controlled migration. When I talk to my constituents I find that when the election comes, this Government will be driven from office.

5.10 pm

Mr. Peter Lilley (Hitchin and Harpenden) (Con): It is a great pleasure to follow my hon. Friend the Member for Peterborough (Mr. Jackson). I shall allude to some of the issues that he raised, because I share some of his concerns and views.

[Mr. Peter Lilley]

First, I want to raise some issues affecting my constituency that have the common theme of housing. My hon. Friend the Member for Southend, West (Mr. Amess), who was hoping that I would launch straight into cannabis, in which case he would have stayed, now knows that he is free to depart, unless he wants to stay for quite a long time.

I turn first to the provision of accommodation for Travellers and Gypsies in my constituency. Like everybody else, they need homes, and we have to provide accommodation for them somewhere in the eastern area. Following the lead of my hon. Friend the Member for St. Albans (Anne Main), I raised the matter in a debate in the House, and I wish to return to it because we did not get a satisfactory answer about two things from the Minister who responded. The first was why such a high rate of growth of the population of Travellers in the eastern areas is assumed. Why is it assumed that the Traveller population is increasing more rapidly than the population of Africa, which has the highest growth rate otherwise known in the world? Why is such a large growth rate built into demands for provision that are being imposed on local authorities?

Secondly, we want to know the rationale behind the policy of requiring the local authorities that already have the highest number of sites for Travellers to provide the highest number of additional sites. People in the part of my constituency that falls within the St. Albans area are particularly incensed, because St. Albans already has by far the largest number of sites for Travellers in Hertfordshire, yet it is being required to provide nearly twice as many as most other local authorities, and the highest number in Hertfordshire. Surely that is not fair. I hope that the Government will require the Government office for the east of England to think again and advise the East of England regional assembly likewise that it should not follow such a policy. It puts a blight on my constituency, because so many sites have to be considered. The sooner the whole matter is resolved, the better it will be for everybody, Travellers and settled population alike.

The settled population—the vast majority of our constituents—also need homes. In Hertfordshire, we have in the past met the targets for building new homes for the existing population, and we have done so without building on the green belt in my constituency. That is becoming increasingly difficult, because the targets imposed on us have been raised, raised and raised again.

North Hertfordshire district council now has to provide an additional 15,000 homes. The Government have already given permission for the building of an initial 3,600 homes west of Stevenage—the largest incursion on the green belt that has ever been known—yet that additional demand has been put upon us. My constituents are worried, because in seeking sites for that large number of homes, the local authority has to consider an even larger number of potential options. So large areas of the constituency are being examined as potential areas although—thank heavens!—not all will be selected to meet that target.

That problem has caused concern, disturbance, anger and resentment, but those emotions are nothing compared with the outrage that has greeted the discovery—the exposure—that officials from the Department for Communities and Local Government have had meetings with their counterparts in Luton borough council, South Bedfordshire district council and Bedfordshire council, as well as with representatives of the developers, Blore Homes, to consider building homes in the North Hertfordshire district council area of my constituency. Moreover, they met without informing or inviting officials or councillors from North Hertfordshire district council or Hertfordshire county council, and they did not let me know that the meetings were taking place.

In other words, the DCLG considers that it can meet its targets by building in our district, on the beautiful stretch of land between Luton and the ill-named but extremely lovely part of my constituency known as Lilley Bottom. That name has nothing to do with me, although it may possibly have something to do with my ancestors. I wrote to the Minister for Housing a couple of weeks ago, as soon as I learned what had been going on. I wanted to know why Government officials had met developers and local authority staff to consider building in my constituency without letting my local authority or me know. So far, I have had no reply.

The Deputy Leader of the House will respond to the debate. Although she will probably not be able to explain why I have received no reply, or give me the answer that I need, I hope that she will make sure—post haste—that her colleague replies to me. The anger in my constituency will only be compounded if Ministers fail to tell us what is going on, or to apologise for what has gone on so far.

Why do so many homes need to be built? Why have the targets been raised? Sixty per cent. of the additional homes that we need are simply the result of the existing population living in smaller households. That happens because people are leaving home earlier and living longer, and also—sadly—because families split up. The average household size declines each year, with the result that a county such as Hertfordshire—or anywhere else—needs roughly 0.5 per cent. more houses each year. That accounts for the 60 per cent. of additional homes to which I have referred. However, those additional homes will require little extra infrastructure. We will not need more schools or hospitals, and probably no more roads, electricity or water. We need that extra infrastructure only when there is an increase in total population, and that is exactly what is happening in this country.

The excellent report from the House of Lords Economic Affairs Committee highlighted the fact that net immigration into this country is causing a substantial increase in population. Based on the Government Actuary's projection, I calculate that our net population will increase by 190,000 a year through net immigration—and, of course, we must not forget those people's offspring. Indeed, nearly 40 per cent. of the new households that we need in this country will be the result of the policy of allowing immigration to exceed by so much the number of people returning home or emigrating.

The Economic Affairs Committee report also said that two thirds of the new households in Greater London are the result of net immigration. Although there is remarkably little direct immigration into Hertfordshire, we see its consequences. People of all ethnicities move out of London into the county and, individually, they are welcomed—after all, many of the people in Hertfordshire came from London originally. However, the net inflow into London has also produced a huge

net outflow. Much of it has been into Hertfordshire, and that is what has created the problems that I have described.

We have had 17 statements about housing demand and supply in the 25 years that I have been a Member of Parliament—no, 17 statements in the 10 years that the Government have been in power—not one of which has mentioned net immigration as a cause of the extra demand and the need for extra supply. So the Government have been trying to obscure what is going on.

Personally, I have always taken the view that most immigrants are not, as they are often caricatured, scroungers, criminals or welfare-dependent. They are hard-working, law-abiding, decent people who want to come to this country to work hard for the benefit of themselves and their families and to make a contribution to society, but they need homes. It would be monstrous to allow people to come to this country and then not to provide the additional homes that they will need in due course. I want to highlight the hypocrisy of parties that encourage immigration and oppose restrictions on immigration but then campaign against the need to build additional houses whenever and wherever it occurs. I hope that the hon. Member for North Southwark and Bermondsey (Simon Hughes) is listening to my remarks, because he has said in the past that one way in which he diverges from me and cannot understand me is on my desire to place a restriction on immigration to this country.

Simon Hughes *indicated dissent.*

Mr. Lilley: The hon. Gentleman said so in a debate on the subject, and he can look it up in *Hansard*, if he has any desire to resile from that position. I hope that he will have words with the Liberal Democrats in my constituency, who oppose every proposal to build houses, while not being prepared to do anything about the cause of a larger population in this country.

Simon Hughes: Will the right hon. Gentleman give way?

Mr. Lilley: I will give way to the hon. Gentleman in a moment, as soon as he has thought of a good line to take.

My hon. Friend the Member for Peterborough said that his had been a lone voice in highlighting the issue—not quite alone, because I have been doing so for some while. In 2005, I published a pamphlet called "Too Much of a Good Thing? Towards a balanced approach to immigration". Instantly, of course, Liberal and Labour opponents declared that I must be a racist, because I was discussing immigration. They were laughed out of court, because people in my constituency know that I have spent the past 25 years working extremely hard with the Bangladeshi, Pakistani and Sikh communities to integrate them into the broader community. So that attempt to silence me did not work and probably rebounded on those opponents, as was shown in the subsequent election result.

Simon Hughes: I am very happy to continue a conversation later with the right hon. Gentleman, but, first, I have never taken the view that there should be no limit on immigration. That would seem an illogical view to take given this country's size. Secondly, I was a dissenter in my own party when the view was taken that we should have no delay in the new east European entrants being allowed in immediately. I took the view that we should do as the French and others did, which was to have a gradual process, which was eventually done for Bulgaria and Romania. Thirdly, I am certainly always willing to engage with colleagues from any party, if they believe that they cannot have extra house building in their own communities when the population nationally is going up. I spend a lot of my time telling my own colleagues as well as others that everywhere must take its fair share of additional housing and the additional number of people who come to this country.

Mr. Lilley: That is good; I shall be able to quote the hon. Gentleman to his colleagues in Hertfordshire, and I suspect that they will disown him as he has effectively disowned them.

I want to comment on two aspects of the Government's response so far to the Lords Committee report on immigration. First, they revert to asserting, "But still net immigration contributes £6 billion a year to the economy." They are using a half-truth in a way that would be monstrous if they were to use the other half. It is true that immigrants contribute an extra £6 billion in goods and services to the gross domestic product, but it is equally true that they consume £6 billion in goods and services from GDP. It would be monstrous if anyone said therefore that immigrants are a net burden of £6 billion on the economy, but that could be done with as much veracity as Ministers saying that immigrants are making a net contribution of £6 billion. Immigrants produce £6 billion, and they consume £6 billion. Most of us roughly consume as much as we produce. Indeed, the nature of Government statistics means that they automatically produce as much as they consume.

Mr. Stewart Jackson: Does my right hon. Friend agree that it is strange that in the week when the 10p tax rate was abolished—a change that will affect 5.2 million people who earn between £5,000 and £18,000—the Lords report found that it is the low-skilled, low-wage work force who, under a Labour Government, will be most disadvantaged by the policy of uncontrolled and unfettered immigration?

Mr. Lilley: It is, and that is an indictment of those who have tried to pretend that that is not happening. The Lords Committee made the important point that if we try to meet so-called labour shortages—skills shortages—by importing skills from abroad rather than by skilling-up our own people and rewarding those who acquire those skills, we will permanently keep an unskilled, low-paid element of our population. That is one of the most malign consequences of the policy that the Government have been pursuing for the past 10 years—a policy that I hope they will bring to an end as a consequence of the report.

Ministers have commented on the Lords Committee's suggestion that a limit or broad target be set annually to bring about a more balanced relationship between immigration into the country, and emigration and return from it. The Government's response has been, "That's nonsense; the policy affects only a fifth of those coming into this country. Those who come here from the EU,

[Mr. Lilley]

those who come here as students and relatives of people who live here would not be covered by it," but exactly the same is true of their points-based system, which they flaunt as though it will be the solution to high levels of immigration. They cannot have it both ways. The truth is that we should return to the situation that we were in before the Government were elected, when we had much firmer control and restrictions on immigration, and allowed people to come and settle here only if they were genuinely needed—the aim was not that they should effectively replace the existing population.

I want to turn to a matter that was raised by a number of hon. Members in this debate and in the previous debate—the issue of drink and drugs. As was emphasised by a constituent who recently came to my surgery, too often we put too little emphasis on the problems of drink, relative to the problems of drugs. My constituent has benefited from the care provided by Hertscare, a local anti-addiction organisation to which she paid tribute, and I join her in paying that tribute. She felt that it was not given enough resources to cope with those who suffer from alcoholism, as compared with those who suffer from drug addiction. It is important that we get the balance right, because overall the damage done by addiction to alcohol is at least as great, if not greater, than that done by drugs.

Earlier today we had a debate about drug policy. One aspect of it concerned the response to rumours that the Government's Advisory Council on the Misuse of Drugs is to reject the Prime Minister's suggestion that the cannabis classification be upgraded again—it was downgraded at the request of his predecessor on the advice of that body. As far as I know, I am the only Member of the House who has served as a Front Bencher, both in government and in opposition, who has never taken cannabis and has no desire to take cannabis.

Mr. Burns *indicated dissent.*

Mr. Lilley: Sorry; shall we say the only Cabinet-level Member who has not taken cannabis? It seems particularly true of Cabinet Ministers that they find themselves forced to admit that they have tried cannabis. I have not taken it, and as a result I have a clear enough head to know that one cannot enforce or defend a policy of banning cannabis in a country where we allow nicotine and alcohol. It simply does not work, has not worked and will not work.

I draw the attention of the House to another of the prescient pamphlets that I wrote some years ago, "Common Sense on Cannabis," arguing that if we try to outlaw cannabis use, the danger is that we will drive soft-drug users into the arms of hard-drug pushers. All too often, we push people into the arms of those who persuade them to move on to heroin and cocaine. In that pamphlet, I put forward the highly unpopular policy that we should not simply de-penalise the sale of cannabis, but legalise it in a controlled fashion.

At the time, the pamphlet caused quite an upsurge of interest, and there was a great deal of support for it on the Labour Benches. It was that which caused Tony Blair to invite the Advisory Council on the Misuse of Drugs to consider downgrading cannabis—a typical Blairite response that achieved the worst of all possible worlds. It was an attempt to manipulate the headlines to make it appear that he was doing something that would appease his Back Benchers who wanted a more liberal policy, without in fact altering the law in any significant way. It sent out the signal that cannabis use was tolerated, while leaving it against the law and allowing no method of getting it except from gangs who also push hard drugs.

Now we are seeing the new Prime Minister doing the same smoke and mirrors thing, thinking he can give the impression that he is doing something substantive by asking for cannabis to be upgraded again. These things are second order and not important. What we need is fact-based, evidence-based realism on the issue of drugs, and that we clearly will not get from the present Prime Minister, any more than we did from his predecessor.

I hope the House as a whole will not rule out listening to or taking the advice of the advisory council before we have even heard it. I do not know what it will say or what evidence it will present. When it has offered evidence and advice, I will examine it. If it causes me to change my mind, I will change my mind, but I will not say that we should accept it or reject it before we have even heard what it is.

Simon Hughes: I share the right hon. Gentleman's view. I have always taken the view that if one sets up such an eminent body to advise, there must be a mighty good reason for not accepting its advice. Our system should presume that the advisory council's recommendation would have effect unless Parliament consciously votes to overturn it. If the Government could step away from that, we would have a much better debate and outcome.

Mr. Lilley: That is a valid point, although I would not go that far. We should not hand over and put out to commission the powers of the House. If the advisory council offers advice, we should consider it. It may be good advice or bad advice, but I always took the view that Ministers are responsible for the advice that they take and should never blame their advisers. The House is responsible for the advice that it takes and should not leave it entirely to its advisers, but it should listen to the advice before it rules out taking it or commits itself to taking it.

No Adjournment speech would be complete without a reference to post offices, and mine in particular would not be. There is some poetry by Walter Scott, I think, although I cannot quite remember it—something about "Sadder than owl-song in the evening breeze, Is that cry of woe, 'I told you so.'"

I was the Secretary of State at the Department of Trade and Industry responsible for the network of post offices, then I moved on at the Department of Social Security to be their main customer and source of revenue. I had to consider at that stage whether we should go down the line that the Government have decided to go down, and make people receive payment, wherever possible, through the banks rather than through the post offices, and thereby potentially save—as the prospect was offered to me when I was Secretary of State—£400 million on the contract that the DSS had with the post offices.

I decided that that would be a false saving, because making that saving on the DSS contract would so undermine those post offices that the Government would

have to step in to subsidise them. Indeed, it would cost more than £400 million to subsidise and maintain them. Why? The Government paying pensions and other benefits through the post office was unique, and people left the post office with more money than they entered with, so they spent some of it there. That created footfall and custom. It meant that the—

Barry Gardiner (Brent, North) (Lab): Will the right hon. Gentleman give way?

Mr. Lilley: I will, in a second. HON. MEMBERS: He has just come in! There seems to be a general view that I should not give way, because the hon. Gentleman has not been in the Chamber for long, and I think I have been speaking for too long. Equal weight should be given to both points, and I shall endeavour to move on.

I therefore concluded that we ought to try to make the post offices as low cost as the banks in delivering cash, and I introduced a computerisation programme that was designed to achieve that. For a year or two after the Labour Government came to power, we were told that that was going according to budget and plan, but then they suddenly announced that it was not, cancelled it, pocketed what they thought was the saving and found themselves going down exactly the route that I predicted. That is why we are in this position now.

I do not know whether it is possible to go into reverse at this stage and find some way to reduce the costs of delivering benefits and pensions through the post offices, but if we could do that we would undoubtedly increase their viability no end and avoid the need for subsidies and for so many closures. However, we ought to put the blame where it is due, which is on Ministers who adopted the policy against the advice of their officials. I have constantly asked Ministers to acknowledge that they were told that that would be the consequence, but they have refused either to admit it or to deny it—I am sure that they would have denied it, if they had been able to. They have deliberately created the situation in which we find ourselves, and they cannot escape the blame for that.

I hope that the Members of Parliament who are gathering on both sides of the House to hear my closing remarks have an excellent recess and use it to read not only the two pamphlets that I wrote, which I mentioned earlier, but, probably even more importantly, the House of Lords report on an issue that is one of the most important to our constituents. Indeed, according to all the opinion polls, it is now considered among the most important issues by our constituents, for the obvious reason that they can see what is going on and do not need the Lords report to point it out in the way in which we experts do. I wish you, Mr. Deputy Speaker, a very happy recess.

5.37 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): I, too, thank all those who have taken part in this afternoon's debate. We have heard a number of excellent speeches, ranging in content from local constituency matters to national issues. We have also covered some international matters.

The hon. Member for Telford (David Wright) began proceedings with a detailed speech. The House will share his concerns about the fact that many blind people do not have access to television, despite the fact that technological advances mean that they can partake of it. I have to say that the arguments he made in attempting to claim that he did not really vote for post office closures when we all know that he did were disingenuous to say the least.

The point was aptly made by my hon. Friend the Member for Peterborough (Mr. Jackson) when he said that such behaviour contributes to the cynicism about all those who work here and does not help our cause in trying to establish that we are a reputable profession and people who are trying to do the best for their constituents. My hon. Friend the Member for West Chelmsford (Mr. Burns) rightly pointed out that the fact that the hon. Member for Telford happens to be Parliamentary Private Secretary to the Financial Secretary to the Treasury may have had something to do with his about-turn, by which I suspect his constituents will not be convinced.

The hon. Member for North Southwark and Bermondsey (Simon Hughes) spent the first seven minutes of his speech talking about matters to do with the fact that the recess does not match the school holidays. He seemed to be under the impression that the debate was a continuation of this morning's business questions. I have to take issue with his point about long summer holidays. He may be taking a long summer holiday between July and October, but the majority of his colleagues in the House will be doing constituency work. I have sympathy with Mehdi Kazemi, the Iranian gentleman whom he mentioned, and I hope very much that the Deputy Leader of the House will have taken on board the concerns that were raised.

The hon. Member for Norwich, North (Dr. Gibson) said that this debate was an opportunity for Members of Parliament to speak about constituency matters and get things off their chest, and for his sake I hope that he was able to do both those things and that he feels a lot better for it. He touched on the issue of Iraq, and I hope again that those points were noted, and he also spoke of the funding for a walk-in medical centre in his constituency, arguments that were well put, and I am sure that his constituents will feel well served by him in today's debate.

My hon. Friend the Member for West Chelmsford (Mr. Burns) gave a typically forceful speech, and I have every sympathy with his arguments on Chelmsford Crown post office. He rightly put into perspective the difficulties now experienced by people who visit the post office compared with when it was in a stand-alone building. He said that that was unacceptable, and I agree and wish him well in trying to resolve the difficulty that his constituents face. I also agree that the Government should review their road-funding programme.

I take this opportunity to wish the hon. Member for Cleethorpes (Shona McIsaac) a very happy birthday—a day which I hope was made all the happier by her speech of great diligence. Her constituents will have noted that she has aired their concerns about the inconsistencies in bus travel passes, and I am sure that they will be grateful to her for having put on the record the blip in the historical records of the connection between Immingham and the Pilgrim Fathers.

[Mr. Shailesh Vara]

My hon. Friend the Member for Uxbridge (Mr. Randall) gave us typically wise and thoughtful speech, with a touch of humour thrown in for good measure. He too rightly talked of post offices and mentioned the elderly and vulnerable people who will be particularly affected by their closure, and also referred to their being a useful community resource for those who use and live around them.

I endorse wholeheartedly my hon. Friend's point about encouraging more sport for ladies. Women have enormous talent in this area, and it is not being nurtured as well as it could be. We should look to ensure that sponsors of sport take note of the comments made in today's debate and give good consideration to making sure that we have more female sports on television. At this point, I should say that we need more role models, such as Charlotte Edwards, the captain of the England ladies' cricket team. It is my privilege to have her as a resident in my constituency. As my local newspaper *The Hunts Post* said, she is

"one of the most influential female England cricketers of all time"

Long may she continue to be successful, having clinched the Ashes for England in February 2008.

My hon. and learned Friend the Member for Torridge and West Devon (Mr. Cox) gave a masterful and eloquent performance, and I very much hope that Devon county council will deal with the problem of the tide encircling the landfill site, the consequences of which will be dangerous for the local community. I hope also that he will have some joy in trying to get broadband for the residents of St. Giles on the Heath and some other villages. It is a problem that those Members with a rural element to their constituencies understand all too well.

The hon. Member for Argyll and Bute (Mr. Reid) gave a measured speech, and I hope that his plea to have more access to motorcycle test centres has been heard by the Deputy Leader of the House, and that she will pass the message on to the relevant Minister. The House will have noted his welcome to the new grocery supply code of practice and his urging that it be put in place as soon as possible.

The hon. Member for Blaenau Gwent (Mr. Davies) made a wide-ranging speech, and the House will have noted the economic circumstances of his constituency, including the issues concerning drug misuse. We cannot fail to have noticed his observation that the police have to double up to do social work. Their position is not in any way assisted by the fact that they also have mountains and mountains of paperwork to add to their workload.

My hon. Friend the Member for Southend, West (Mr. Amess) made a broad speech that covered a number of issues. I suspect like many Members, I agree entirely with him that the answers that Ministers provide are often very inadequate and that there is a discrepancy between different Departments in respect of the efficiency with which questions are answered. Many of us share that concern. The House will have been staggered by the revelation that Felicia Cantone, the brave 10-year-old girl in his constituency, cannot get a prosthetic leg because she is deemed to be too young.

Mr. Amess: Will my hon. Friend allow me to intervene—just for a few seconds?

Mr. Vara: Very quickly.

Mr. Amess: I just want to tell the House that when I got back to my office, the phone had been ringing. A number of people have decided to contribute money to help the young lady. That is fantastic news.

Mr. Vara: Clearly, my hon. Friend has been well served by his comments in this debate.

My hon. Friend the Member for Peterborough, my constituency neighbour, raised a number of issues. I have considerable sympathy with much of what he said. I echo his arguments on the closure of local post offices and add my support to the efforts for more funds for Flag Fen.

My right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) gave an excellent speech that rightly touched on the problems faced by a number of constituencies in respect of house building. He rightly drew a link between immigration and the need for new homes. I hope that the Government and others have taken note that when people talk of such a link they are not racists. When my right hon. and hon. Friends and I talk about restrictions on immigration, we are not being racists—it is called good governance, and I suggest that the Government take that on board.

Mr. Deputy Speaker, I conclude by wishing a very happy recess to you, all Members and their staff, and all the staff of the House—particularly those in the security arena, who do so much hard work to make sure that we have a safe environment in which to work.

5.47 pm

The Deputy Leader of the House of Commons (Helen Goodman): It is a great pleasure to take part in this April Adjournment debate. As always, it is also a pleasure to follow the hon. Member for North-West Cambridgeshire (Mr. Vara).

I want to begin by commenting on the remarks that have been made about post offices. That issue was raised by my hon. Friend the Member for Telford (David Wright), the hon. Members for North Southwark and Bermondsey (Simon Hughes), for West Chelmsford (Mr. Burns), for Uxbridge (Mr. Randall), for Argyll and Bute (Mr. Reid) and for Peterborough (Mr. Jackson), the hon. and learned Member for Torridge and West Devon (Mr. Cox) and the right hon. Member for Hitchin and Harpenden (Mr. Lilley).

I do understand that the proposed closure of post offices is a real problem in many communities because 12 of the 48 post offices in my constituency are proposed for closure. The Government recognise the social and economic benefits of the post office network; that is why they are spending £1.7 billion on subsidising the Post Office. As all hon. Members must acknowledge, that is a large sum and it should be possible for the Post Office to support a proper network with it.

Hon. Members said that they were frustrated by the quality of the consultations. I remind them that, until now, between 10 and 15 per cent. of the proposals have been changed as a result of representations. That emphasises the importance of hon. Members taking part in these consultations and encouraging their constituents to do so. Earlier today, my right hon. and learned Friend the Leader of the House promised to take back to the

Department for Business, Enterprise and Regulatory Reform the request to share information about individual post offices and their commercial strategies, along with all hon. Members' remarks, which we will submit to the Minister responsible.

My hon. Friend the Member for Telford spoke about audio-description in his excellent speech. I do not know whether he is aware that the Communications Act 2003 sets minimum targets for audio-description, and it is the responsibility of Ofcom to ensure that they are met. He also spoke about Ironbridge, the world heritage site. I can remember visiting that as a child and seeing a coracle, which only goes to show that I am much older than he is. I understand that the Department for Culture, Media and Sport and regional Ministers have set up a group that is looking into how to protect Ironbridge. He also spoke about manufacturing in the west midlands and the importance of inward investment in creating new jobs.

The hon. Member for North Southwark and Bermondsey rightly spoke about the importance of the timing of recesses. I will undertake to update the work that we have done on that by reviewing which local authorities hon. Members send their children to school in so that next year we can take that into account when we set the timetable.

The hon. Gentleman spoke about an important site in his constituency and the importance of getting a sensitive development there. He went on to talk about the case of Mr. Mehdi Kazemi, an Iranian. I do not know whether the hon. Gentleman is aware of this, but the Home Secretary has agreed that that case should be considered in the light of representations that were made by the House of Lords, because every case must of course be considered on its individual merits, and people's human rights must be taken into account when decisions are taken. That is the policy that the Home Office follows. The hon. Gentleman also talked about electoral under-registration, which is, as he knows, very significant. I will forward those remarks to the Ministry of Justice.

My hon. Friend the Member for Norwich, North (Dr. Gibson) spoke about the costs of the Iraq war. He cited an extraordinary figure, which I have checked. The Government estimate that by the end of 2006-07 the conflict will in fact have cost the British taxpayer some £5.5 billion, which is considerably below his figure. He raised the reasonable point that we should have more discussion before sums of money are committed to. I know that the Public Accounts Committee and the Treasury have discussed improving the scrutiny of estimates. In addition, next year we will have a debate when the spending announcement is made in recognition of the significance of this issue. My hon. Friend also talked about the decisions of Norfolk primary care trust with regard to walk-in services, and I hope that he will take part in that consultation.

The hon. Member for West Chelmsford spoke about the A12. I understand that the Highways Agency is aware of the issues and is trying to manage the traffic flows better through electronic messaging and so forth. I realise that his request was for more investment, and I will pass that message on to the Department for Transport. However, I would like to defend the allocation of funding around the regions and remind him that grants are made in the light of circumstances, not politics.

My hon. Friend the Member for Cleethorpes (Shona McIsaac) proved what a hard-working Member she is by coming in to make a speech on her birthday, and I would like to join others in congratulating her on that, as well as congratulating the people of Immingham on the 400th anniversary of the Pilgrim Fathers. I would also like to congratulate North Lincolnshire council on its excellent implementation of the bus pass extension. What sounded particularly good about its scheme was the flexibility involving trains.

The hon. Member for Uxbridge raised a number of issues, including the size of the Marine Bill. The Bill is as large as it is because it includes a plain English version so that more people will be able to read and understand it more easily. He spoke about his daughter, who is a very good rugby player. The Government take the issue of women's and girls' participation in sport seriously, which is why Kelly Holmes is the national school sport champion; she also chairs something called the GirlsActive service.

The hon. and learned Member for Torridge and West Devon spoke about the serious problems faced by his hill farmers and of the coastal erosion of the Burrows. I would remind him that spending on coastal erosion has doubled, and by 2010 it will be £800 million. He made a wide-ranging speech, which I felt in the end became a rural version of Monty Python's "I lived in a shoebox" sketch. I found that I could not reconcile the number and severity of the problems that he raised with my picture of Bideford, which I know to be an exceptionally beautiful place where my parents-in-law met. I would also remind him that the decision on bovine tuberculosis is one that will be taken in the light of scientific, not sentimental interests.

The hon. Member for Argyll and Bute spoke about the problems his constituents have in taking motorcycling tests. His constituents have an exceptionally long journey to take, and I understand that that is a problem for them. I will take his concerns to the Department for Transport, although I am sure that he will understand that in rural areas and in western Scotland, access will not be as close as it is for those in large cities. He asked about the delay in the shipbuilding contract, and I refer him to a parliamentary answer given in the Lords last week, which explained that the main manufacturing contract for the aircraft carriers will be made when the commercial arrangements and the work schedule have been completed.

The hon. Member for Blaenau Gwent (Mr. Davies) spoke about his constituency. The hon. Member for Southend, West (Mr. Amess) is to be congratulated on having made the most efficient speech of the afternoon, raising 14 issues in 10 minutes.

The hon. Member for Peterborough and the right hon. Member for Hitchin and Harpenden talked about immigration. I would like to point out that this Government's policy is not to have uncontrolled immigration, which is why we are introducing a points-based system. We are also investing in skills and training for people in this country so that they can benefit from economic opportunities. All those policies on increasing participation in higher education and increasing the number of apprenticeships were opposed by Conservative Members.

[Barry Gardiner]

that? Pennies4Change is a new charity that has set up a mechanism for precisely such fundraising. It is efficient and convenient, with low overheads. It is quick, easy and spontaneous. With luck, it might also be habit-forming.

Pennies4Change integrates seamlessly into the global financial payments system. On the card reader at the payment terminal, the customer will be discreetly invited to round up their transaction. One touch of the green button will round it up to the nearest pound. One touch of the red button will decline. If neither button is pressed within a couple of seconds, the default cuts in to decline and no donation is made, ensuring that there are no lengthy queues at the till. No new card is required, and the consumer does not need to sign up to anything. No staff intervention is needed. It simply involves a spontaneous choice with each purchase.

For the retailer, too, the process is straightforward. No new hardware is required, just a small change to the software running alongside the existing payments chip and pin system, all co-ordinated through the card-acquiring bank. The innovative technology that makes Pennies4Change possible applies just as much to the local corner shop as to the large supermarket chains.

Equally, the shared platform for all those retailers requires the collaborative effort of the acquiring banks. Pennies4Change gives the banks an opportunity to be seen to work together to enable the generosity of the British people to be released. It will drive down that 20 per cent. average overhead of charitable fundraising, increasing the effectiveness of charities, and it aims to improve their efficiency by promoting co-ordination and partnership.

What, then, am I asking of my hon. Friend the Minister? First, I hope that he will wish to congratulate Pennies4Change on bringing charitable giving into the electronic age. Secondly—in the light of my points about income and gearing—I ask him to arrange for his officials, as part of their work on the third sector, to investigate how Government can help these charities to achieve their aims. I suggest that he ask his officials to meet members of Pennies4Change, who have already done much work in this area.

Finally, I ask the Minister to recognise that the greatest threat to the success of this project lies in fragmentation. Pennies4Change is not about a few people giving occasionally; it is about the impact of millions of people giving very small amounts every day; it is about the power of pennies. However, its success will come from the simplicity of a single scheme that is undifferentiated across the country. Would my hon. Friend consider meeting a group of the major retailers and banks, which I would be happy to convene for him, in order to ensure that there is common and united action, and that different multiples and majors do not attempt selfishly to brand this good idea with their own logo, thus undermining the simplicity, integrity and national unity of the scheme?

In the foreword that I quoted at the beginning, the Prime Minister went on to say:

> "At the heart of our approach is our desire to support those thousands of small community organisations who play such a vital role in our society. We want them to be free to access the funding or advice they need in a way that suits them."

For 142,367 of the smallest charities in the United Kingdom, Pennies4Change does just that, and fulfils the Prime Minister's objective. I trust that the Minister will be able to support it.

6.17 pm

The Parliamentary Secretary, Cabinet Office (Phil Hope): I congratulate my hon. Friend the Member for Brent, North (Barry Gardiner) on bringing Pennies4Change to the House's attention. I also thank him for his kind remarks at the beginning of his speech in recognition of the work undertaken by the Office of the Third Sector and, indeed, my role as a champion of the third sector. This is the only country that has a Minister for the third sector.

My hon. Friend spoke of the needs of the very smallest charities—those voluntary and community groups which, in every constituency in the country, are doing such vital front-line work with local communities. Our new grassroots grants funding programme will give those front-line, often volunteer-led organisations with very low turnovers and incomes access to grants. It will be rolled out later this year, and I hope that many of the smallest charities that my hon. Friend rightly celebrated will take advantage of it. It is an endowment scheme: the money that the Government provide can be used to set up local endowment funds. The endowment itself will never be spent, but the interest generated by it will be there, not just in one year but in continuing years, as a regular, sustainable stream of income providing small grants for those small front-line organisations.

Let me now deal with the specific initiative raised by my hon. Friend—Pennies4Change. Like him, we want very much to encourage a culture of giving in this country. Pennies4Change in part helps to do that, and such projects are always of great interest to the Government.

Almost three quarters of us regularly give to charity, and there are lots of new market developments and schemes that have the potential to increase charitable giving and therefore lead to more income going into the third sector. They can be very powerful in the arena my hon. Friend is talking about. Through innovative means such as Pennies4Change, people are encouraged to donate small sums or make small changes to their everyday behaviour, and that can make a huge difference.

My hon. Friend mentioned a couple of such schemes, and I would like to mention a couple more. As anyone who has been on an aeroplane recently will know, under the British Airways "Change for Good" partnership with UNICEF people are encouraged on flights to donate small amounts of their left-over foreign currency. Since 1994, that has raised more than £18 million for charities. My hon. Friend mentioned an innovative mobile telephone scheme. There are new websites such as the "Everyclick" search engine, which encourages people to use its services, and every time they click, money gets donated to charities of their choice. There are charity credit cards, too, that donate to specific charities following every transaction. There are other schemes like Pennies4Change, which enable people to make small donations at the checkout. They have the potential to open up an entire new way of giving to significant numbers of people. This is therefore an important area of work, and I am very happy that people are showing concern about this issue and are willing to share ideas on how to increase charitable

giving. It is important for further discussion to take place over the next few months about the implementation of such schemes and maximising the potential of the pennies in people's pockets, as my hon. Friend puts it.

As my hon. Friend mentioned, the scheme has very attractive features: convenience, immediacy, spontaneity and the fact that it is quick and has low overheads. I will be happy to facilitate a meeting between my officials and all the relevant stakeholders—my hon. Friend listed many, and there may be others—to hear more about their plans and to find ways to overcome the potential pitfalls he described.

Let me say a few words about our wider strategy on giving, in which schemes such as that my hon. Friend mentions sit, which includes engaging with primary and secondary schoolchildren to instil an ethos of giving, working with charities to help make the most of tax-effective giving, and just improving the evidence base so we can better meet the needs of donors and charities. Progress on all of that has been very good. For example, we are establishing the Centre for Charitable Giving and Philanthropy to look at the huge number of organisations that exist and where the money goes. We have set it up with the Economic and Social Research Council to underline the importance of understanding giving: why people give, how they give, and how charitable giving can be encouraged and increased. The centre is intended to be a practical asset to the sector, developing valuable information for answering those questions for practitioners, and not just advancing academic knowledge but taking into account ideas such as those my hon. Friend described and then sharing them more widely.

I am delighted to say that the centre is chaired by Professor Nick Deakin, a well known figure in the charity world, and it will be a "hub and spoke" model with programmes on a range of issues. The centre will be formally launched in the next few months. We would encourage all strategic partners and everyone within the sector to engage with the centre and make use of what it has to offer.

In the same vein, and following up on our "A Generous Society" programme, "Go-Givers" is an initiative run by the Citizenship Foundation, funded by us, which has developed curriculum materials specifically for use in primary schools to raise awareness of charitable giving. Over the next three years, the programme will expand by training staff to act as co-ordinators. It will also provide increased support through its dedicated website, which already provides teaching plans to teachers, with the aim of registering 5,000 teachers by 2011. Since the programme was fully launched in June 2007, 975 teachers have already registered on the site from 650 schools, and about 17,000 primary schoolchildren are benefiting from the materials. In addition, more than 70 learning activities have been developed including eight original "Go-Giver" stories. The feedback from teachers has been universally positive. As children and young people learn about what charities are and what giving is about, they will tell their mums, dads, grandparents and other relatives about it when they go home, and we will start to see the spread of the culture of giving in the generous society that is the United Kingdom.

With our funding, the Citizenship Foundation also delivers the giving nation challenge in secondary schools. The challenge brings together the goals of education about charities in the classroom and enlivening the school environment through extra-curricular charitable activity. It is a good scheme. The giving nation challenge gives a year group within a school £50 per class, and each class must then do as much good as it can with the money, using the rest of the school as an audience or as potential recruits. Each class acts as a mini charity, whereby the pupils act as fundraisers. They have the job of generating as *much income or positive activity* as they can. The £50 start-up money is then returned to provide money for the next year group's participation in the challenge. Some 144 schools have registered to take up that challenge and 85 have claimed the grant to get their project going, which means that about 22,000 pupils are involved across the country. I am delighted to be able to use the debate that my hon. Friend has brought to the House to announce that the project will continue with Office of the Third Sector funding over the next three years.

A third element that we have been developing is gift aid. In 2006-07, gift aid was worth some £820 million to the charities sector. Following the recent gift aid consultation, the Government have further renewed their commitment to promoting that tax-effective giving. The relationship between gift aid and these other forms of mass giving, if I may call them that, is an interesting one to be explored. The package of measures set out in Budget 2008 by the Chancellor is good news for the charities sector—if I may say so, achieving it was a bit of a win for the Office of the Third Sector. In a tight fiscal climate, we have protected the interests of the third sector. By offering transitional relief at 22 per cent. over the next three years we have in effect protected some £300 million-worth of charities' income over that period. We are delighted that the charity world's response to that clear statement of commitment in pounds, shillings and pence to third sector income has been so positive.

I return to the issue of small charities—those front-line groups to which my hon. Friend's scheme is desperate to feed income. We are providing funding for a small charities training programme, marketed to, and tightly focused on, charities that have a turnover of less than £1 million. We are also developing and facilitating an online gift aid mentoring forum. That bit of jargon means that we want to give some of those smaller charities and voluntary groups access to a network of experienced professional fundraisers and practitioners so that they, too, can benefit from gift aid and all that it delivers.

My hon. Friend has mentioned a particular business initiative. I am delighted to say that businesses give in many different ways to charities across this country. In a way, we are most used to the role that businesses play in simply giving resources, be it through their corporate social responsibility packages or their work to support their local charities. Such giving, whether it is done through donations, community projects or sponsorship, is terrific. Businesses support charities in all manner of ways, but I would like to see them go that bit further.

Perhaps some businesses could buy from the third sector, using their purchasing power so that those third sector organisations—social enterprises in particular—that are looking for sustainable sources of income to enable them to carry on doing what they do become more enterprising in how they generate that income. If we could get private sector organisations to build third sector organisations into their supply chains, be it in respect of basic supplies, services for their employees or

[Phil Hope]

even delivering its core business by buying from a third sector organisation, we would get so much more from them. To push it even further, what about investing in the third sector? Many charities, particularly small ones, find that access to funding and finance is one of the biggest barriers to their growth and development. Perhaps we could promote that, too.

May I rather mischievously use this debate to announce an event called "Good Deals" that we are holding on 6 May to explore all the issues about how we might progress? I hope that Members will find an interest in that.

I am delighted to return to the focus of my speech, and my hon. Friend's promotion of Pennies4Change. It is an extraordinarily positive way for individuals to give spontaneously and to make giving an integral part of their everyday lives, and it would be the cultural shift that he described, which is so important. He will appreciate that I am not allowed to endorse a specific proposal, but I thank him for highlighting the project and for giving us the chance to explore it in its initial stages and to see how it might contribute to the wider range of good work that I have tried to map out tonight which is being carried out in the sector as a whole. I shall certainly facilitate the meeting that he asked for to reinforce the initiatives that are already being championed by the Government through the Office of the Third Sector.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes to Seven o'clock.

House of Commons

Monday 21 April 2008

The House met at half-past Two o'clock.

PRAYERS

[MR. SPEAKER *in the Chair*]

DEATH OF A MEMBER

Mr. Speaker: I regret to have to report to the House the death of Mrs. Gwyneth Dunwoody, Member for Crewe and Nantwich. I am sure that hon. Members in all parts of the House will join me in mourning the loss of a colleague and in extending our sympathy to the hon. Member's family and friends.

Hon. Members: Hear, hear.

Oral Answers to Questions

HOME DEPARTMENT

The Secretary of State was asked—

Illegal Firearms

1. **Tony Lloyd** (Manchester, Central) (Lab): What plans she has to reduce the availability of illegal firearms in inner-city areas. [199721]

The Secretary of State for the Home Department (Jacqui Smith): Mr. Speaker, I associate myself—and, I am sure, all Members of the House—with your comments. My hon. Friend the Member for Crewe and Nantwich was an inspiring and powerful parliamentarian. Parliament, her constituents and her family, with whom our thoughts are at this time, will miss her very much.

In September 2007, I set up the tackling gangs action programme to develop multi-agency action in inner-city areas of London, Manchester, Birmingham and Liverpool. The £1.5 million programme included a day of action, which resulted in 124 arrests and the seizure of 10 real and more than 1,000 imitation firearms. We will build on the work of that programme and continue to work with partners to reduce further the supply of firearms.

Tony Lloyd: I associate myself, Mr. Speaker, with your observations and those of the Home Secretary about the loss of our friend Gwyneth Dunwoody.

I thank the Home Secretary personally for her strong commitment to the agenda on guns and gangs; there is no doubt that what she is trying to do is making a real difference. However, although it is vital that we consider technical solutions for taking the gun physically out of circulation when that is possible, in the end the only way to resolve and drive against the problem of guns in our inner cities is by changing hearts and minds and the culture that says that the gun is acceptable. That means working with young people and finding them beneficial activities that they want to do and that the rest of society wants them to be involved in.

Jacqui Smith: I met my hon. Friend and representatives of community organisations and the police in his constituency, and that demonstrated to me what a difference can be made on the issue when the community stands by the police. When I visited his constituency, I was particularly pleased to see the work done by local police officers in Plymouth Grove primary school, for example. They were getting in early, alongside teachers, and not only talking to children and young people about the dangers of guns, but giving them the strength to resist some of the pressures, from their peers and others, that might well have led them into trouble later in life. I wholeheartedly agree with my hon. Friend. What he has mentioned has been an important part of the programme.

Sir Patrick Cormack (South Staffordshire) (Con): I also associate myself with the Home Secretary's remarks about the late Gwyneth Dunwoody. She was indeed a remarkable parliamentarian who will be much missed and long remembered.

I revert to the question. If the day of action was so splendidly successful, can we not have at least a week of action?

Jacqui Smith: The day of action is part of an ongoing programme of work in which police forces, particularly in areas that face the most gun crime, are involved all the time. It was followed up in some areas by a week of action and in others by a month of action. That work certainly focuses activity, and it will continue.

Mrs. Ann Cryer (Keighley) (Lab): A number of employees of the House have mentioned to me their sadness at the loss of my hon. Friend the Member for Crewe and Nantwich, and I should like to pass those messages on.

I am pleased by my right hon. Friend's response to the first question. Shortly after we were elected in 1997, a lot of people from Dunblane, whose children had been killed, came to sit in the Gallery. We were promised, among other things, that there would be a national register of people who held handguns. How far have we gone down that road?

Jacqui Smith: My hon. Friend is right that we have strengthened our legislation in a whole range of areas; it is now among the strongest gun legislation in the world. I reassure her that the roll-out of the national firearms licensing management system to all forces in England and Wales is now complete. The system is fully operational.

Mr. James Gray (North Wiltshire) (Con): As someone who was brought up in Dunblane and lives near Hungerford, I feel very strongly about the subject of

gun crime in inner cities and elsewhere. Does the Home Secretary agree that it is not about £1.5 million-worth of one-day actions collecting 10 guns, or about working with children in schools, both of which are perfectly legitimate things, and that the only thing that the little neds who carry guns illegally will understand is tough sentencing? If these guys know that they are going to go to prison, they will not carry the guns.

Jacqui Smith: That is why I am sure that the hon. Gentleman is pleased that in bringing forward the proposals for a minimum sentence for gun possession we have increased the average length of time that criminals serve for gun possession from about an average of 18 months in 2002 to well over 50 months now.

Pete Wishart (Perth and North Perthshire) (SNP): Plaid Cymru and Scottish National party Members fully associate ourselves with the remarks made about Gwyneth Dunwoody. She was a truly formidable politician.

The Secretary of State knows that in Scotland we have a particular problem with airguns, which have resulted in three deaths and more than 1,000 injuries in the past few years. It is of such a scale that the Scottish Government have organised a gun summit that will be attended by the police, gun control campaigners and shooting groups—everybody other than herself and Home Office Ministers. Surely she could take a couple of hours out of her diary to come to the summit to explain what the UK Government are going to do about the issue, because if she does not, the impression will be that she could not care less about it and is prepared to do absolutely nothing.

Jacqui Smith: It is a shame that the hon. Gentleman's party is using the very good initiative of the summit and a whole range of actions to make cheap party political points. I have discussed gun control with his colleagues in the Scottish Executive, and I discussed the issue of airguns. They, like me, will therefore be pleased that the Violent Crime Reduction Act 2006 ensures that it is now necessary to have a licence to sell an air weapon and has increased to 18 the age limit for acquiring or possessing an air weapon. It is probably better if we work together to implement that legislation and to review what more we need to do, instead of making cheap political points that have more to do with the campaign for independence than with a campaign against gun crime.

National DNA Database

2. **Gordon Banks** (Ochil and South Perthshire) (Lab): What estimate she has made of the number of convictions secured by the use of data from DNA samples retained on the national DNA database in 2007-08. [199722]

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): Data are available on the number of detections with DNA, but not the number of convictions. The data for 2007-08 will be available this coming June. To give an indication, in 2006-07, 41,148 crimes were detected in which a DNA match was available or played a part.

Gordon Banks: I thank my hon. Friend for that answer. Does she agree that, if further restrictions were placed on the data that are held on the national DNA database, she and other Home Office Ministers would not be in a position to come to the House and give such positive numbers?

Meg Hillier: I agree completely. Taking the figures for 2006-07 alone, 452 homicides, 644 rapes and 222 other sexual offences were among the offences detected thanks to the help of DNA. The murders in Suffolk by Steve Wright and the murder of Sally Anne Bowman by Mark Dixie were detected and those men imprisoned thanks to the DNA database.

Mr. Philip Hollobone (Kettering) (Con): Dr. John Bond of the scientific support unit at Northamptonshire police has been at the forefront of developing DNA, forensics and other scientific techniques to detect crime and criminals. What specific incentives does the Home Office give to police forces to expand their scientific support operations?

Meg Hillier: The forensic science capability in this country is a very important issue. We are keen to ensure that we have proper forensic support across those bodies that supply that, including the police, and we now have a permanent regulator in the form of Andrew Rennison, who ensures that our forensics work is of top scientific quality.

Keith Vaz (Leicester, East) (Lab): Of course, I accept but the beneficial aspects of the DNA database, it is now the largest of any country in the world. It is estimated that there are 500,000 mistakes connected with the database. Can the Minister assure the House that that will be dealt with, and that the information contained on the database is protected from any unfortunate loss?

Meg Hillier: Security is of course an important issue. The National Policing Improvement Agency, which is responsible as the custodian of the DNA database, is also responsible for other key national databases and has a good track record. My right hon. Friend mentions replication, which is currently at 13.3 per cent. but going down. That is partly because in the early days of new DNA testing, police forces took extra samples to meet higher evidential standards. Much work has gone on to educate police forces in taking DNA samples, so that replication is being reduced. However, that does not adversely affect any of the individuals involved.

Mr. David Ruffley (Bury St. Edmunds) (Con): More than 2,000 Dutch DNA samples, many relating to serious offences, were mislaid in 2007 for over a year due to the incompetence of UK authorities. Will the Minister tell us today exactly how many suspects have now been arrested by the UK police, and which offences were committed in this country?

Meg Hillier: This is an ongoing police investigation and it would be inappropriate for me to talk about any partial findings while that investigation, which is an operational matter, is going on. It would be wrong to identify or alert any of the individuals suspected, as it might give them the chance to go under cover. My right hon. Friend the Home Secretary made a commitment

to this House to report back when we have all the information after a full, thorough investigation by the police.

Mr. Gordon Prentice (Pendle) (Lab): Does it bother my friend at all that DNA samples are held on people who are innocent of any crime?

Meg Hillier: We have solved an enormous number of crimes because of the data held on people who have had their DNA taken on arrest, whether they were charged or not. Up to 2005 alone, 3,000 offences were identified involving those arrested and not charged, including 37 murders, 16 attempted murders and 90 rapes. I ask my hon. Friend which of those crimes he would like not to have been solved.

Counter-Terrorism Bill

3. **Mr. Henry Bellingham** (North-West Norfolk) (Con): What recent representations she has received on part 6 of the Counter-Terrorism Bill. [199723]

The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Tony McNulty): The Government have received representations on part 6 of the Counter-Terrorism Bill from four non-governmental organisations—Inquest, Liberty, Justice and Amnesty International—three trade organisations and a small number of private individuals, including one submission entitled "Fascism the UK Government wants to change the law on inquest. Will this give the freemasons a licence to kill?"

Mr. Bellingham: I am grateful to the Minister for that answer, but is he aware that the Bill gives the Home Secretary fundamental powers to overhaul the coroners system completely? For example, the Home Secretary will have the power to appoint the coroner, and to issue a certificate requiring an inquest to be held without a jury. Is today's terrorist threat so different from what we faced under the IRA that it is vital in the minds of the Home Secretary and the Minister to tear up hundreds of years of judicial procedure? Is that really necessary? Surely the Government should wait until a coroners Bill is before the House so that the matter can be properly discussed and debated.

Mr. McNulty: I do not agree with much of that. I certainly do not agree that the legislation fundamentally changes the whole coroners system; it does not. It simply says that in one or two specific cases—terrorist and non-terrorist cases, by the bye—it might be necessary to go into such a context to get full closure for the families involved on the circumstances in which someone dies and how they have died. Some Opposition Members indicated that they had difficulties with that provision in the Bill and I am happy to discuss it further in Committee.

Patrick Mercer (Newark) (Con): In the summer, I lost nine of my friends in Afghanistan. None of their deaths has so far been the subject of a completed inquest. Their families are grieving. I utterly fail to understand why such a provision should be part of a counter-terrorism Bill. Will the Minister listen to many of his Labour colleagues who have said to me that we need a proper coroners Bill, not a provision that is part of a totally different and overweening Bill?

Mr. McNulty: I agree with the second part of the hon. Gentleman's question. The whole House agrees that there is a need for substantial reform of the coroners system, which is forthcoming. But to alleviate and obviate at least some of the delays that he talks about—I have huge sympathy with what he says about them—it is important to include the provision in question at this stage. The hon. Gentleman will be on the Committee considering the Bill, and as I indicated on Second Reading, I am open to exploring how we can resolve a problem that everyone is aware of—the use of sensitive and secure material in such cases—to ensure that the system works well and is expeditious, so that people are not left in the sort of limbo he describes. Let us talk about that in Committee.

Right to Remain

4. **Mr. Laurence Robertson** (Tewkesbury) (Con): What the average time taken to determine applications for the right to remain in the UK was in the last 12 months; and if she will make a statement. [199724]

The Minister for Borders and Immigration (Mr. Liam Byrne): Published targets are to make 70 per cent. of decisions on postal applications within 20 days of receipt and to make 90 per cent. within 70 days. Complex cases and applications by overstayers, or by those in breach of the rules, can take a bit longer.

Mr. Robertson: I am grateful for the Minister's answer and his earlier contact. However, he knows that I—and perhaps other colleagues—have several cases that take considerably longer to determine. One problem appears to be the delay in allocating case workers to each application. Some applications will be refused, and people will have to go back to their countries, but at least that is a decision, and they can get on with their lives. However, it is often difficult for people who are waiting to start education courses or who wish to visit their country and then return here. I had a constituent whose mother was dying in hospital abroad and, because of delays, she could not visit, and her mother died. Will the Minister do what he can to speed up the process? Some results will be negative but that is better than the delays that currently occur.

Mr. Byrne: I am grateful to the hon. Gentleman for not only for his question but for the conversation earlier today. I hope that we can resolve quickly the cases that are on the table. Approximately two thirds of applications for indefinite leave to remain are resolved within 20 days and nearly 90 per cent. are resolved in 70 days. However, many cases are outside that target, and the UK Border Agency needs to work faster to get them resolved quickly. Many of the lessons that we drew from creating fast-track asylum teams around the country are being applied to those cases. I therefore hope that faster progress will be made on that front in 2008.

Mr. David Kidney (Stafford) (Lab): Will my hon. Friend assure me that the right to remain in the UK is forfeited if somebody commits a serious crime and serves a sentence of imprisonment? Can he confirm that, in those cases, such people leave the country?

Mr. Byrne: Yes, I can. Indeed, the powers that the UK Border Agency takes under the UK Borders Act 2007 will also provide for stiffer sanctions. However, we have said consistently that we should prioritise the removal of those who have abused our welcome and broken our laws. I am therefore pleased that the UK Border Agency deported 80 per cent. more foreign national prisoners last year. The new agency this year will set tougher targets and we expect it to deport more than 5,000 foreign national prisoners. That is a different order of magnitude from a couple of years ago.

Mr. Gerald Howarth (Aldershot) (Con): The Minister may know that the former Home Secretary's decision to refuse citizenship to Mr. Mohamed Fayed was dispatched in a matter of weeks. Given the great distress and burden on the public purse caused by Fayed's absurd allegations, will the Home Secretary take swift action to remove for good as an undesirable alien that thief, crook and liar?

Mr. Byrne: Mr. Speaker, you will know that I have made it my policy not to discuss individual cases on the Floor of the House. Suffice it to say that the comments are on the record.

Ms Patricia Hewitt (Leicester, West) (Lab): My hon. Friend will know that some employers in our country and others in the Indian sub-continent have expressed concern that the new system of points-based work permits for those seeking to come to Britain or remain here for the purpose of working may make it more difficult for several people to come here to work. Will he assure me that, under the new system and with the new agency, Britain will continue to benefit from the talents of those who want to work here and can contribute to our economy, without undue delays in processing their applications?

Mr. Byrne: I am grateful to my right hon. Friend for those remarks. Trevor Phillips was right to say yesterday that there is a type of talent around the world from which the UK would benefit in the right circumstances. A little later this week, we have our first debate in Government time on the points system. It is important because it precedes the publication on the way in which we believe that the key stage of the points system will work. We will publish that policy after purdah. There will be a chance for hon. Members of all parties to put their views on the record before we finalise it.

Mr. John Gummer (Suffolk, Coastal) (Con): If things are going as well as that, when will the Minister do something about the four months that it has taken to right a wrong—the wrong declared by an appeal judge—done to my constituent, Mrs. Massiah Stockings? When will he ensure that the wife of a serving officer in Helmand province will be given leave to remain in this country, not told that she has to send his passport in? When will he ensure that a man who is British by both parents can get a passport and not be asked impudent questions by officials about why he cannot produce his parents' divorce document from some 40 years ago?

Mr. Byrne: The right hon. Gentleman will know that about half of the casework in my constituency concerns immigration matters. It sounds as though he has quite a lot of his own, and I should be happy to discuss those issues with him in private, if that would help to expedite the cases that are of concern to him.

Policy Formulation

5. **Dr. Evan Harris** (Oxford, West and Abingdon) (LD): What mechanisms her Department has in place to ensure that its formulation of policy is evidence-based. [199725]

The Secretary of State for the Home Department (Jacqui Smith): The Home Office's policy-making process makes it clear that policies should be based on sound evidence. This is supported by the Department's 330-plus scientific staff and the outputs from a variety of Home Office-funded research programmes.

Dr. Harris: May I invite the Home Secretary to comment on one example, which is the Government's proposal to reclassify cannabis from class C to class B? If it is a policy decision or simply politics—a bad policy and bad politics—that is fine, but why ask the Advisory Council on the Misuse of Drugs to look into the evidence for doing so, yet then plan to reject that advice and reclassify anyway? What is the point of having those structures for scientific advice if the Government have predetermined their position?

Jacqui Smith: The only thing that I said on the record about the matter was that I would wait to see the advice that the advisory council gave. However, it is of course for advisers to advise and for the Government, as we are elected to, to decide.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): The Home Secretary is right to remind the House that advisers are there to advise. One area where I would ask her to challenge the advisory council's decision is on the use of khat, a drug used particularly by the Yemeni community that is currently legal, but which is causing disproportionate problems in some areas of our cities. I would ask the advisory council to look seriously at khat again and consider proscribing it.

Jacqui Smith: My hon. Friend makes an important point. One of the actions that we have undertaken under the 10-year drugs strategy that we published last month is to look in more detail at the growing impact of khat and what that implies for how we deal with it, in the way that she suggests.

Mr. Humfrey Malins (Woking) (Con): Of course all policy should be based on evidence. My experience in the criminal courts is that a much more effective and cheaper alternative to prison for many drug offenders is a residential drug rehab bed, yet the Home Office has never been able to undertake research into what is more effective in reducing reconviction rates. Could the Home Office take a careful look and see whether appropriate research can be commissioned?

Jacqui Smith: One of the other things that we are clear about in the drugs strategy is the need to maintain our research into the most effective forms of drug

treatment. However, there is clear evidence that doubling the availability of drug treatment saw a 20 per cent. reduction in acquisitive crime. In increasing drug treatment, we have seen crime reducing. As the hon. Gentleman rightly pointed out, we now need to be clear that that increased investment in treatment is going to the most effective forms of treatment, and we will ensure that that happens.

Mrs. Madeleine Moon (Bridgend) (Lab): A draft research proposal using the inelegantly titled PEACE process—I am told that it stands for "Planning and Preparation; Engage and Explain; Account, Clarification and Challenge; Closure; Evaluation" and uses interpreters for interviews with non-English-speaking suspects—has been put forward by Kerry Marlow, one of my constituents, and his research group. Is that not a prime example of the police taking forward research that they need to improve working practices that the Home Office should be considering?

Jacqui Smith: I cannot claim to have looked at that piece of research, but now that my hon. Friend has brought it to my attention and identified it as something that the local police are keen to research, I am sure that we will take a closer look at it.

Damian Green (Ashford) (Con): While the Home Secretary is pondering the merits of evidence-based policies, perhaps she will take into account the evidence of the House of Lords Economic Affairs Committee on her immigration policy. The Committee includes former Labour Ministers, a distinguished economist—Professor Richard Layard—and the Government's own pensions adviser, Adair Turner. That Committee concludes that the Home Secretary's main defence for her policy—that it increases gross domestic product—is, in the Committee's words, "irrelevant" and "misleading". Why should anyone believe the Home Secretary's evidence rather than that of a cross-party Committee of people who actually know what they are talking about?

Jacqui Smith: Actually, we have always argued that there is a positive impact from immigration, and that is supported by the Committee. However, I think that what the Committee says proves that we were right to set up the independent migration advisory committee to provide us with evidence for our new points-based system on which individuals will most benefit this country in terms of the skills that they bring. The largest reform in the immigration system for 40 years is based on that evidence and on that objective.

Immigration Checks (London Airports)

6. **Richard Ottaway** (Croydon, South) (Con): What recent representations she has received on the time taken to complete immigration checks at London airports. [199726]

The Minister for Borders and Immigration (Mr. Liam Byrne): We have recently received a number of representations from a variety of stakeholders about the time that it takes to complete immigration checks at London airports. Records show that, in the past 12 months, there have been 19 parliamentary questions relating to queuing times.

Richard Ottaway: Whatever the Minister might say about the average time taken to get through immigration being below the target level, the truth is that the situation is getting worse. That is creating a bad impression and undermining the reputation of a world-class city. What is the reason for that? What is going on? What steps is the Minister taking to improve the situation?

Mr. Byrne: The growth in passenger numbers between 2005 and 2007 was about 5 and a bit per cent. Over the same period, the number of immigration officers increased by about 33 per cent. Obviously, that growth is now spread around a lot of different airports, so there are particular pinch points, and I think that Heathrow has become one of them. This is exactly why we have said that we will increase the budget for border control by 10 per cent. this year. That will mean 300 extra staff, and I am pleased to be able to say that 150 of those will be for Heathrow.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): What evidence is there that some of these hold-ups are caused by females of a particular religious sect who cover their faces and refuse to reveal them as they go through immigration? Is there any evidence that that is causing problems?

Mr. Byrne: There is no evidence of that. Everyone is required to identify themselves as directed by an immigration officer. If an identity is ever in any doubt, immigration officers will not hesitate to check a person's fingerprints as well.

Mr. James Clappison (Hertsmere) (Con): Would not the time taken to carry out immigration checks be speeded up if fewer work permits were issued for overseas workers to come to this country, and if the Government heeded the central conclusion of the House of Lords Economic Affairs Committee, which states that

"we have found no evidence for the argument, made by the Government, business and many others, that net immigration...generates significant economic benefits for the existing UK population"?

That blows out of the water the case that has just been made by the Home Secretary, although I have no doubt that it will not stop her making it. Will the Government actually listen to the evidence that has been produced by that expert Committee?

Mr. Byrne: I am not sure whether that was a call by the Conservatives for a policy of zero immigration. I hope that the hon. Gentleman will have a chance on Thursday to unpack some of those comments in greater detail.

Identity Fraud

7. **Miss Anne Begg** (Aberdeen, South) (Lab): What recent estimate she has made of the cost of identity fraud. [199727]

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): We previously estimated the cost of identity fraud at about £1.7 billion a year, but we are currently engaged in calculating a new estimate which we intend to announce shortly.

Miss Begg: Following a straw poll in my office, we discovered that two members of my staff had been victims of identity fraud involving money being taken out of their bank accounts. In any review of the cost of identity fraud, will the Minister ensure that account is taken of the cost to the individual of correcting the errors and getting their money back, as well as the cost of the money taken from the bank account in the first place?

Meg Hillier: A great deal of work has been done to assess the cost in time, effort and the impact on individuals. It is estimated that it takes an average of 48 hours to sort out the problems of identity fraud. Figures from CIFAS, the UK fraud prevention service, show that about 65,000 individuals were victims of fraud. We take these figures very seriously, and we all need to work together to tackle identity fraud across the piece.

James Brokenshire (Hornchurch) (Con): The illegal online trade in stolen identities which fuels ID fraud, and the costs associated with it, operates across borders, yet the Government have not bothered to ratify the international treaty to combat cybercrime that they signed as far back as 2001. Why not?

Meg Hillier: We continue to look into the issues of international identity fraud and will continue to do so in order to ensure that we protect the British public to the best of our ability. It is worth stressing, however, that preventing identity fraud is not a matter only for the Government, so I would urge any individual not to release personal information, to use only secure websites—*[Interruption]*—to get credit references and, of course, to notify key players of changes of address—*[Interruption.]* It is a serious point, Mr. Speaker, and I am sorry that the Opposition seem to think—*[Interruption.]*

Mr. Speaker: Order. Allow the Minister to speak.

Meg Hillier: I am sorry that the Opposition seem to think that this is a laughing matter, but the reality is that tackling identity fraud is a matter not only for a number of agencies, including the Government, but also for individuals. It is my responsibility as Minister always to remind individuals to do their bit to prevent identity fraud.

Illegal Immigrants

8. **Mr. Andrew Mackay** (Bracknell) (Con): What recent estimate she has made of the number of illegal immigrants in the UK. [199728]

The Minister for Borders and Immigration (Mr. Liam Byrne): With permission, I should like to answer questions 8 and 20 together.

Mr. Speaker: Order. The Speaker must be informed in advance of a grouping of questions, so the Minister is answering only the question put by Mr. Mackay.

Mr. Byrne: Thank you, Mr. Speaker.

Since the phasing out of exit controls in 1994, no Government have been able to produce an accurate figure for the number of people who are in the country illegally. By Christmas, however, our border information systems will count in and out the majority of foreign nationals. Together with fingerprinting visa applicants and the issuing of ID cards to foreign nationals, that will ensure that a much more effective set of controls will be in place.

Mr. Mackay: Was the Minister surprised that nine illegal immigrants from Cambridge who were given train tickets to London and told to report to the immigration centre in Croydon failed to turn up, and what is he doing to find them?

Mr. Byrne: The policy of the UK Border Agency over the past year has been quite clear: when there are lorry drops, they are all attended by immigration officers and the people are immediately taken to detention centres, where their claims—some will obviously claim asylum—are processed. That policy has been the fruit of new partnerships with the police up and down the country; almost all constabularies have immigration crime partnerships in place and one of the most fundamental objectives is to ensure that everyone detected at a lorry drop who we think is an illegal immigrant is arrested and brought to detention centres.

Mr. David Evennett (Bexleyheath and Crayford) (Con): The Home Secretary said that the new UK Border Agency would have

"tough customs, immigration and police-like powers",

so why did the Government decide to create an agency with "police-like powers" rather than follow Opposition calls to integrate the police into a UK border force so that a robust force with real powers could tackle illegal immigration?

Mr. Byrne: The steps taken to create one agency with £2 billion of resources, 25,000 staff and 9,000 warranted officers have been widely welcomed in the House. Obviously, that agency has to work closely with the police, who have all kinds of other jobs to do at our ports. As the Home Secretary said a week or two ago, discussions with the police—both with the Association of Chief Police Officers and with constabularies up and down the country—about the best way for the new agency to work in an integrated manner with the police will continue, as, indeed, the Prime Minister promised in his statement of last year.

Fear of Crime

10. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What recent representations she has received on levels of fear of crime among young people and pensioners. [199730]

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): We take seriously the fear of crime wherever it occurs and we are taking steps to reduce crime and the fear of crime. According to the 2006-07 British crime survey, younger people have the highest levels of worry about violence and car crime and are more likely than older people to be victims of crime. Older people are less likely to be victims of crime than other age groups. However, their fear of crime is disproportionately high when compared with their low risk of being a victim.

David Taylor: The British crime survey for 2007 records overall crime falling by 32 per cent. since 1997 and 5.5 million fewer victims than in 1995, yet fear of crime continues to paralyse too many lives, both old and young alike. What discussions has the Minister had with the Youth Justice Board and Department for Communities and Local Government colleagues about Age Concern recommendations to have regular intergenerational meetings in all communities so that young and old alike can discuss their fears and counter the destabilising threat of age-related segregation?

Mr. Coaker: I know that my hon. Friend works closely with Age Concern in his constituency, and as a former magistrate he knows the importance of different generations working together. At a recent conference, we discussed the issue of intergenerational liaison to enable elderly and younger people to discuss fear of crime. It is often said that there is a difference between older and younger people. There might be such a difference in perception, but it is in everybody's interest whether they are old, middle-aged or young to reduce crime and the fear of crime.

Alistair Burt (North-East Bedfordshire) (Con): The understandable fear of crime felt by my rural constituents of all ages is partly based on their awareness of the fact that national police targets are forced on local chief constables, and in their circumstances that means the concentration on urban crime leaving too many isolated rural communities at the mercy of travelling intimidating thieves. How long will it be before local chief constables get more scope to decide their own priorities, rather than following those of the Home Office?

Mr. Coaker: I think that the hon. Gentleman would accept that all levels of crime in all areas of the country have fallen dramatically over the last 10 years, and he should also accept that with the new police assessment framework we have ensured greater scope for local chief constables to determine their priorities. One of the best ways to ensure that local people get the policing they want is the roll-out of neighbourhood policing, which was completed on 1 April.

Alongside that, people in the hon. Gentleman's constituency will be helped by the Home Secretary's announcement that, from July, local crime information will be published, which will allow his constituents to see how well the police force is doing and help them to establish the priorities that there should be in each area.

Police Community Support Officers

11. **Ann Coffey** (Stockport) (Lab): If she will make a statement on the contribution to policing made by PCSOs. [199732]

The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Tony McNulty): PCSOs are an invaluable addition to policing. They engage with their local community, provide high-visibility reassurance, and deal with low-level crime and antisocial behaviour. They are complementary and supplementary to the police, and communities up and down the country are benefiting from their presence and their work.

Ann Coffey: In my constituency, PCSOs have helped to decrease theft from cars by patrolling hot spots. They take 75 per cent. of all antisocial behaviour order cases to the local panel and their visible presence on the streets is much welcomed by the public. Can my right hon. Friend assure me that the funding for PCSOs will continue beyond 2008 and become part of the general policing grant, so that my constituents can continue to benefit from successful neighbourhood policing in my area?

Mr. McNulty: I know that my hon. Friend does a lot of work with local police in her area and that her police division does exceptional work, including the PCSOs. They are to be commended on that. I can assure her that over the next comprehensive spending review period and, I suspect, beyond, although I should not say that we have committed to the funding and that work will continue. There is a debate, which ultimately we need to address, about whether the neighbourhood policing fund should be subsumed into the police grant and un-ring-fenced, but for now she can have the assurance that over the next three years that money is assured.

Mr. Ian Taylor (Esher and Walton) (Con): May I congratulate the Minister on the initiative behind community support officers? It has been one of the better initiatives of this Government, and I welcome all those PCSOs in my constituency. However, as my constituency is in Surrey, he will be more than aware of the Government's gross underfunding, under the formulae, of Surrey police. This has become a crisis situation. He has proposed capping the police element of the county council's council tax, yet has made no offer to substitute for the shortfall that would then emerge for Surrey police. The year-on-year underfunding of the Surrey force is causing great concern for the residents of that county.

Mr. McNulty: I am more than aware of the circumstances of Surrey's police and their resource base, although I do not think that I would characterise that in quite the terms that the hon. Gentleman used. He will know that following my hon. Friend the Minister for Local Government announcing the capping criteria, all police authorities involved have some 21 days to put their case together. My hon. Friend and I will be meeting them.

I am sure that Surrey will put its case, and do so quite robustly, and I am happy to offer the hon. Gentleman and other Surrey MPs a separate meeting to look at that matter, as I have authorities on the list of six or seven police authorities that are at least in the frame to be capped, although that will not necessarily happen. Those decisions will be determined at a later date.

Mr. Kevan Jones (North Durham) (Lab): Will my right hon. Friend join me in congratulating Durham police on the roll-out of neighbourhood policing? Police community support officers have played a key part in the rolling out of that initiative. Does my right hon. Friend agree that, although the Opposition voted against the introduction of PCSOs, they have become a vital part of the delivery of neighbourhood policing in rural communities such as Durham?

Mr. McNulty: I agree wholeheartedly. I happened to be up in Durham looking at neighbourhood policing a couple of Fridays ago, and this brings me back to the point made by the hon. Member for North-East Bedfordshire (Alistair Burt). I saw that both urban and rural communities were benefiting from it.

Like anyone else, I take great joy from the repentance of sinners. If the Opposition now endorse PCSOs and all that they are doing to help our warranted police officers up and down the country, I shall be a very happy man.

Topical Questions

T1. [199744] **Tony Baldry** (Banbury) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for the Home Department (Jacqui Smith): My Department is responsible for the security of our nation's borders. That is why I launched the new UK Border Agency, which brings together the work of the Border and Immigration Agency, Ukvisas and Customs at the border. In its first two weeks alone, the agency barred more than 800 illegal migrants from boarding planes to the UK or crossing into Britain at juxtaposed controls, and seized more than 50 kg of ecstasy, 40 kg of cocaine and 20 kg of heroin. It is vital for the agency to be fully accountable for its work, which is why I am pleased to announce that I am appointing John Vine as the first chief inspector for the UK Border Agency. Mr. Vine has been chief constable of Tayside police since 2000, during which time he was president of the Association of Chief Police Officers in Scotland. He will take up his appointment in July 2008.

Tony Baldry: When will the Home Secretary recognise that there is no evidence in favour of extending detention without charge beyond 28 days? It is not just the usual suspects who are saying that; it is being said by Sir Ken Macdonald, the Director of Public Prosecutions, and by Sue Hemming, who heads the counter-terrorism section of the Crown Prosecution Service. A whole cacophony of informed opinion opposes the Home Secretary on this matter. Sir Ian Blair has said that there has been no case in which the Met police have required a person to be held for more than 28 days. When will the Home Secretary present the House with evidence to support this substantial erosion of liberty?

Jacqui Smith: I have discussed the issue at length, both during my appearances before the Home Affairs Committee and on Second Reading of the Counter-Terrorism Bill. I have provided the House with considerable evidence—as supplied to me, not least by chief police officers—of the growing scale and complexity of terrorist investigations that are now being undertaken, and the nature of those investigations. Because of what may well come to pass if the plots in question are not foiled, it is necessary to step in early.

Those factors have led senior police officers, and me as Home Secretary, to believe that at some point in the future it may well be necessary to investigate for longer than 28 days, which is why we are including in the Bill a reserve power not to extend the period now, but to ensure that the risk is covered in the future. If the hon. Gentleman feels happy to live with the risk, that is up to him. My responsibility as Home Secretary is to do the right thing, on the basis of the evidence, to keep the country safe.

T4. [199747] **Mrs. Joan Humble** (Blackpool, North and Fleetwood) (Lab): Last week my right hon. Friend made a statement about preventing people from becoming terrorists. As she will know, the Lancashire constabulary already work closely with communities, schools and places of worship. Can she explain how her initiative will take that work further to identify, in particular, young people who might be led astray and prevent them from becoming next year's or next month's terrorists?

Jacqui Smith: My hon. Friend has made an important point. In the short term, it is crucial for us to have the legislation and the ability to investigate and bring to justice people who are now plotting terrorist attacks against our country and our interests, but in the longer term we cannot arrest our way out of the problem. That is why we need to invest in expertise and capacity so that work can be done in our prisons and with the young people cited by my hon. Friend, whether through the provision of extra police officers or through the money that my right hon. Friend the Secretary of State for Communities and Local Government has made available to community organisations. We need to prevent people from becoming terrorists and supporting violent extremism in the first place. We take this issue seriously because, as my hon. Friend says, in the long term that is how we will prevent the continued and growing threat to this country from terrorism.

T2. [199745] **David T.C. Davies** (Monmouth) (Con): The Home Office demands a vast array of statistics all the time from police authority areas and yet has recently decided that it no longer wishes to know how many police officers are injured each year in the line of duty. Will the Home Secretary tell us why she feels that this is no longer an important piece of information to collect?

The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Tony McNulty): The Home Office, working with the 43 police forces, is constantly reviewing the information that it keeps. I think the hon. Gentleman is completely in error; I say that with hesitation, not least because he has recently beaten up the "Pink Pounder", who is 10 years older than he is. Quite why the hon. Gentleman should be getting in a boxing ring with someone 10 years older is his own business. Those data will be collected; information on police injuries is important to us. The form in which the information is collected may, as he suggests, have changed, but we are constantly reviewing our data. I am happy to meet him to discuss the matter further, but not in a boxing ring.

T10. [199753] **Ms Sally Keeble** (Northampton, North) (Lab): Is my right hon. Friend aware of the concern about some of the heavy discounting of alcohol that has taken place recently? Will she work with colleagues in other Departments to look at providing a floor below which discounting could not fall in the interests of tackling some of the worst excesses of binge drinking?

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): I know that my hon. Friend is very concerned about the effects of binge drinking in her constituency and across the country, and she will know that the Home Office and the Department of Health are looking at the impact of discounting in supermarkets and elsewhere and the effect that that has on alcohol consumption. That report will be with us in July or August of this year. We look forward to receiving it so that we can determine the best way forward in that important area of work.

David Davis (Haltemprice and Howden) (Con): Before I ask my question, may I thank the Home Secretary for what she had to say about Gwyneth Dunwoody? She was a very close friend of mine and we will all miss her greatly.

After the aggressive behaviour of the blue-tracksuited Chinese officials guarding the Olympic torch relay through London, I wrote to the Home Secretary to ask what authorisation she had given to these characters to exercise force on the streets of London. She wrote back and said, none. But she did not answer the question as to what checks she had made on their background and particularly whether they were members of the Chinese People's Armed Police, a paramilitary riot control organisation. Will she answer that now? What checks did she do? Were they members of the People's Armed Police? On what legal basis did they manhandle British citizens on the streets of London?

Jacqui Smith: I made clear in my letter to the right hon. Gentleman that the Chinese torch officials had no executive power in London. The basis of their agreement was that they were to protect the torch, with activity limited to putting themselves between the torch and anyone who was trying either to take it or to do it damage. They were of course issued with visit visas by the embassy in Beijing on the same basis as anyone else would have been in accordance with standard procedures, including biometric checks. I reiterate to the right hon. Gentleman that they had no policing role. I spelt that out at some length and clearly in my response to him.

David Davis: Well, we note that we still have not got the answer as to who they were. But even the Mayor of London concedes that it was a mistake to subcontract crowd control to Chinese military security. If Chinese military security was not authorised, as she says, what representations has she made to the Chinese Government about the assault on British citizens? Has she made it clear that they cannot behave as though Trafalgar square were Tiananmen square?

Jacqui Smith: There was no subcontracting of responsibilities. Security in London is a matter for the police and the security services. The Metropolitan Police Service was responsible for the safety, security and safe passage of the torch bearer and the torch as it travelled through London. They had the executive power where it was necessary. There was no executive power vested in the Chinese torch officials, who are a standard part, I understand, of any Olympic organising committee and have very limited responsibilities. Furthermore, if there are allegations of unlawful actions, it is absolutely right that anybody who believes that they have taken place should report them to the police, who will investigate.

T8. [199751] **Mr. David S. Borrow** (South Ribble) (Lab): Ministers promised some time ago that from 1 April this year every community would be served by neighbourhood policing teams. Police in Lancashire have pioneered that policy, along with several other police services. Has my right hon. Friend the Secretary of State been able to assess the success of the policy in Lancashire, in particular in rural and semi-rural areas which were not seen as natural homes for community policing when it was first developed in urban areas?

Jacqui Smith: As my right hon. Friend the Minister for Security, Counter-Terrorism, Crime and Policing made clear, an analysis of the success of neighbourhood policing in some areas ensured that, with the strong leadership of senior police officers and the National Policing Improvement Agency, we were able by the beginning of this month to have neighbourhood policing teams in every neighbourhood in the country. Importantly, those teams can respond and act differently, depending on the priorities and circumstances of local areas. That is why our preliminary evidence is that in both rural and urban areas not only are neighbourhood policing teams helping to bring down levels of crime and antisocial behaviour, but they are helping to increase confidence and the involvement of local people in tackling such issues.

T3. [199746] **Mr. Ben Wallace** (Lancaster and Wyre) (Con): Last year, the Association of Chief Police Officers led a review of the Regulation of Investigatory Powers Act 2000 and made some 20 legislative recommendations to allow front-line policemen, crime squads and counter-terrorism officers to carry out their jobs more efficiently, and to ensure that terrorism is off our streets sooner rather than later. Why, then, is not one of those 20 recommendations included in the Counter-Terrorism Bill due to be examined in Committee this week? Is not that because the Bill is much more about political posturing than about helping our front-line officers?

Mr. McNulty: Certainly not, in answer to that last question: the Counter-Terrorism Bill is about the protection and security of the public in this country, full stop. *[Interruption.]* No, absolutely not; the right hon. Member for Haltemprice and Howden (David Davis) is entirely wrong. Unlike him—as he declared in *The Sunday Telegraph* some time ago—we do not run counter-terrorism and security policy by focus group; he should be ashamed of himself for that. We take national security more seriously. Many of the 20 recommendations mentioned do not require legislation; many of them—certainly those to do with bureaucracy and paperwork—have been dealt with by ACPO. I agree, however, with the import of the comments of the hon. Member for Lancaster

[Mr. Geoffrey Cox]

Members who are familiar with the rain in Devon may fear and tremble for those people's welfare. They will have to negotiate all those difficulties and adversities to go miles to their nearest post office.

The network change team—that is the euphemistic description of the team that is wielding the axe, and cutting and closing the post office network in my constituency—says, "Well, we'll provide a van." For people who live on a hill in Dartmoor, it is not a great deal of comfort to be told that for two hours on a wet, windy, bleak or snowy day the Post Office will provide a van. It is a brutal axe to wield on a number of scattered rural communities that are fragile, remote and isolated.

The closures will hit the most vulnerable hardest. They will tear the heart out of some villages whose only contact with the rest of the world is through their post office or their public house—their public houses are closing at a similar rate to their post offices. The process of post office closures in my constituency is as brutal and as bad for the communities that I represent as any measure that the Government could have permitted. It is characterised by fear, secrecy and want of transparency. The hon. Member for North Southwark and Bermondsey (Simon Hughes) has told us that it is only right that full disclosure be made in relation to a post office. I agree with him entirely, but when one asks the Post Office, there is immediately a clamming-up and an unwillingness to disclose facts that could furnish information relevant to the submission and information on which the case could be made for a particular post office or number of post offices.

The system is not fair, and it will not be seen as honest by those whom I represent. That is why I speak—not, I hope, with too much vehemence—on behalf of a currently undisclosed number of people about a programme that will land a particularly heavy series of blows on the community that I represent. We are one of the most deprived constituencies; we have no bus system, and no public transport system that would enable those affected to travel. It is no use saying that the 3-mile access criterion for rural communities refers to distance as the crow flies. We are not crows in Devon; we do not fly; and we have no buses.

The lady, whom I will not name, to whom I spoke the other day in one of the villages where the post office may close—I cannot name her because that would be to name the post office, and to name the post office would breach confidentiality, which would have consequences—rides in an electric buggy for disabled people. It is 3.9 miles to the nearest post office, if her local post office closes. How is she to get there? There is one bus a day. She would have to remain in the other village all day waiting for the bus, merely to buy a stamp or send a parcel. Or, as the lady told me, with her Union Jack on the little basket on the front of her buggy—the House may have detected that she is indeed a Conservative voter, God bless her—she will set out in her buggy around the winding roads with their pits, holes and divots for the nearest village 3.9 miles away. I fear for her. She means it, and she will try, but is that what the Government want? Are the Government willing to permit an elderly person in a disabled buggy to set out on a 3.9 mile journey through fragile, remote rural isolation on Dartmoor in the wind, the rain and the cold in order to cash her pension or buy a few stamps? I earnestly submit not.

That is another reason why the rural communities that I represent feel as profoundly as they do that the Government are not interested in the rural south-west and do not govern for them. The Government do not understand the problems of the villages and market towns that I represent. There are so many issues that affect my constituents' interests that I could speak almost until kingdom come, and I can already hear the silent groans of hon. Members at that dismal prospect, so I will not trouble the House much longer. I shall raise only one or two of those issues.

Mr. Brooks Newmark (Braintree) (Con): More!

Mr. Cox: Do not tempt me.

I have more than 65 sub-post office branches, which shows why my constituency is said to be the second largest in England and the sixth most rural constituency in the country, including our Scottish cousins. There are so many problems with services that affect rural communities and give rise to the state of mind among them that London, the House and the Government are not listening. Broadband is a minor irritation, it might be thought by the House, but there are dozens of villages in my constituency that cannot receive it. Sometimes parts of villages, and sometimes whole villages, do not have access to broadband.

The regional development agency has assisted with a little money to enable some exchanges, but I get letters almost weekly about the rural businesses whose interests and prosperity have been frustrated by the simple inability to send an e-mail. I dare say that my hon. Friend the Member for Uxbridge would not recognise the problem. I dare say that people in Uxbridge can at least get broadband, but in Northlew, St. Giles on the Heath or Belstone, or in many parts of those communities, people cannot get broadband at all.

If we are to encourage rural business and encourage diversification in areas where the traditional staples of agriculture and livestock farming have, sadly, been in decline for so many years, how are we to give those communities the empowerment that they need to take into their own hands their destiny and their fate, unless we can provide them with at least the elementary necessity of a modern business, a modern broadband communication link?

Just over the border, European money is aflowing and awashing in Cornwall, and it is gurgling around the plughole of public money, which is being squandered in millions and tens of millions. In Devon, however, and particularly in Torridge, there is nothing. We have none of the largesse that is falling like rain and manna upon Cornwall. We have a few bits—a few pennies pushed in our direction—but nothing when it comes to the enablement of my communities to receive the simple and basic necessity of broadband.

One Labour Member has discussed bus concessions. Even bus concessions in Devon have proved an extraordinary and chaotic nightmare. Hitherto, the county council—

Shona McIsaac: Lib Dems?

Mr. Cox: Yes, a Liberal Democrat council. Nevertheless, I cannot blame the council for everything, and I do not seek to do so. [HON. MEMBERS: "Go on!"] No, no. Perish the thought that I should blame the Liberal Democrats. Speaking for myself, I have always enjoyed the most cordial relationship with the Liberal Democrat county council, and I think that the Liberal Democrats try to do their best—it is not always a good best, but they try to do it.

The county operated a bus concession scheme that allowed people to travel from 9 o'clock in the morning. Hon. Members might think 9 o'clock is a sensible time to begin, because that is when most of the buses go. They do not go after 9.30, because if people want to leave their villages and get to work, the buses must go before then. Unfortunately, however, the Devonwide partnership, which runs the scheme, felt unable to continue the original scheme, which was local, and introduced a start time of 9.30. That means that the scheme is almost useless for dozens of my villages, which people cannot get out of until after 9.30.

Why does the scheme now start at 9.30? I will tell hon. Members the reason, which might provide an answer for the hon. Member for Cleethorpes (Shona McIsaac) and which is certainly the answer in Devon: the Government have simply not provided enough money. At the moment, the Devonwide partnership does not dare take the step of starting the scheme at 9 o'clock rather than 9.30. Why? Because the Government have done no serious study of the number of visitors who will arrive in Devon. Those visitors, and the distances involved, would take up much of the Government's money. So for the first year, the scheme starts at 9.30, not 9, which makes it automatically of little use to thousands of those who will have the card.

Additionally, it has not been possible to extend the companion or carers scheme to the county. That, too, is a devastating blow to those who are disabled and those with autistic children, which is a subject close to my heart. Their companions will be unable to travel on the buses, because the scheme has not been extended. Having done the maths, the Devonwide partnership simply does not believe that enough money has been provided to fund it.

The local scheme started at 9 and gave carers the right to accompany the disabled. The new national scheme starts at 9.30 but does not give carers that same right. I submit that that is another reason why hon. Members, were they living in one of the villages or market towns that I represent, would regard this as another meaningless, mysterious, peculiar, baffling decision taken remotely from them that hit hard their quality of life and their confidence that they could survive living in those remote and rural communities.

Shona McIsaac: I am curious about what the hon. and learned Gentleman has said about the concessionary travel scheme. His constituency is represented by a Liberal Democrat council, as is mine, and our constituents are experiencing similar problems and excuses. I have just checked and, apparently, Devon has been given £3.4 million in additional special grant this year, which is a 44 per cent. increase. He might mention that to his Liberal Democrat council.

Mr. Cox: I am grateful to the hon. Lady for that debating point, but I shall not endorse it, because I have been told by those who run the Devonwide partnership—I respect many of them; they are perfectly decent people—that they have done their maths and there simply is not enough money, particularly as Devon is rich in tourist attractions. We have the south Devon coast, Dartmoor and the north Devon coast. The assessment is that the number of tourist visitors who will take up the benefit of the national concessionary scheme is so great that the money simply is not enough to cover it. That is why this is a problem that will adversely affect those whom I represent.

I cannot conclude my brief tour d'horizon of the problems of my constituency without referring to bovine tuberculosis. Mine is a livestock farming constituency, and it is probably the single most densely infected area. Dozens if not hundreds of farms are locked up in restrictions associated with the disease. For years now—certainly since I entered the House nearly three years ago—I have repeatedly urged the Government to take action, and the only way to do so, certainly in my area, is, as the Select Committee recently recommended, to grasp the nettle and order a humane badger cull in properly controlled circumstances. I am sorry to have to offend Labour Members in their sentiment and proper regard for those beautiful animals, but all scientists now agree that unless we tackle the disease in the wildlife reservoir, the disease, which costs £100 million a year, will go on inflicting devastating distress upon farming families as they see their livelihoods, their herds and their farms simply being washed down the plughole, putting them out of business, and we will go on experiencing this unacceptable and corrosive problem in the countryside.

I do not argue for an indiscriminate cull. The Select Committee got it exactly right. It must be done where the vets and the scientists agree that it will have effect—in the dense hot spots where we must eliminate the disease not only from the cattle population but from the wildlife population. We must bear down on both sides of the disease. We cannot simply replace infected cattle with clean cattle, leave infected badgers on the farms and expect TB not to break out again. That is what is happening, and it is time that the Government decided to end the scourge.

4.17 pm

Mr. Alan Reid (Argyll and Bute) (LD): It is a pleasure to follow the hon. and learned Member for Torridge and West Devon (Mr. Cox). Like him I represent a large rural constituency and I share many of the frustrations that he expressed about the provision of services to rural areas, and the first issue that I want to raise before the House adjourns for the Easter recess is an example of such services being removed from rural areas—motorcycle test centres.

From 29 September 2008, learner motorcyclists from my constituency and from many other parts of the country will face a round trip of more than 200 miles to take their tests, because on that date the new practical motorcycle test will be introduced to comply with European legislation. The aim of that legislation is to improve the standard of road safety for motorcycle and moped riders. There are good arguments for improving the test for motorcyclists because a disproportionate number of the accidents on our roads involve motorcyclists. As well as all the human suffering that a fatal accident causes, it is estimated to cost £1.5 million to society

[Helen Goodman]

It only remains for me, Mr. Deputy Speaker, to thank you and all the members of staff who work for us so assiduously throughout the year, and I wish everybody a very pleasant and restful April recess.

Mr. Deputy Speaker (Sir Alan Haselhurst): Perhaps I might be allowed to reciprocate the many good wishes that have been directed to the Chair and the officials of the House. I hope that everyone has a very good Easter break.

It being Six o'clock, the motion for the Adjournment of the House lapsed, without Question put.

PETITIONS

Post Office Closures (Bristol)

6 pm

Stephen Williams (Bristol, West) (LD): I, too, wish you a happy recess, Mr. Deputy Speaker.

This petition is specifically about post offices in the city of Bristol. Post Office Ltd recently announced the closure, or consultation on the closure, of 12 post offices in the city of Bristol, four of which are in my constituency. They follow many other closures in recent years. In the Bristol, West constituency, it is proposed to close the Alma Vale Road post office in Clifton, the Derby Road post office in St. Andrews, the Redcliffe Hill post office in Redcliffe and the Wellington, West post office in Henleaze. There are petitions about all four closures, but the one that I am presenting is specifically about the Derby Road post office. At the point when it was given to me on Sunday, it had been signed by 1,209 people.

The petition states:

The Petition of those concerned about the proposed closure of Derby Road Post Office.

Declares the importance of this Post Office to the local community.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Business, Enterprise and Regulatory Reform to instruct Post Office Ltd to keep Derby Road Post Office open.

And the Petitioners remain, etc..

[P000167]

Post Office Closures (Kingston and Surbiton)

6.1 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): I, too, wish you a happy Easter recess, Mr. Deputy Speaker.

I am presenting another petition against post office closures, on behalf of thousands of local residents in Kingston and Surbiton constituency, who oppose proposals to close five local post offices in the area. I am grateful for the help of the *Surrey Comet*, local newsagents and the thousands of local residents who signed the petition. There are just over 4,500 signatures at the time of presenting the petition, although more are coming in every day.

The petitioners call on Post Office Ltd to drop the plans to close the five post offices because they provide an essential service to the local community. Many vulnerable people will be hit by the plans if they go ahead, especially the elderly and disabled, not to mention the many businesses and other residents who will be harmed.

The petition states:

The Petition of local residents in the constituency of Kingston and Surbiton,

Declares that Post Offices on Surbiton Road, Hook Rise South, Burlington Road, and at Norbiton Common and Plough Green are of great importance to the local community and economy.

The Petitioners therefore request that the House of Commons urges the Government to reject proposals by Post Office Ltd to withdraw services from these post offices, in recognition of their importance to the local community and economy, and the absence of suitable alternatives.

And the Petitioners remain, etc..

[P000170]

Charities

Motion made, and Question proposed, That this House do now adjourn. — *[Mr. Michael Foster.]*

6.2 pm

Barry Gardiner (Brent, North) (Lab): I believe

"that there is no problem in this country that can't be solved by the people of this country. Millions of people choose to bring about social change and to solve the problems we face through the third sector. In every part of our society, voluntary organisations, community groups and social enterprises are making people's lives better, are fighting inequality and are creating a better environment for us to live in."

If the Minister thinks that that is an uncharacteristically grandiloquent opening statement for one of my speeches in the House, the reason is that I did not write it. It is the statement that the Prime Minister made in his foreword to the Cabinet Office report on the future role of the third sector in social and economic regeneration. Not for the first time, he was absolutely correct to identify the fact that week in, week out, day in, day out, the British people — often quietly and often on their own — work to bring about social change and improve the lot of their fellow citizens and others around the globe.

I congratulate my hon. Friend the Under-Secretary and other colleagues in the Cabinet Office on their extraordinary engagement and on the Government's commitment to developing the third sector, not least through the £500 million that they are investing in it in the current comprehensive spending review round. However, I am not here simply to congratulate the Government; I am here to ask the Minister to consider one way in which we might be able to help the charities in our country to make an even stronger impact on social change than they do now.

At the end of December last year, there were 190,541 charities on the Charity Commission register. Of those, 21,244 were subsidiaries or constituents of other charities. That means that there were 169,299 main charities on the register, which are required to prepare accounts. That figure includes 2,498 group charities, which are separate charities that nevertheless share the same registered number, because they have been grouped together for ease of administration.

When the income of those charities is broken down and itemised against the individual charities, a remarkable pattern emerges. Many of those 169,299 so-called main charities are very small indeed. Indeed, one fifth of them — more than 35,000 charities — have an income of less than £1,000 a year. Nearly 60 per cent. of all registered charities in the UK have an income of less than £10,000 a year. More than 95,000 charities — almost 60 per cent. — have a combined income of less than 1 per cent. of the total charitable income each year.

The financial wealth of registered charities, measured by their annual incomes, is concentrated in a few very large charities indeed. Just 8 per cent. of charities receive more than 90 per cent. of the total annual income recorded on the Charity Commission register. Perhaps most extraordinarily of all, out of the 169,299 main charities, a tiny minority — just 679 — attract more than 50 per cent. of the total income, so that £22.4 billion goes to 0.4 per cent. of all charities.

I want to make it clear that I am in no way speaking against big charities. They do wonderful work, and I applaud their professionalism and success. However, I want to focus on the logical implications for the 92 per cent. of charities that operate on only 10 per cent. of the total income. That 92 per cent. represents 142,367 charities, all of which seek and apply for funds, accrue administration and funding costs, and have staff and trustees who are passionate about and devoted to their cause — yet those charities often compete with others in their field, rather than collaborating with each other.

I do not want to stop any charity, or any person in any charity, doing their bit to make a world a better place by alleviating suffering, promoting education, finding a cure for disease, protecting animals, cleaning up the environment or reducing poverty. However, I hope that the Minister agrees that there must be a more efficient and effective way of harnessing all the incredible human resources, commitment and good will that those 142,367 organisations represent.

The question presents itself: how much more effective could those charities be if there were an easier, cost-effective, integrated and secure way of generating a steady revenue stream into their good causes? What if they did not have to rely on the jumble sale, the bucket collection, the Christmas raffle or the fun run as their main fundraising event of the year?

Charitable fundraising in the UK has developed enormously in the past decade or so. It is now possible to donate to television appeals such as Sport Relief or Children in Need by giving credit card details over the phone. It is possible to donate over the internet, or even by downloading a British Legion poppy as the background image for one's mobile phone. All of that is tremendous. Ease of giving is one of the most important elements of charitable giving.

Just as important, however, is the research that shows that people prefer to donate to the charities that have the lowest cost overheads. The CharityFacts website, set up by Professor Adrian Sargeant at the Bristol business school, states that, in general, it costs between 15p and 25p to raise £1. The average gearing is 1:5, with 20 per cent. of income spent on fundraising. That increases slightly with face-to-face collections, to between 20 and 25 per cent., whereas text message donations give almost as much money to the mobile phone company as to the good cause.

According to research carried out by the university of London, the reason why collection tins continue to be one of the most popular ways for the public to give money is that such giving is spontaneous. In fact, spontaneous giving accounts for 83 per cent. of giving in this country. Planned donations account for just 17 per cent. Here, we begin to see a recipe: low overheads, quick and easy, and spontaneous. Convenience and immediacy are key drivers. How can we turn that formula into a means of resolving the issues that beset the 142,367 charities, all with administrative and fundraising costs, that are competing with one another?

Let us imagine a situation in which, whenever anyone in the UK purchased anything in a supermarket, a petrol station, a clothes shop or any retail outlet where they could pay by credit card, they had the opportunity to round up the cost of their purchase to the nearest whole pound. Let us imagine that, instead of purchasing a camera for £69.99, they could send the extra penny to bring water to an African village or to campaign for human rights in Burma. Which one of us would not do

[Mr. Alistair Darling]

clearer standards for valuation and transparency, and changes in the role and use of credit ratings. We will strengthen international co-operation so that we are better able to prevent crises and deal with problems that occur. We are also working with the IMF to allow it to play a greater role in providing early warning of the threats to financial stability, so that the relevant authorities can take early action to prevent these actions in the future.

Here at home, we are about to finish consulting on the reforms to the banking system that I announced in January. These reforms will make it easier to intervene in the event that a bank gets into trouble, in order to protect depositors and maintain the stability of the financial system. Because it is important that we get this right, I will continue to hold discussions with the industry on the detail of these proposals before bringing forward legislation. We will also want to make changes to the Bank of England to emphasise its role in maintaining financial stability.

The responses that we have received so far to the consultation have made it clear that, given the importance of these reforms, it is crucial that we have further discussions. Once those are completed, I can confirm that it is our intention to introduce legislation this Session to strengthen financial stability and depositor protection. The legislation needs to be on the statute book early next year, when some of the provisions of the Banking (Special Provisions) Act 2008, which we passed in February, are due to expire.

Finally, we are determined to do everything that we can to help home owners, so I am meeting the Council of Mortgage Lenders, the Finance and Leasing Association and major lenders tomorrow, along with the Chief Secretary to the Treasury and the Minister for Housing. Since 2004, mortgage lenders have been required by statute to treat their customers fairly, and at our meeting I will be discussing how banks and building societies can help people whose fixed-rate mortgages are coming to an end, as well as helping people who may get into difficulties in repaying their mortgages. Banks and building societies have a duty to treat their customers fairly and, in the light of everything we are doing, I want to discuss how they can pass on the benefits of falling interest rates as well as wider Government support to mortgage holders.

The Government will continue, along with the Bank of England and the Financial Services Authority, to do everything they can to maintain stability. The announcement by the Bank of England this morning will help to resolve problems in the wholesale financial markets, which have a subsequent impact on the retail markets, and so help businesses, individuals and, in particular, the mortgage market. I commend this statement to the House.

Mr. George Osborne (Tatton) (Con): I thank the Chancellor for prior sight of his statement, and the Governor of the Bank of England, who phoned me yesterday to explain in advance what he was proposing to do. On a lighter note, I welcome the hon. Member for Sheffield, Hillsborough (Ms Smith), who is still in her place—the call from the west wing clearly worked, although judging by the Prime Minister's face, that was the last time that they will talk.

It is nine months since the credit crunch began. We know from the recent International Monetary Fund report, to which the Chancellor referred, that Britain has been left more exposed than any other European country: it has the highest Government borrowing in the developed world and the highest personal debt on record. Of course we welcome any international moves to improve stability. Such moves should include reforms to the Basel accords. Surely it is time to look at counter-cyclical capital rules, so that we try to avoid this boom and bust in debt and asset prices in future.

I know that the Prime Minister was with the Kennedy clan last week. Perhaps he should borrow a phrase from President Kennedy: next time, let us fix the roof "when the sun is shining." In the meantime, the Bank of England has to pick up the pieces. I broadly welcome the liquidities scheme that it announced this morning. *[Interruption.]* Indeed, we were recently calling for it. The difference between a well-judged intervention and a bail-out lies in the details and in the protection offered to the taxpayer.

Will the Chancellor, on the record today, give us his personal promise that as the man entrusted with the nation's finances, he believes that the guarantees are such that there will be no loss to the taxpayer? Would not the risk to the taxpayer be reduced still further if the Government had not agreed to indemnify securities backed by credit card debt as well as those backed by mortgages? Why has he done that? Perhaps he could explain that to the House, because we are trying to keep people in their houses, not prop up credit card lending. According to the market notice issued by the Bank this morning, the British taxpayer is underwriting securities based on United States credit card debt. Could the Chancellor confirm whether that is the case? Has he calculated the extent to which that will expose the taxpayer to developments in the US economy?

The Chancellor is calling on the banks to be more transparent about their liabilities—I agree with him on that—but can he confirm that the Treasury has insisted that the scheme be designed to keep the taxpayer exposure off the Government's balance sheet? Is it true that the swaps are for 364 days because if they were for a day longer, £50 billion of debt would be added to the national debt? Crucially, what steps is he taking to ensure that the main lending banks will use the facility to pass lower rates to borrowers? Has he had any commitment from the banks that they will do that?

We have seen the share prices of the banks go up since word of the scheme was leaked by the Prime Minister on his American trip, but what we have not seen is mortgage costs come down. The last time the Chancellor called for the banks to pass on a rate cut, they all ignored him, even the bank that he now owns, and several actually raised their rates. Let us hope he is more successful when he meets the Council of Mortgage Lenders tomorrow.

Finally, do not the past nine months reveal the folly of a Prime Minister who failed to use the global good times to prepare for the difficult times? A competent Government would be in a position to help people with the rising cost of living. Instead, this incompetent Government's 10p tax rise will add to the misery of some of the lowest-paid families, who are already struggling with a rising cost of living, and could more

than cancel out any help with mortgage costs that this scheme might bring. It is not too late for the Chancellor to back down and stop this tax raid on the poorest. We know from the climbdowns on capital gains tax and non-doms that this Chancellor is for turning. We know from his comments yesterday that he thinks the Prime Minister's last Budget was such a mess that he has to return to it. If the Chancellor has a concession to announce or if he wants to set out the process towards any concession, he should not leave it to his deputy; he should get up and have the courage to announce the concession at the Dispatch Box himself.

The Bank of England is now playing its part to help families hit by the credit crunch, and it is time for the Government to do the same. It is time for the Government to stop fighting themselves and start fighting for the country. It is time for a Government who are on the people's side, not on people's backs.

Mr. Darling: I note that the shadow Chancellor had very little to say about the Bank of England scheme, just as he has had precious little to say throughout the past few months. Indeed, ever since these problems first arose in the financial markets last summer, what he has had to say has been contradictory. I note his invitation to discuss boom and bust—something that the Conservative party is well qualified to talk about. I prefer to remind the House that because we have a strong and stable economy, with low levels of unemployment and record levels of people in work, we are far better placed than most other economies to see through this period of financial uncertainty and turbulence.

As for the hon. Gentleman's assertion that we are the only country affected, he must have noticed that banks and other financial institutions in the United States have been substantially affected. So too have banks in Germany and in other parts of the world. This problem is affecting the banking system throughout the world, which is why central banks and Governments have been taking action to try to alleviate it, with a view to getting the financial markets stabilised and returning to normality.

The hon. Gentleman asked several questions. He asked about the Basel regime, and Basel II in particular. I am sure he would agree that it is important that the banks have adequate capital, and the Basel II agreement was meant to ensure that banks are properly capitalised, so that if they run into difficulties they have something to fall back on. Indeed, the evidence of the past few weeks is that several banks throughout the world need to improve their capital position.

The hon. Gentleman asked how the banks will adapt from the present regime to the new regime, and the FSA is considering that. He also asked about the Bank of England scheme itself, which I understand he broadly welcomes. First, the issue of its classification is for the independent Office for National Statistics. Secondly, perhaps I may explain to him further how the scheme will work, although the Governor must have covered this ground in his helpful conversation yesterday. The Bank of England will make available Treasury bills to a bank in return for which it will have to pledge collateral. Most of that will be mortgage-backed securities, but it can include credit card assets, provided that they are AAA-rated, but in any event it will be for the Bank of England to decide what collateral it will accept.

Crucially, as I think the hon. Gentleman acknowledged on the radio this morning, the Bank of England will ensure that it takes far more from the bank than it gives out in Treasury bills. An example is given in the Bank of England press notice today, which shows that if £100 of collateral is pledged, the receiving bank will get between £70 and £90, depending on the strength and value of the collateral. In other words, there will be a margin to protect the taxpayer. In addition, the banks will pay a fee.

The crucial point is that the Bank of England is now able to take action to provide liquidity in the system for a longer period, which will help banks to restore their capital position and be able to start lending to businesses and individuals. That is crucial for this country in terms of improving the mortgage market. We want to ensure that institutions are sound, but we also want to see the benefits of what is happening passing to home owners, because they are entitled to expect not only support from lenders, but that will the Government to do everything they can to support them. We will continue to do that.

Dr. Vincent Cable (Twickenham) (LD): This is a strange day for a Labour Government. They are announcing that they are advancing billions of pounds to the banks at the same time as they are taking billions of pounds away from low-paid taxpayers. The Chancellor reminds me a little of a character whom I frequently encounter in the stories I read to my grandchildren—Little Red Riding Hood, who went around trying to be kind and helpful, but ended up being out-manoeuvred and then eaten by a wolf. [*Interruption.*] The Chancellor is in the process of being slowly devoured by the British banking system. The banks are not in this position by some unfortunate accident. Their own Institute of— [*Interruption.*]

Mr. Speaker: Order. Hon. Members are entitled to get stories wrong from time to time.

Dr. Cable: The banks are not in this position by accident. The Institute of International Finance, which is the bankers' group, acknowledged only last week that the banks had engaged in substantial bad practice. British banks have, over the past few years, lent too much, too quickly and too carelessly. The correct course of action, which the markets now anticipate, is that the banks should make a rights issue to their shareholders to raise money to offset the losses that they have to own up to. The problem is that chief executives do not want to go to the markets because they face the sack, so they rattle the begging bowl to the Government and hope that the Government will help them out, which they are doing.

The Government have assured us that they are covering risk as a result of the discounts on the transfer of assets. Can the Chancellor tell us what those discounts are? Only two weeks ago, the International Monetary Fund made an independent estimate that residential property in the UK was 25 to 30 per cent. overvalued. That is the IMF's estimate; it has no axe to grind. Any asset-backed mortgages that have a

[Dr. Cable]

discount of less than 30 per cent. represent a transfer of risk to the taxpayer. As I understand it, the Bank of England will provide a discount of up to 30 per cent. but not beyond it. Will the Chancellor explain that discrepancy?

The statement also says—this was confirmed a few moments ago—that the Bank of England will accept credit cards as part of the transfer mechanism. It is said that they will be accepted because they have a AAA rating but after the complete mess that the rating agencies have made over the past six months and the meaninglessness of the AAA rating designations, what possible confidence can we have in that assertion?

My main point is this: if the Government are substantially to relax the conditions under which they make liquidity available to the banking system, surely conditions should be attached to that process. The most important condition should be that the banks accept up front and in writing that they will go to the markets to raise money in the way proposed by the Royal Bank of Scotland. Without that, there is no guarantee that the money raised in this way will not sit in the banks without being advanced to the markets, to small business or to residential borrowers. Without those guarantees, the package promises to be a liability to the taxpayer and to do little to sustain the domestic economy.

Mr. Darling: I always thought that part of the Liberal Democrats' problem was that they believed in fairy tales, but I had not understood that the hon. Gentleman did not know the ending of a fairy tale. I hope that when he goes home this evening he will apologise for misleading his grandchildren—inadvertently, of course—about the end of that nursery story.

The hon. Gentleman's position in relation to the Bank of England's proposals lacks sense, too. The logic of what he is saying is that the Bank of England should not be providing the support. If these were normal circumstances, that would be a perfectly statable case, but these are highly unusual circumstances. We are in a situation, getting on for nine months after the problems first started, in which the mortgage bank security market is virtually non-existent. That is putting particular strain on banks and making them increasingly reluctant to lend to each other and to customers. That cannot be good for any of us as the problem spreads further into the wider economy. That is why I believe that what the Bank is doing is right. It is similar to what other central banks are doing.

On banks that have got themselves into a position in which they need to recapitalise, I agree with the hon. Gentleman that it is important that they disclose their position as quickly as possible. The sooner the world knows the extent of the exposure, the more confidence there will be in our getting back to trading on a normal basis. Banks are doing that in this country and all over the world. However, the Government cannot say to every institution, willy-nilly, "You ought to have a rights issue," because that may not be appropriate for some institutions. When the hon. Gentleman thinks through the logic of his position, I think he will see that what he is proposing does not work.

The Bank of England set out the securities that it will accept in the market notice that it published today, as the shadow Chancellor said. As I said in reply to him, it is up to the Bank of England to decide what securities it will accept and, crucially, what margin it requires in order to protect its interests—and, ultimately, the taxpayers' interests. The measures proposed by the Bank of England are necessary and will be beneficial in helping to get the banking system back into a position in which it functions normally. That will benefit businesses, individuals and mortgage payers in this country.

John McFall (West Dunbartonshire) (Lab/Co-op): I have a simple question for the Chancellor: does he believe in the principle of moral hazard?

Mr. Darling: I think that the principle of moral hazard is very important, but as I have said to my right hon. Friend on a number of occasions, I do not think that we can just stop there. We have a particular problem in relation to the banks. The banking system is crucial to just about every single business and individual, and to all home owners in the country; no Government could simply say, "It really doesn't matter what will happen to the banking system." It is crucial to the economy, as we have seen in the United States, as we see in Europe, and as we now see in Asia. There is not a country in the world that is not now being affected by the problem. That is why it is right for the Bank of England to take action, and why it was right to spend the past few weeks developing a proposal that I think will help to begin the process of getting back to normality.

Peter Viggers (Gosport) (Con): This is further massive financial exposure by the Government. Will it count as Government debt, and if not, why not?

Mr. Darling: As I said to the shadow Chancellor, the classification of debt is a matter for the independent ONS. On the broader point made by the hon. Member for Gosport (Peter Viggers), as I have said, Treasury bills will be obtained by banks only in return for collateral. Let me make a general point: I know that both in the Treasury Committee and on the Floor of the House the hon. Gentleman has frequently asked perfectly pertinent questions about Northern Rock, as he was concerned about the exposure in that case. The Government did step in to stabilise the position at Northern Rock, but of course money has not been lost; indeed, Northern Rock's exposure and debt to the Bank of England are being reduced.

Sir Stuart Bell (Middlesbrough) (Lab): The Chancellor referred to low unemployment in his statement. Is he aware that between December last year and February this year employment rose in our country by 152,000? In the last financial year, it rose by 456,000, and 29.51 million of our fellow citizens are now in gainful employment. His theme today is stability. Will not his measures add to the stability of our economy and help our businessmen, citizens and consumers—all of us—overall?

Mr. Darling: The answer to my hon. Friend's question is yes, they most certainly will. The shadow Chancellor offered to give us a free lecture on boom

and bust, but he might have recalled the difficulties that arise when there are 3 million or 4 million people out of work, and interest rates are at 15 per cent. That is what destabilised the housing market in the early 1990s. The position today is quite different. There are very high levels of people in work, and historically low interest rates. What we have to deal with at the moment is an almost unprecedented shock to the financial system, or certainly one that we have not seen in recent generations. It is important that we, and other banks, and authorities throughout the world, act together to do everything that we can to ensure stability in the banking system.

Mr. John Redwood (Wokingham) (Con): How much extra cash do banks in the UK now have to deposit or keep for prudential reasons, as a result of the regulator's change of rules? That will offset the beneficial effects of some of the package. Will the measures be enough to bring mortgage rates down?

Mr. Darling: In relation to the first point, the right hon. Gentleman is aware that the FSA is responsible for the prudential supervision of the banking system and specifying what arrangements are required, first under Basel I and then under Basel II, which is in the process of coming into force.

In relation to the right hon. Gentleman's wider point about mortgages, we want to make sure that financial institutions are in good financial health, as I said in reply to the hon. Member for Twickenham (Dr. Cable). That means that some of them will have to restore their capital position. I believe that this is a way of helping to restore the position in relation to financial markets. I have made it very clear that, as most people in this country would expect, in taking action through the Bank of England—either in direct interest rate cuts or through today's support—the Government are entitled to expect that businesses, individuals and, in particular, mortgage payers will see the benefits of what we are now doing.

Mr. George Mudie (Leeds, East) (Lab): The Chancellor needs congratulating if he has got the Bank of England acting with some urgency at long last. However, the House needs to be reassured that we are not, as taxpayers, just bailing out the very same bankers who got us into this problem. I have noticed the financial conditions attached to the loan for the building societies and banks. However, are there other conditions that will force those institutions to pass on rate cuts, extend mortgages and the like—or will the money be used just to mend their balance sheets?

Mr. Darling: In reply to the latter point, it is not possible for the Government to insist that a cut in the bank rate, for example, should be passed through in every case, whatever happens. There may be reasons why a financial institution is not able to do that—not least because it may need to make sure that its capital position is strong. However, one of the reasons why, in the present position, the rate decreases have not been passed on, and why people have found getting mortgages more difficult or expensive, is that there is less money around because banks are not lending to each other. When we sat down to discuss how we could try to resolve the problem, we asked ourselves what was the root cause of that lack of funding and of the increase in the cost of getting loans, and it is the fact that the mortgage-backed security market is virtually shut. Sorting that problem out will begin the process of freeing up the lending process. That, I believe, will enable us to achieve the situation that we all want, in which people receive the benefits of that. It is not possible to prescribe in a mechanistic way what every single institution in this country must do, but, as I said, if public money is doing its bit, people expect banks to do everything that they can so that the general public can see the benefit.

Sir Nicholas Winterton (Macclesfield) (Con): I welcome the liquidity proposals that the Bank of England has announced today, but I remain concerned about taxpayers' exposure. Does the Chancellor think that the lessons of recent times will be learned by the banks and building societies, and that those institutions will stop indulging in irresponsible lending? Will the Chancellor and the Government play their part by not adding to the cost of living in this country through stealth taxation?

Mr. Darling: Banks and building societies should lend responsibly. They should be satisfied that the borrower can afford the loan being taken on, that the asset on which the loan is secured is good and that they will get their money back. I also agree that those responsible for running financial institutions should remember what has happened. What often happens is that the generation involved in one financial or banking crisis has long gone by the time something else happens. I hope that the memories of what has happened in the past few months stick not only with the current generation of managers, but with the rising generation. People need to learn from experiences, particularly bad ones.

Alan Simpson (Nottingham, South) (Lab): I welcome the Chancellor's statement, although I recognise that it cannot be the place of a Labour Government to bail out a banking sector that has allowed itself to privatise profits and nationalise debt. Will the Chancellor spell out to the House that he intends to bring forward regulations for the banking industry that will, first, make it illegal for banks to conduct the off-balance-sheet transactions that have taken us into our current mess, and, secondly, require the full disclosure of the toxic debt that they are carrying? Is he confident that in the intervention in respect of access to mortgages, he will not be discriminating against the building societies that have remained in mutual ownership and in which people have saved, as opposed to those that converted to banks in order to speculate?

Mr. Darling: As I said, all institutions that are usually eligible for Bank of England support, including the building societies to which my hon. Friend refers, will be eligible in this regard as well. We are as mindful of their position as we are of that of other banks. I agree with what he says about the need for far greater transparency. There also need to be stricter rules in relation to off-balance-sheet activity, which has enabled some banks to get round their other regulatory responsibilities. That is clearly not a satisfactory position.

[Mr. Darling]

In relation to my hon. Friend's first point, the important thing to remember is that this money, through these facilities, is effectively being lent, not given, to these institutions—they have to repay it. As I said, the collateral—the security—that they have to offer in return will be greater than what they get out of the system. This is helping to put money into the system so that it starts to work again, because if we do not do that there is a risk that the problems that we now see will spread even further and take much longer to recover from. That is why we are taking this action.

Sir George Young (North-West Hampshire) (Con): Is the rate of interest that the Treasury is charging the Bank of England on these bills less than the rate of interest that the Bank of England is charging the clearing banks, and if so, by how much?

Mr. Darling: The Bank of England is charging commercial rates, and we are providing funds to the Bank on that basis too.

Jim Cousins (Newcastle upon Tyne, Central) (Lab): I congratulate the Chancellor on getting the Bank of England to do now what it should have done last August at far less cost. Will the Bank of England require, in return for these loans, finance to be restored to home buyers? Will it also require the banks not to pay themselves bonuses for getting out of this mess on the same scale and style that they paid bonuses to themselves for getting into it?

Mr. Darling: Many people look at these bonuses and ask themselves what the individuals did to get them. In relation to Northern Rock, on which my hon. Friend has had quite a lot to say, that is a perfectly pertinent question to ask. This is not something that we can legislate for; at the end of the day, it has to be for companies themselves.

I dealt earlier with the point about passing on the benefits of interest rate reductions to home owners. This action, which comes on top of other action that the Bank has taken independently or with other central banks, of putting money into the system, has helped. I do not think that last summer anyone would have envisaged that what we now see in the financial markets would have gone on for so long and be so deep in so many countries. It is important not only that action is implemented but that it works.

Stewart Hosie (Dundee, East) (SNP): I welcome the statement and thank the Chancellor for advance notice of it. I particularly welcome the international elements of transparency, co-operation and early warning. I give a guarded welcome to the £50 billion of Treasury bills and the changes to the use of credit ratings. The Chancellor spoke about the background against which these new measures have been developed. He spoke about liquidity and rightly pointed out that we have known about this for some nine months. Given that last August the Governor of the Bank of England knew about the difficulties that the credit squeeze was causing, given that on 4 September last year the inter-bank offering rate was higher than the Bank of England emergency rate, and given that on 6 September the European Central Bank pumped £150 billion-worth of liquidity into the system, does the Chancellor now regret allowing the Governor last September not to increase liquidity in the system? Is the real lesson for the future that in a future event such as this, early intervention will always be better than allowing things to drift on for eight, nine, 10 or 11 months?

Mr. Darling: My guess is that if we had introduced this particular scheme in August last year many people would have said, "Why on earth is this necessary?", because the extent and the depth of what has happened could not possibly have been foreseen at that time. As I have said before, certainly to the Treasury Committee and, I think, on the Floor of the House, by the time Northern Rock started to get into difficulties it would have been very difficult to help it through a general provision, because by that time it needed so much money that it was almost inevitable that it would come along to the Bank of England. The hon. Gentleman is right that it is always to our advantage to prevent such things from happening in the first place, if that is possible. That is why we will introduce legislation later in this Session, which I hope that he and his party will support, that was partly foreshadowed by the Banking (Special Provisions) Act in connection with Northern Rock.

Mr. Kevan Jones (North Durham) (Lab): I welcome the Chancellor's support for the banking system, but does he agree that it is important to look at what is happening in other sectors in the economy? Last Friday, I visited the Nissan car plant in Sunderland and met some of the 800 new employees who have been taken on to produce the new Qashqai car. That investment was secured because of a stable economy, but also because of a flexible and skilled work force who make the plant the most productive in Europe and one of the most productive in the world.

Mr. Darling: I agree with my hon. Friend, and the Qashqai has been extraordinarily successful. I know from my time as Secretary of State for Trade and Industry that the situation he describes came about partly because of the support that the Government were able to give Nissan, and because it recognised that we have a strong, stable economy and that the work force in the motor industry in the north-east is extremely highly skilled and motivated. Indeed, the number of cars being produced by the motor industry at the moment is more reminiscent of what happened in the 1970s. The industry has been highly successful.

Mr. Peter Bone (Wellingborough) (Con): How is it that the Chancellor can find £50 billion at the drop of a hat, but unfortunately cannot alter his Budget to protect poor people who are losing money through tax rises?

Mr. Darling: To explain it in simple terms, the Government are effectively lending money through the Bank of England to the banks. In other words, that money has to be repaid, so the position is rather different.

Paul Flynn (Newport, West) (Lab): There is money available—tens of billions—to fund the banks because of their own incompetence, and money was available.

which will not be repaid, when we had an unplanned war against Iraq, so surely a Labour Government with a brilliant record of stealth socialism in their redistribution of wealth to the lower-paid for the past 10 years can find a mechanism to ensure that those who will lose out because of the abolition of the 10p tax rate will be compensated.

Mr. Darling: As my hon. Friend acknowledges, the Government have done a great deal for people during the past 10 years, particularly those on low incomes, and as I said yesterday, we will continue to do so. It is essential that we put in place the plan before us today because many people in this country, including those on modest incomes, depend on being able to get access to mortgages, and on mortgage payments being kept as low as possible.

Mr. Philip Hollobone (Kettering) (Con): What is the Chancellor's preferred indicator for assessing liquidity in the banking system, and does he believe that the published London interbank offered rate accurately reflects the scale of the credit crunch?

Mr. Darling: Is the hon. Gentleman referring to the LIBOR rate?

Mr. Hollobone *indicated assent.*

Mr. Darling: The British Bankers Association is looking at that at the moment, which is probably quite a good thing for it to do.

Gordon Banks (Ochil and South Perthshire) (Lab): The success or otherwise of the measures announced today will be seen in the economy and the banking industry in general, but I wonder whether the Chancellor has any formal process to evaluate the success of the measures during the three-year period for which they could operate.

Mr. Darling: Success will be demonstrated by the financial markets beginning to return to a stable position, so that banks begin to lend to each other again, which in turn will be reflected in it being easier for them to lend, and for people to borrow, whether we are talking about businesses or mortgages. There has been a substantial jolt to the system that will take time to work its way through, but the step we are about to take is an important one in that process.

Barry Gardiner (Brent, North) (Lab): The Chancellor is right to address the lack of liquidity in the financial markets. Will he now consider the effect that the lack of liquidity might have on the utilities sector, which bears a collective £28 billion burden of debt? Has he spoken to utility regulators to ask why they continue to rely on rating agencies to fulfil their statutory duty to assess financial stability, despite their track record?

Mr. Darling: The scheme that we are considering applies to the institutions that can normally get support from the Bank of England. That would not include a utility company. Credit rating agencies should be perceived as a means of reaching a decision, whether that is for a bank, a utility company or anybody else. Their findings are not something definitive, which demands no further questions. The responsibility for running companies and making decisions about debt must lie, first and foremost, with their boards of directors.

Mr. Lindsay Hoyle (Chorley) (Lab): Anything that stops us going back to the 15 per cent. interest rates of 1992 must be welcomed in the House. However, what will be the pecking order for the banks in borrowing the £50 billion? Will UK banks come first or can foreign banks also borrow the money?

Mr. Darling: As I said, the facility is open to the banks that are normally here—British banks and those from abroad with branches here. From the discussions that the Bank of England has held, I do not think that there will be a pecking order problem. The Bank of England is fairly confident that the banks that want to take advantage of the facility can do that.

Mr. Philip Dunne (Ludlow) (Con): Banks have been reluctant to take advantage of overnight borrowing facilities from the Bank of England because of the opprobrium that attaches to that public borrowing. What makes the Chancellor so certain that they will be more likely to borrow under the facility that he has just announced rather than under the overnight facility?

Mr. Darling: As is fairly widely known, a long discussion has taken place between the Bank of England and banks in this country about what the scheme might resemble and whether banks might take advantage of it. I believe that most said that they would. The hon. Gentleman mentioned opprobrium. A feature of the scheme is that the Bank of England will not report on individual banks as and when they may look for facilities. It will report on an aggregate but, for obvious reasons, there is no sense in identifying individuals. My guess is that the scheme will be taken up fairly widely.

Points of Order

4.17 pm

Mr. Gerald Howarth (Aldershot) (Con): On a point of order, Mr. Speaker. Following the recent Freedom of Information Act report released to *The Times* last week by the Ministry of Defence on the humiliating abduction of Royal Navy and Royal Marine personnel by the Iranian revolutionary guard, I seek your advice on how to secure more transparent, accurate and timely information from the Government on the issue, which is obviously of great importance.

According to an internal and unpublished Ministry of Defence report dated 13 April last year, the illegal abduction by the Iranian revolutionary guard navy took place in waters that are not internationally agreed to be Iraqi. However, the Secretary of State told the House on 19 June last year:

> "There is no doubt that HMS Cornwall was operating in Iraqi waters and that the incident itself took place in Iraqi waters." [*Official Report*, 19 June 2007; Vol. 461, c. 1266.]

I am sure that you agree that it is important that Parliament be presented with the facts. It appears—it may not be the case—from the reports that the House was given information, which the Ministry of Defence has contradicted. Although there are Defence questions next week, the matter is so important to our foreign policy that I wonder whether you could advise me on how best I might seek information from a Ministry of Defence Minister.

Mr. Speaker: The hon. Gentleman has given me the solution to his problem by saying that there are Defence questions next week. He should ask those questions. It is up to Members of Parliament to seek clarification on all matters that come before the House and to ask questions. The hon. Gentleman should continue to ask questions, either written or oral, when he gets the opportunity.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): Further to that point of order, Mr. Speaker.

Mr. Speaker: I was telling the hon. Gentleman that it was not a point of order.

John Bercow (Buckingham) (Con): On a point of order, Mr. Speaker, on a different matter about which I seek your guidance. Given the weekend reports of further arrests, torture and killings that were undertaken in Zimbabwe—to the distress, I am sure, of hon. Members of all parties—at the obvious behest of the mass murderer Mugabe, and in the light of the Prime Minister's welcome public statements in the United States and elsewhere on the subject, have you had any indication that the Foreign Secretary intends to come to the House to make a statement about how, on a multilateral basis, we can achieve progress to bring that ghastly regime to book and ensure that the people of Zimbabwe have a better future?

Mr. Speaker: These matters should not be raised in points of order. It is up to Ministers whether they wish to come to the House. I think that we can leave it at that and not use points of order to raise such matters.

Orders of the Day

Finance Bill

[Relevant Document: The Ninth Report from the Treasury Committee, on the 2008 Budget, HC 430.]

Order for Second Reading read.

4.21 pm

The Chief Secretary to the Treasury (Yvette Cooper): I beg to move, That the Bill be now read a Second time.

The Finance Bill implements measures from the Budget 2007, the pre-Budget report last year and the Budget 2008. There are three central areas in the Bill that I want to highlight: support for the economy at a time of global economic turbulence; the changes to the personal tax system; and the long-term reforms for the future of our country, particularly those addressing climate change. I will take each of those three areas in turn.

The Bill supports the economy at a time of significant global pressures. As the Chancellor said in his statement a moment ago, a serious global credit squeeze is taking place, triggered by the problems in the US sub-prime mortgage market. At the same time, as families in Britain know well, world food and fuel prices are increasing, too. As a result, all economies across the world are likely to be affected this year.

The British economy is well placed to weather global storms. Inflation is lower here than in the US or the euro area. As the recent labour market figures show, claimant count unemployment is now at its lowest for more than 30 years. Product, capital and labour markets have become more flexible and responsive as a result of the skills and competition reforms that we have introduced. That is why the independent International Monetary Fund has forecast that the UK will be the joint fastest growing economy in the G7 this year.

However, resilience is not enough. We are doing more now to respond to the economic challenges that we face. So for a start, the Chancellor has today set out the steps that we are taking with partners across the world to help address the problems that have stopped banks from lending to each other. As well as the action to promote financial stability, supporting liquidity and monetary policy, the Budget sets fiscal policy to support the economy, too.

The overall approach set out in the Budget and implemented through the Finance Bill is deliberately to put more money into the economy this year. We are using the flexibility that our fiscal rules give us to support additional borrowing in a sensible and sustainable way when the economic pressures are greatest. That is the right thing to be doing now. The overall impact of the fiscal decisions is to put billions more into the economy this year, through the automatic stabilisers and the decisions on things such as delaying the increase in fuel duty until October, which is implemented in the Bill. That is the right thing to do within the fiscal framework at a time when the economy faces global challenges.

Thanks to our fiscal rules, we are able to protect investment at the same time. Previous Governments often slashed capital investment when economic pressures grew. We are protecting it, however, which means protecting

investment for the future in our vital transport infrastructure, in our schools and hospitals, and in the underpinnings of the economic growth that we have sustained for so long.

The Opposition have set out a rather different fiscal judgment—in fact, they have set out several, depending on their audience. First they say that borrowing is too high; then they set out ways to increase it further. In the past 12 months, they have set out £10 billion of unfunded tax promises. On Budget day alone, the shadow Chancellor set out proposals for borrowing an extra £5.4 billion, cutting inheritance tax except for millionaires, changing stamp duty and more. Six days later, after the Budget debates, the Opposition voted for an extra £10 billion in borrowing on top of that and against all the revenue-raising measures—on alcohol, on vehicle excise duty and so on—but for none of the tax cuts. Funny that. The Opposition have never told us where the money would come from or how they would make up their black hole—a black hole that just gets bigger and bigger.

The Budget and the Finance Bill also support the economy in other ways, confirming corporation tax at 28 per cent. for this year and next—the lowest rate in the G7 and the lowest rate since the tax was introduced. The Bill also makes changes to the small companies rate to create a more level playing field, and introduces a new annual investment allowance to support capital investment.

The Bill also increases research and development tax credits and makes the enterprise investment scheme—a tax scheme that supports small businesses—more generous. It restructures capital gains tax, creating a single rate of 18 per cent. with a new entrepreneurs relief. It implements more than 20 business tax simplification measures that were announced in the pre-Budget report and the Budget. So, the Bill supports the economy, simplifies the tax system to help businesses and provides overall support for the economy at a time of global pressures, while retaining a sustainable and responsible approach to the public finances.

I want to turn now to the personal tax measures in the Bill. It sets out a major package of reforms to run alongside the changes made by the National Insurance Contributions Bill last year and the changes made to the tax credit system. These include the cut in the basic rate by 2p to 20p, its lowest rate for 75 years. They also include the removal of the 10p starting rate. They include increases in the tax allowance for pensioners, increases in the working tax credit for those in low-paid work, increases in child tax credits and, next year, child benefit to help families with children, and changes to the national insurance upper earnings limit.

As the independent Institute for Fiscal Studies has set out, the poorest third of the population will benefit most from this package because of what we have done for pensioners, for families with children and for low-paid workers through allowances and tax credits. Indeed, the impact of the two Budgets and the pre-Budget report is to raise more than 500,000 children out of poverty. We should not underestimate the immense impact of this. When children grow up in poverty, it can disadvantage them for the whole of their lives. Lifting them out of poverty now could help them not only in the year to come but for decades into the future. As a result of these measures, households with children in the poorest fifth of the population will be on average £340 a year better off, and that will make a very big difference to them.

Pensioners will benefit too—600,000 pensioners will be taken out of tax altogether—and the increases to the working tax credit will help low-paid workers without children. The working tax credit increases will mean that a single-earner household without children earning, say, £14,000 a year will be about £180 a year better off as a result of the Bill.

I want to say more about those who will not benefit from this year's package. These are major reforms, and the majority of households will be better off or remain the same, although some will pay more as a result of the package. It is hard, in any one Budget, to help everyone, and those who lose in any one year might have benefited in previous years or might benefit in the next. If we look at the Budgets as a whole since 1997, we see that even those who are paying more in this year's Budget have still benefited significantly overall since 1997. So, on average, those who will pay more this year are still about £500 a year better off than they would have been under the 1997 personal tax and benefits system that the Conservatives left us with.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): As the right hon. Lady has already cited the Institute for Fiscal Studies, will she remind the House what the institute's estimate is of the number of people who will be losers as a result of this package? Will she also remind the House of the Treasury's own estimate, as reported to the Select Committee?

Yvette Cooper: We have set out the figures. Four out of five households will be better off or see no change. One in five will pay more as a result of this year's personal tax package, but that does not take into account measures such as the extra given on the winter fuel package or the increases to the minimum wage. For example, the increases to the minimum wage over the past two years alone are worth about £13 a week to those on the lowest pay. We want to do more to help many of those who will not benefit from this year's package and we have already been working to achieve that.

Mr. Frank Field (Birkenhead) (Lab): Does my right hon. Friend accept that Labour Members in general fully support the Budget and the direction in which it is going, but that there are 5.3 million workers—including some in my own constituency and that of the Exchequer Secretary to the Treasury, my hon. Friend the Member for Wallasey (Angela Eagle)—who are worse off? Before we reach clause 3, as I think we will do next week, I hope that the Government will be able to find their way not to unstitch the Budget—nobody is asking that—but to bring forward specific proposals to ensure that those in work who are on the lowest pay are not made worse off by a Labour Budget.

Yvette Cooper: I welcome my right hon. Friend's support for the overall Budget and the fact that he is not asking the Government to reopen the Budget. I hope that he will understand quite how impractical that would be when people already have their tax codes for this year and are already paying tax and benefiting

[Yvette Cooper]

from tax credits as part of this year's proposals. He will also recognise that tax changes are part of a major package and that it is not always possible to help everybody in any one package; even those who may end up paying more as a result of this package will still be significantly better off on average than under the Conservatives' package of 1997.

I would also say to my right hon. Friend that the Chancellor has said that it is his intention to return to this issue in future Budgets and the pre-Budget report and that he wants to look further into what we can do for those on the lowest incomes, just as we have in previous Budgets. That is why we have already made proposals for additional money to help those over 60 this year with winter fuel payments and also why we have provided further help with child tax credit and child benefit. Those will be part of a major programme of work that we shall be taking forward.

Several hon. Members *rose*

Yvette Cooper: Will hon. Members allow me to complete one more paragraph of my speech, after which I will be happy to take as many interventions as they wish?

In the Budget report, we announced that we would begin a new programme of work on the next phase of tackling child poverty. We said that we would work with stakeholders, launching seminars and debates over the next few months, and begin pilot programmes on new approaches to help more children out of poverty. I can tell the House that we will now extend that work to include consideration of households on low incomes without children. Many without children have already benefited from things such as minimum wage increases and the working tax credit, but we want, as always, to do more for those on the lowest incomes, given the resources in the economy at the time. We will therefore consult stakeholders, MPs and different groups on the next phase of tackling poverty and unfair inequality in Britain. That work will initially feed into the pre-Budget report and then future Budgets as well.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): Nowhere more than Plymouth appreciates the importance of the economic stability that my right hon. Friend set out earlier in her speech, but she will know that I inherited from my Conservative predecessor the poorest ward in England. Although I can see from what she has set out that the net losers are considerably fewer than was put out by the press over the weekend, does she nevertheless understand that it is some of the youngest people in the constituency, who already feel undervalued, who are losing out? Will she look further into how they might be given a signal that they do matter?

Yvette Cooper: My hon. Friend raises the important issue of young people, for whom the changes in the minimum wage often make a particular difference. As I said, over the last couple of years, those changes have been worth £13 a week for those on low incomes and about £11 a week for the youngest age group. Although that has made a significant difference to their income, my hon. Friend is right that we are keen to do more to help younger workers who need investment in their skills to get the chance of a better job. Our overall approach across the Government has been to support people, through work where possible, but children and pensioners, of course, cannot go out to work. We have given particular additional support to them as well, on top of such things as the working tax credit, but I recognise the points that my hon. Friend has made.

Several hon. Members *rose*

Yvette Cooper: I will give way to many hon. Members.

Mr. Graham Stuart (Beverley and Holderness) (Con): I am extremely grateful to the Chief Secretary for giving way. Further to the question from the hon. Member for Plymouth, Sutton (Linda Gilroy), can the Chief Secretary confirm that the number in the press at the weekend—5.3 million people—is correct? Will she share that with the House today?

Yvette Cooper: Indeed, those figures have been published as part of parliamentary answers, but I say again that they have not included such things as the winter fuel payment, which is an important factor. I would also say to hon. Members that they might be interested to know that about half those households that pay more this year are in the top half of the income distribution. It is right to say, as the IFS has said, that we are providing the most support for those who are on the lowest incomes.

Mr. David Chaytor (Bury, North) (Lab): While I fully accept and welcome the many positive proposals in the Budget, does the Minister accept that it is utterly perverse, given that a minority of households are losers, that they should be disproportionately represented among those just above the lowest income bracket?

Yvette Cooper: As I have just said, interestingly, the figures show that around half those who are paying more as part of this particular package are in the upper half of the income distribution, so in fact the distribution is rather different from how it has often been presented in the media. The IFS has made it very clear that those in the bottom third of the income distribution are the biggest gainers.

Let us be clear: we have to recognise the fact that in any major package of reforms it is difficult to help every household, but that is why we look continually—in every single Budget and in every pre-Budget report—at what more we can do so that those who do not benefit in any one year may well be able to benefit in a future Budget or pre-Budget report.

John Bercow (Buckingham) (Con): The Chief Secretary has referred to the practical difficulties of making tax changes when the tax codes for this year are established, but she also referred to, and boasted about, increases in the national minimum wage. Given that the Government have announced increases—respectively for the adult and youth rates of 21p and 17p—to take effect from October, will she concede that in principle there is nothing to stop her raising the adult rate to £6 and the youth rate to £5 from October?

Yvette Cooper: I appreciate the fact that the hon. Gentleman recognises the increases in the minimum wage that have taken place. I suspect that he is perhaps one of the few members of his party who have not

necessarily been adamantly opposed to the minimum wage throughout its history, as I know many of its members have been. Certainly, we take the advice of the Low Pay Commission in setting the minimum wage for the future and we shall continue to do so. We have a proud record of increasing the minimum wage.

Several hon. Members *rose*—

Yvette Cooper: I need to make progress, but I will take an intervention.

Mr. George Mudie (Leeds, East) (Lab): I wish the Minister to see whether we can have a figure, even if it confirms the 5.3 million. That was the figure given last year by the IFS, but it has obviously been overtaken by the tax credit changes and so on. Is 5.3 million people still a valid figure or is it now outdated?

Yvette Cooper: My hon. Friend makes an important point, as the figure changes all the time because people's income changes all the time. That is the figure that we have confirmed as part of parliamentary answers—we have set out parliamentary answers in this area—but it is also the case that, with every Budget, further changes are made. For example, the winter fuel payment, which is not taken account of, is part of that. Also—

Madam Deputy Speaker (Sylvia Heal): Order. I wonder whether the Minister would mind speaking into the microphone. The *Hansard* writers would appreciate hearing her response as well.

Yvette Cooper: I apologise, Madam Deputy Speaker.

My hon. Friend the Member for Leeds, East (Mr. Mudie) will also appreciate that there are changes to the winter fuel payment and such things as the minimum wage, which are obviously not taken into account as part of this. Of course, there will be further changes.

Several hon. Members *rose*—

Yvette Cooper: I will take two more interventions. I hope that Members will appreciate that I must then continue my speech.

Angela Browning (Tiverton and Honiton) (Con): At the beginning of March, I exchanged correspondence with the Financial Secretary to the Treasury about the 60 to 64-year-olds who would lose out. She wrote back to me admitting that there would be losses, but that they

"will be relatively modest, at about £2 per week on average."

Those losses will affect about 1.5 per cent. of people on low incomes, in some cases both people in a household. When the current Prime Minister announced the Budget, did he entirely disregard the people who would pay more tax this year than they did last year, or was this an omission that was not recognised at the time?

Yvette Cooper: The work of the former Chancellor, and that of the current Chancellor, has strongly supported pensioners. In fact, the poorest third of pensioners are on average more than £2,000 a year better off since 1997 as a result of the changes that we have introduced. This year we are increasing the winter fuel payment for the over-60s as well as the over-80s, and introducing a range of other changes such as free bus travel.

Jim Cousins (Newcastle upon Tyne, Central) (Lab): I understand that my right hon. Friend is trying to help the House, but does she accept that there are millions of low-paid losers who are not entitled to tax credits, and millions more who are but who do not claim them because their earnings change from week to week and they do not want to become enmeshed in overpayments? They face food, fuel and rent increases this week, or this month. They cannot wait for a package in 2009: they need it in 2008.

Yvette Cooper: Many of those families will be about £500 a year better off than they would have been under the tax and benefits system in 1997. It is right for us to continue to support households, which is why we introduced and increased the working tax credit to give additional help to, for instance, people with incomes of £14,000 or £15,000 a year. We have been working on the issue, and my right hon. Friend the Chancellor has said that he intends to return to it as part of his work on the pre-Budget report and on future Budgets. He wants to take into account not just those on low incomes with children, in whom we have already invested a considerable extra amount, but those with no children.

Mr. Philip Dunne (Ludlow) (Con) *rose*—

Mr. Frank Field *rose*—

Yvette Cooper: I have already taken a large number of interventions, and I want to make some further points.

These measures will build on the progress that we have made over the last 11 years. Overall, the lowest-income families are receiving much more help through lower taxes and higher credits and benefits than in 1997. In practice, for the poorest prisoners and families with children—

Mr. Patrick McLoughlin (West Derbyshire) (Con): On a point of order, Madam Deputy Speaker. Can you confirm that the debate can continue until any hour, which means that every Member will have ample opportunity to speak and the Minister has ample opportunity to give way as often as she wishes in order to clear the matter up?

Madam Deputy Speaker: I can certainly confirm that the debate can continue until any hour, but it is entirely up to the Minister—and, indeed, any other Member—whether to give way or not, regardless of the time factor.

Yvette Cooper: I believe that the right hon. Member for West Derbyshire (Mr. McLoughlin) is one of the few Members on the Conservative Front Bench who was not a member of the Bullingdon club, but that does not appear to have stopped him engaging in student politics.

[Yvette Cooper]

As I was saying, the Bill will build on the progress that we have made over the past 11 years—

Peter Bottomley (Worthing, West) (Con): On a point of order, Madam Deputy Speaker. Is it in order for an ambiguous remark to be made that could encompass your response to the point of order properly made by my right hon. Friend the Member for West Derbyshire (Mr. McLoughlin)?

Madam Deputy Speaker: That is not a point of order; it is a matter for debate.

Yvette Cooper: Overall, the lowest-income families are benefiting by literally thousands of pounds a year as a result of the changes that this Government have made. The poorest third of pensioners are more than £2,000 a year better off than they were in 1997, and the poorest fifth of families with children are, on average, more than £4,000 a year better off. That means over £80 a week—cash that makes a real difference to those hard-pressed families, and cash that has, more often than not, been opposed by Opposition Members through their continual opposition to the tax credits system. Let us be clear about the crocodile tears we have seen from the Opposition—*[Interruption.]*

Madam Deputy Speaker: Order. Yvette Cooper.

Yvette Cooper: Since when have the Opposition cared about those on low incomes? Since when have they cared about the 10p rate? Last October, when the shadow Chancellor made his big speech calling for tax cuts, did he say that his priority then was to restore the 10p rate? Of course not. Did he say then that he was worried about low-income households? Not a bit of it. What he talked about then was inheritance tax for millionaires. In his big speech on tax reform in February, did he say that he wanted to change the 10p rate? Not once. In his website call for action on Budget day this year, did he mention the 10p rate? Not once.

What is the shadow Chancellor's policy now? The Conservatives would vote to keep the 10p rate now, but they will not say where the money would come from. They will vote to keep the rate, but they will not tell us whether they would restore it. The shadow Chancellor tells us about plenty of other taxes that he has promised to cut, but there is nothing on the 10p rate. They would vote to keep the rate, but now they admit that they do not even like it. The hon. Member for Runnymede and Weybridge (Mr. Hammond) said this weekend:

"We would not necessarily re-introduce the 10p rate. We are quite happy with the idea of simplification."

All the shadow Chancellor could say today was that he wanted to reopen the whole package. Perhaps the Conservatives could tell us whether that means he now thinks that we should stop the 2p cut in the basic rate.

Once again this is shocking opportunism, and we will not take any lessons from the Conservative party on helping families on low incomes. That party opposed the minimum wage and even now still wants to opt out of the social chapter. Nor will we take any lessons from the party that is opposing the funding for the winter fuel payment this year and the child benefit increase next year.

Mr. Frank Field: I am very grateful to my right hon. Friend for giving way, and pleased that she is making the point that when we debated this matter last year, the Opposition sat on their hands and did not support the amendment proposed by Labour Members. She has said that the Chancellor will return to the issue in the autumn. I know that her hands are tied on this, but may I remind her that the House returns to it next week? Many of us want to know what the Government propose to do to ensure that 5.3 million lower-paid workers are not made worse off by the Budget.

Yvette Cooper: I say again to my right hon. Friend that the distribution of households that are paying more is rather different from how it has been portrayed in the media. It is clear that the lowest-income households are the ones who benefit the most. This is an area on which we continue to work and, following on from our work on child poverty, we will look at those people without children and what more can be done to support them. We will also take the views not simply of MPs, but of stakeholders and others.

I want to return to the important point about the winter fuel payment, which is important for pensioners this year. In order to fund the additional winter fuel payment, as well as child benefit and child tax credit increases the following year, we are increasing alcohol duty as part of this Finance Bill. Over recent years, as incomes have risen, alcohol has become more affordable. In the supermarket, a bottle of wine costs around £4, whereas 10 years ago, the equivalent figure was nearly £4.50. The extra duty is worth only around 14p, so that bottle of wine is still cheaper than it was a decade ago. That is why this is a fair time to raise a bit of extra revenue from alcohol to help pensioners and families with children.

Mr. Dunne: Will the Chief Secretary give way?

Yvette Cooper: I will if the hon. Gentleman can tell me why his party is opposing the increase in alcohol duty in order to fund that support for the winter fuel payment and child benefit.

Mr. Dunne: I am grateful to the Chief Secretary for finally giving way. She has now mentioned the winter fuel payment nine times in her speech. She has just told us that it is being funded through a permanent increase in alcohol duty. Over what period will the increase in the winter fuel payment last?

Yvette Cooper: The Budget clearly sets out that we are paying for the winter fuel payment and also for the child benefit increase and the increase in the child tax credit in the following year, so we are benefiting both pensioners and children through the increase in alcohol duty. The Opposition voted against that increase, so they are saying no to pensioners on their fuel bills this winter, and they are saying no to families with children on their increase in child benefit for the following year. Opposition Members have not been honest about that with their constituents, have they?

Rob Marris (Wolverhampton, South-West) (Lab): I entirely understand the Government's position that such matters have to be looked at in the round, in terms of countervailing measures such as the increases in tax credits, age-related personal allowance and winter fuel allowance, and that therefore the 5.3 million figure is wrong, particularly in the context of the households to which she referred. If one takes into account such countervailing measures, and also that some households have a low-paid earner and a higher-paid earner, what is the net number of households that will lose—if there are any—because of the abolition of the 10 per cent. tax rate?

Yvette Cooper: The figures change, but we have set them out in parliamentary answers and they are that four out of five households will benefit or stay the same. One in five will pay more as a result of the package, but that does not take account of measures such as the winter fuel payment, because it is difficult to take account of such measures against the personal tax package.

There is a further series of changes in the Finance Bill around inheritance tax and allowing married couples and civil partners to transfer unused inheritance tax allowances to each other, and there are also

Linda Gilroy: Will my right hon. Friend give way?

Yvette Cooper: I have given way many times. The Finance Bill also makes changes to allow people who stay in this country for many years as non-domiciles to pay on a fairer basis. People come here from across the world to work, and we should continue to welcome them, but people who make their lives here should make a fairer contribution. That is why we are making changes in that regard. We are also making key changes

Mr. Graham Stuart: On a point of order, Madam Deputy Speaker. Is it in order for the Chief Secretary to promise to take all interventions and then to refuse to do so? Is that procedurally correct?

Madam Deputy Speaker: That is not a point of order for the Chair. I have said this before, and I now repeat it: it is up to individual Members to decide whether or not to give way.

Yvette Cooper: Next year's Budget will also be the first to set out carbon budgets for the nation, following the implementation of the Climate Change Bill. That will make the UK the first country in the world to put carbon budgets into legislation. This year's Budget announced funding for the green homes service, but the Finance Bill particularly includes measures to promote more environmentally friendly cars, with changes to vehicle excise duty, and further announced changes will, of course, be implemented through next year's Finance Bill.

John McFall (West Dunbartonshire) (Lab/Co-op): As the Chief Secretary knows, it was the Treasury Committee that recognised that the 10p tax rate withdrawal would cause problems for many people; indeed, the Treasury official who appeared before the Committee last year mentioned that 5.3 million was the ballpark figure. In our report, we have asked the Treasury to look at that, but I will go one step further today and give the Chief Secretary and the Chancellor time to think about this before the end of the Second Reading debate tonight: I will ask my Committee to explore with the Chancellor and his officials who will lose out as a result of this 10p tax rate withdrawal and to look at any measures that could be implemented sooner rather than later to compensate them. I will ask my Committee members to look at that so that we can report back before June or July in order to inform the Treasury, in the hope that we can go a step further towards ensuring that we do not penalise poor people unnecessarily.

Yvette Cooper: My right hon. Friend knows that I respect immensely the work that he and his Committee have done. We would certainly welcome further work from it on this matter, and we hope that he will be a part of the work that we now want to take forward, looking not only at families on low incomes with children, but at families on low incomes without children. We would like to take that forward rapidly, with a series of further programmes of work with stakeholders, in order to report back in advance of the pre-Budget report and to look further at these issues. I would certainly welcome further discussions with my right hon. Friend, and I acknowledge his points on the need to make progress as speedily as possible in these areas.

There are a series of further measures in the Bill to support the environment, as well as the wider work to provide additional support for the economy in challenging times and for millions of families. We shall continue to do more in all those areas, not just in the Bill but as part of future work. I commend the Bill to the House.

4.55 pm

Mr. Philip Hammond (Runnymede and Weybridge) (Con): This Finance Bill is introduced against a backdrop of unprecedented uncertainty facing the British economy. Over the past six months, we have seen key leading economic indicators turn downwards, consumer and business confidence collapse, retail sales dip and the housing market turn. Millions of families and businesses are apprehensive about what the future holds for them.

At times like this, people want a Government who are strong and unified, with a clear long-term strategy and a sense of purpose. Instead, they have a Government who are weak and disunited, fighting each other rather than fighting for Britain, dithering and indecisive, and focused on their own short-term problems. They have a Government who have lost their sense of where they are going and their will to go there.

This Finance Bill is an opportunity missed. What the country needs today is a Finance Bill that will set Britain back on the right course. It needs a Bill to deliver a fair deal to hard-pressed families as the cost of living soars and earnings stagnate; to restore our business-friendly credentials, which the fiasco of the pre-Budget report did so much to undermine; and to set out a transparent process for future business tax changes and for proper consultation on them. The

[Mr. Philip Hammond]

people, "Look, don't worry about the fact that you will be £200 or £250 worse off this year as a result of the Finance Bill. Just remember that you had some good times in years gone by, so you shouldn't worry too much if we take this money away from you now." I have to tell the hon. Lady and the Prime Minister that that is not how people, especially those on low incomes, think or plan their lives. Those people need help now to deal with the hit being imposed on them, the scale of which many of them—and, I suspect, Labour Members—did not appreciate until very recently.

Mr. Gordon Prentice (Pendle) (Lab): Given that there will undoubtedly be losers as a result of the abolition of the 10p rate, what would the gentleman do to compensate those losers in the short term, rather than months down the line?

Mr. Hammond: I am glad to note that the hon. Gentleman was one of the signatories of the early-day motion, and I hope that he will sign early-day motion 1340 at the earliest opportunity.

We have made it clear that the message that we hope to send to the Government next Monday evening is that they have to go back to the drawing board and unpick this £20 billion package of income tax rates, income tax thresholds, tax credits and national insurance bands in order to mitigate the most negative effects—£766 million-worth—on the poorest families.

Peter Bottomley: I had three messages today. One was from someone whose son had become ill and she wonders how she will pay for prescriptions, one was from a pensioner aged 63, and one was from a woman who says that she has a few part-time cleaning jobs earning £6,500 a year. Her husband is in relatively low-paid work and she says that she cannot believe that a Labour Government can do this. In a non-party spirit, cannot the Government do something to help these hard-working or early-retired ordinary people?

Mr. Hammond: I entirely agree with my hon. Friend's sentiments. My inbox has been jammed with e-mails and my postbag stuffed with letters from people—not necessarily my constituents—telling me how this change will affect them. Disbelief is the key theme. People simply cannot believe that Parliament can conceivably impose such a penalty on people who are on such low incomes.

Angela Browning: Is the situation not ironic whenever the Government foul up? I can only think that the impact of the 10p abolition on that group of pensioners was a foul-up, as the Minister has still not answered my earlier question. Was it a deliberate policy, and did the Government think that the loss to that group of very poor people of an average of £2 a week meant, in the Minister's words, "Just a modest amount", or does my hon. Friend believe that the Government fouled up and are now, as usual, looking to us to try to sort out their mess?

Mr. Hammond: I must tell my hon. Friend—I think I have already said this—that I do not think that it was a foul-up. The then Chancellor knew precisely what he was doing. He was making a pitch for votes in a Labour leadership contest and he wanted to show that he could reach out to middle England, Blair-like, in the contest to come. He sacrificed the interests of some of the poorest in our society on the altar of his short-term political interests.

The Labour-dominated Treasury Committee—we always describe it like that, but having heard what its Chairman has helpfully said today, I am not sure how relevant that is any more—put the point in its report on the 2008 Budget with masterful understatement. It said that

"the group of main losers from the abolition of the 10 pence rate of income tax seem an unreasonable target"

Mr. Ian Austin: Will the hon. Gentleman give way?

Mr. Hammond: The hon. Gentleman has had enough of a turn today. He needs to scuttle back to No. 10. I hope that the purpose of his being here is to take the pulse and feel the mood. I hope that he will go back to No. 10 and tell his master what the mood is.

Let me finish the quotation. The report stated that

"the group of main losers from the abolition of the 10 pence rate of income tax seem an unreasonable target for raising additional tax revenues".

The Prime Minister claimed that that was all done in the interests of tax simplification. The Conservatives are in favour of tax simplification, but we would not propose, nor can we support, a reform of the income tax system that is carried on the backs of the poorest. It is morally abhorrent.

The truth is that the package had nothing to do with simplification. Why should it? Its author, after all, is the man who has doubled the length of our tax code and given us the most fiendishly complex tax system in the developed world. He simply does not do simplification. It had nothing to do with a long-term strategy either. Indeed, it undid that man's own long-term objective eight years after he had achieved it. As I have said already to my hon. Friend the Member for Tiverton and Honiton (Angela Browning), it was all about trying to convince the Labour party as it moved to choose its new leader that he could reach out, Blair-like, to middle England. He might have fooled them at the time, but if proof were needed of the extent to which the Prime Minister is out of touch with the British people, this debate delivers it.

When the parliamentary Labour party met a few weeks ago and discussed the doubling of the 10p rate, a nameless Minister was quoted as saying:

"Gordon did not seem to understand what they were talking about and kept insisting that nobody would lose out by the change. He...gave the impression he was living on another planet."

Last week, the Prime Minister was not on another planet, but he was on another continent. He was still insisting that no one would lose out and he could not understand what all the fuss was about. The inner circle in the bunker with him remained in denial. The Minister for the Cabinet Office airily dismisses the fate of the 5 million people who are worse off as a result of the changes as a "matter of regret"—a minor piece of collateral damage in the path of the clunking fist. The Secretary of State for Children, Schools and Families

apparently thinks that raising tax on the poor is part of the process of taking forward "the fairness agenda".

Others understand; they get it. They come from all Opposition parties and from Labour, and include some Members on the Treasury Bench. The Lord Chancellor understands; so does the Minister for the Olympics. It appears that the penny is slowly dropping even for the Foreign Secretary. Perhaps even the Chancellor of the Exchequer was hinting last week in China that he understood. The hon. Member for Sheffield, Hillsborough (Ms Smith), who we are delighted to see in her place today, appears to have got the message. In her case, it was drowned out by another message that came across the Atlantic in a display of long-distance bullying that would put the Kremlin to shame. Those Members understand because they have been listening to their constituents, holding their surgeries and reading the letters and e-mails, as we all have, from people who are just working out what the Prime Minister's "simplification" means for them.

Several hon. Members *rose—*

Mr. Hammond: I will give way to the hon. Member for Wolverhampton, South-West (Rob Marris), but I will get my bonnet out of the way first.

Rob Marris: The hon. Gentleman will, of course, be aware of the question that I asked my right hon. Friend the Chief Secretary to the Treasury. The hon. Gentleman keeps quoting the figure of 5.3 million, but there are counterbalancing measures. He always does his research and he is careful with his figures; can he give the House the net number of households that will lose out? Most of us would agree that it is not 5.3 million, although we are concerned that there are losers.

Mr. Hammond: I am afraid that on this occasion the hon. Gentleman has not done his research. The 5.3 million figure from the Institute for Fiscal Studies is a net figure.

Rob Marris *indicated dissent.*

Mr. Hammond: It is no good the hon. Gentleman's saying that it is not; it is a net figure. What is more, Treasury officials who gave evidence to the Treasury Committee gave a net figure of about 5 million, so I am afraid that the hon. Gentleman will have to go back to the drawing board.

John Mann (Bassetlaw) (Lab): The hon. Gentleman is very precise in trying to outline the problem. Will he be equally precise in outlining a remedy? So far, the only solution that we have heard from him is the idea that there should be a review of the whole Budget. Does he propose getting rid of the 2p income tax reduction, and will he reintroduce the 10p income tax rate? If he will do neither, what precisely does he propose doing? So far, he has been strong on generalities but has not given any specifics.

Mr. Hammond: As the hon. Gentleman signed one of the earlier early-day motions, I assume—

John Mann *rose—*

Mr. Hammond: I give way to the hon. Gentleman.

John Mann: The hon. Gentleman is now becoming inaccurate. Will he be quite precise about his remedy for the problem that he outlines?

Mr. Hammond: As I understand it, the hon. Gentleman has reservations about the policy put forward by the Government. We want to work with Labour Members who have such reservations, and indeed with the Government. The Leader of the Opposition has made it clear that he is prepared to sit down with the Chancellor or the Prime Minister and try to sort out the mess into which the Government have got themselves.

When the Chancellor wanted to climb down on the capital gains tax proposals and the non-doms part of his pre-Budget report last October, he was able to find £550 million. If he wants us to work with him, to look at the whole £20 billion package of income tax and national insurance changes, and to work out how we might mitigate the effect on the worst-off in society, we are happy to do that. Let me remind the hon. Member for Bassetlaw (John Mann) that we are scrutinising a Finance Bill. The Opposition's job is to consider each of the measures in the Bill and to vote against them if they are inappropriate and bad for the country. However, it is the exclusive prerogative of Ministers of the Crown to put forward new proposals that have tax-raising effects.

John Mann: The hon. Gentleman's party leader disagrees with him; his party leader says that it is for the House to make its decisions. The two of them have the opportunity to table amendments to the Bill. Precisely what amendments will the hon. Gentleman put forward, so that I and others in the House can consider and contemplate their worthiness or otherwise?

Mr. Hammond: Procedurally, the hon. Gentleman is wrong; only Ministers of the Crown can put forward the type of amendment to the Finance Bill that he suggests be made, but we live in hope that amendments will be tabled to the part of the Bill that we are discussing—and not necessarily by the official Opposition. We will look carefully at those amendments. If the hon. Gentleman and his colleagues hold their nerve and focus on addressing the problem, rather than on trying to score party political points against those across the Chamber from them, we can win this one. We can send the Government back to the drawing board to think again.

John Mann *rose—*

Mr. Hammond: I will not give way to the hon. Gentleman again. I have given way to him three times in a row. We are not asking the Government to back down completely from their proposal; that is not realistic. We are asking them to go back to the drawing board, and to unpick the package and put it back together again in a way that mitigates the effect on the poorest members of our society. I think that that is what Labour Members who have concerns want.

Several hon. Members *rose—*

Mr. Hammond: I shall make a little progress, but I will take further interventions in a moment.

John Mann: On a point of order, Madam Deputy Speaker. For the sake of clarity, may I ask whether it would be in order for the official Opposition, or any Member, to table an amendment to the Finance Bill?

Madam Deputy Speaker: That would depend entirely on the wording of the amendment. The Table Office would give advice to any Members who wished to table such an amendment.

Mr. Mark Hendrick (Preston) (Lab/Co-op): Further to that point of order, Madam Deputy Speaker. Would it be in order for the Opposition to table an amendment, referring to this issue, that had already been tabled for Committee stage?

Madam Deputy Speaker: I repeat what I have just said. I cannot make a ruling on an amendment that is not before me. I have said that any amendments to be tabled will be guided by advice from the Clerks in the Table Office.

Angela Browning: On a point of order, Madam Deputy Speaker. Will you advise me? It is a long time since I have read "Erskine May", but does it have a section requiring that when a Government are in a mess such as this, it is somehow incumbent on the Opposition to table an amendment to get them out of the mess? Would that carry procedural weight in the House?

Madam Deputy Speaker: The hon. Lady is an experienced Member. Whether she has recently read "Erskine May" or not, I am sure that she is aware that it is open to Members to table amendments. It is open to the Government to govern, and to the Opposition to oppose.

Mr. Hammond: Let us get back to where we are now.

Stephen Hesford (Wirral, West) (Lab): Will the hon. Gentleman give way?

Mr. Hammond: No, I am going to make some progress, because I have already been speaking for half an hour.

"Watch this space," the Exchequer Secretary said on Friday; I say to my hon. Friends that if we watch her space through to the next reshuffle, I fear that we may find it empty. Let us hope that she meant that, behind the intransigent bluster that the PM does so well, the backroom boys in the Treasury U-turn department were working over the weekend and yet another climbdown is in preparation—if not today, then before the debate in Committee next Monday. The Government found the money for concessions on non-doms and capital gains tax; they can look at the package and unpick it if they want to.

I could make many other points about the Bill. The former Chancellor's Budget last year did not stop at the 10p rate for low-income families; when he had finished reversing his policy on the 10p rate of income tax, at the expense of low-income families, he reversed his policy on the taxation of small companies and announced an increase of 3p in the pound—hammering the very people whom he had encouraged just a few years earlier to incorporate their businesses with the now-abolished zero rate. The message is clear: people should not come here if they are looking for a stable and predictable fiscal regime for their business.

Is the Prime Minister responsible for all the problems in the Finance Bill? That depends on who we think was the author of the pre-Budget report. The chaos and confusion that followed from the ill-thought-through proposals on the tail of the cancelled election last October have caused a huge problem in the business community and damaged Britain's reputation as a business-friendly environment and the Labour party's credibility with business even further. I could talk endlessly about those issues, but the mood of the House is to move on.

I want to refer specifically to one more thing before I finish: the dramatic increase in powers being granted to Her Majesty's Revenue and Customs. Some tax experts are telling us that that is the single most important long-term aspect of the Bill. The pattern started with the Finance Act 2007, and without waiting to see how the new powers work in practice the Government have gone on to extend them to the whole range of taxes in this Bill.

HMRC will be given powers to authorise itself to enter premises, including third-party premises. The safeguard on distraint of taxpayers' goods will be scrapped in primary legislation. There are constitutional questions around clause 117, which will create an order-making power to repeal or amend any primary legislation, including the Finance Act 2008 itself. These are huge new powers at a time when HMRC is miscalculating the taxes of 1 million or more of our fellow citizens every year, when public confidence in the chaotic administration of tax credits is at an all-time low, and when the shockingly casual attitude to data security has been exposed by the loss of the personal data of half the families in Britain. The Government's response is to give it more powers. This increase in powers is a step too far and a step too soon, and we will seek to postpone their implementation, if the Bill obtains a Second Reading, and to get them brought forward again in a stand-alone Bill that would be subject to scrutiny in the other place, which has expressed a strong interest in such bureaucratic powers.

As the economy slows and we all peer into an uncertain future, this is the wrong Finance Bill to present to this House today.

"We are where we are",

as the Chancellor said on the "Today" programme on 13 March, and we all know who is responsible for getting us here, ill-prepared, over-borrowed and almost uniquely exposed—the same person who is responsible for most of the Chancellor's woes in this Finance Bill. At a time when families, particularly those on lower incomes, are struggling with the soaring cost of living and stagnant earnings, it clobbers them with tax increases. At a time when Britain desperately needs business investment to create the jobs and prosperity of tomorrow, it raises business capital taxes by 80 per cent. At a time when people crave certainty, it creates ambiguity, with arbitrary and sweeping new powers for the authorities and an unparalleled lack of clarity around some of its most important clauses.

Most of all, this Finance Bill represents a breach of trust: with investors, who invested on the basis of Labour's long-term capital gains tax regime; with small businesses, who incorporated on the back of Labour's long-term small companies tax plan; and, above all, with the 5.3 million low-income households who were told by our Prime Minister, when he lowered their income tax in 1999,

"When we make promises, we keep them."

The weasel words that the Chief Secretary offered to the House will satisfy no one; they do not begin to address the Government's breach of trust with those on the lowest incomes in Britain. She goes on about 1997, talking about winter fuel payments that do not affect that group of people at all.

Earlier this afternoon, we heard what the Bank of England is going to do to help Britain's hard-pressed families and businesses. Now it is the Government's turn. A promise is a promise. The Government need to go back to the drawing board and reconstruct their tax reform package so that it is not carried on the backs of the poorest in our society. Until they do, my hon. Friends and I, and I suspect many other honourable Members of this House, will not support this Bill.

5.32 pm

John McFall (West Dunbartonshire) (Lab/Co-op): It is traditional for a Treasury Committee report to be tagged for debate on the Second Reading of the Finance Bill, so as Chairman of the Committee I am pleased to give a short speech on that report. The Treasury Committee's report on the 2008 Budget was published at the start of the recent recess and has been widely covered, but it was misrepresented in some quarters, not least in terms of forecasts. The Committee itself makes no forecasts for growth in future years, but we said that the outlook from the collection of independent forecasters indicated that the Treasury's forecasts were slightly optimistic.

I will consider three aspects of the Finance Bill and its contents: first, the overall fiscal position; secondly, the measures to reduce poverty and the 10p tax rate; and thirdly, the scope and impact of measures affecting non-domiciled taxpayers. On the fiscal position, in many ways the Government's position is strong. Other than Canada, no G7 country has had a fiscal surplus in more years since 1997 than the United Kingdom, and compared with many EU countries our levels of public sector net debt are low. As a Committee, we understandably focused on the two fiscal rules that the Government have set themselves, and we highlighted two areas of concern. First, on the interpretation of the golden rule, we consider that it has been too closely linked to the timing of economic cycles, which has encouraged a position in which examination of the Government's overall fiscal position has been unduly focused on rather arcane controversies about the dating of the economic cycle.

Secondly, the margins by which the Government expect to meet their sustainable investment rule relating to net sector public debt are tight, and seemingly highly dependent on the Treasury growth forecasts, which are at the top of the outside forecasts for growth in 2008 and 2009.

Mr. Redwood: Does the right hon. Gentleman agree that if we add the unfunded pension liabilities, the PFI and PPP off-balance-sheet liabilities and the off-balance-sheet liabilities for Network Rail and Northern Rock, public sector total obligations are in excess of gross national product, at around £1.5 trillion? That is an enormous figure.

John McFall: As the right hon. Gentleman knows, the Treasury Committee comprises Members of all parties—his own, the Liberals and Labour. We have concluded that the fiscal position of the UK is strong in comparison to other EU countries.

I want to focus on the measures to reduce poverty and on the 10p tax rate. The Treasury Committee considered the problems of marginal deduction rates and the impact of the abolition of the starting rate of income tax in the context of measures to reduce poverty. We welcome the increases in child benefit and child tax credit that are designed to achieve further progress on the Government's child poverty targets, and we specifically welcome the £1 billion that the Government found to fulfil those targets. As those on the Front Bench know, we were cautious about that because, in a previous report, we questioned whether the Government were resiling from their commitment. We were pleased to see that the £1 billion was included in the Budget proposals.

We note the significant one-off increases to the winter fuel allowance, which should make all pensioner households better off in the tax year 2008-09, and which need to be built on by further measures in future years; those increases will help 9 million pensioner households. We also welcomed the maintenance of the 10 per cent. starting rate for savings for pensioners. Our concern about the abolition of the 10p income tax rate, however, is concentrated on households that do not stand to benefit from measures targeted on families with children, those seeking to return to work or pensioner households. We specifically said that those who do not gain from the measures on child poverty, fuel poverty and incentives to work would lose out, and we are talking largely about those on incomes of about £18,500 a year and less. We are talking about those who are under 60, who will not qualify for the winter fuel allowance; those with no under-18s in their households, who will not qualify for child poverty payments; early retirees; and those not claiming working tax credit, where take-up is low. The Minister will know that the tax credit take-up rate is about 19 or 20 per cent., which is scandalously low. I believe that £1.28 billion is available, and it is important that there is a campaign to increase the take-up rate. We cannot allow such a scandalously low figure to be maintained.

Mr. Russell Brown: Does my right hon. Friend agree that although the tax credit system has been a boost to the incomes of many households, any household that has fallen foul of the system will be reluctant to get involved with it again in case it receives an overpayment that has to be paid back? That does not act as an incentive; it makes people more than reticent about getting involved.

John McFall: My hon. Friend is right, but the Government have to be lauded for their intentions. Previously, we had a system under which we had to wait for more than a year to find out what people's

[John McFall]

earnings were, and then corrections would be made. The Government say that they will move to a system whereby things can change on a monthly basis so that we can encourage people to work. However, the bureaucracy gets in the way. People do not remind the Government of their intentions or report their earnings, or loss of earnings, and we end up with the situation we have seen in the past. We have to work on that, and I endorse a system whereby we ensure that people's income is reviewed on a regular basis so that they get the benefits they need. However, there are problems with the system and, as my hon. Friend knows, the Select Committee has been vigilant about that. We will ensure that we maintain that vigilance.

Kelvin Hopkins (Luton, North) (Lab): According to the ombudsman, Britain is alone in having three different Departments that provide benefits—through local government and housing benefit, the Revenue and the Treasury, and the Department for Work and Pensions. Would it not be simpler if one Department provided all those benefits—a one-stop shop, which could be adjusted weekly or monthly according to need?

John McFall: I agree that that is a good concept. However, we are not nearly there at the moment and we must work with the system that we have. None the less, it is worth considering as a long-term proposal.

Mr. Dunne: On tax credits, especially the marginal deductions for those who are seeking to get back into work and coming off tax credits, the problem is that the Budget increases the number of people who have to pay more than the 60 per cent. marginal rate of tax if they come off working tax credit and get into work. In the past 10 years, that number has grown from 800,000 to 1.8 million. Surely that trend is going in the wrong direction.

John McFall: The hon. Gentleman is a good and hard-working member of my Committee, but on the marginal rates of taxation he knows that, since tax credits were introduced in 1997, the 100 per cent. withdrawal rate has almost been abolished, and we are focusing on the 60 to 70 per cent. rate.

I remember evidence from Mr. John Whiting of PricewaterhouseCoopers, one of our expert advisers on tax, who said that the high marginal deduction rates might be the consequence of the Government trying to achieve their social policy goals. He—and, indeed, Treasury officials—mentioned that the main reason for that was the extra help that the 2007 Budget introduced through tax credits. He said:

"That brought more people into tax credits, the result being that more people then faced higher marginal deduction rates."

On the one hand, we want to help people by bringing them into tax credits, but on the other, there are the marginal deduction rates. There is no doubt that there is an issue, to which the Treasury Committee will revert.

However, the controversy about the removal of the 10p tax rate has highlighted the importance of the challenge for the Government to do more for those who slipped through the net of measures on child poverty and fuel poverty, especially by redoubling our efforts to make working tax credit take-up worth while for those in households without children.

Ministers made the point about the number of people who are affected by the change. The Treasury Committee is clear about the matter. In evidence to the Committee last year, Mr. Mark Neale, the director of the budget, tax and welfare directorate at the Treasury, said that 5.3 million was the ballpark figure. We should all be straightforward and honest about that, identify the problem and state what we will do. I therefore reiterate my invitation to the Chief Secretary and others. I will put it to my members that the Treasury Committee examine the issue urgently and report back to the Treasury. I repeat that 5.3 million is a ballpark figure.

The Treasury stated to us in evidence:

"Estimates are that 0.8 million single earners with income under £18,500 will see their income decrease by around £1.45 a week on average...The maximum amount any single individual could be worse off by is £232 per year (£4.46 per week) about 3 per cent. of net income...For households that are worse off, the average loss is about £2 per week."

The Treasury recognises that. Indeed, the Chancellor acknowledges it. In evidence to the Committee, he clearly said that it would affect women between the ages of 60 and 65. Let us therefore establish that people will be affected. People on low incomes will be affected and we need to find out who the winners and the losers are.

One of the problems is identifying the winners and the losers. I have been asked in many interviews in the past few weeks why it has taken Members of Parliament a year to wake up to this matter. No specific information identified the winners and losers and one had to wait until the new arrangements were introduced in the Department for Work and Pensions—that happened last month. Before I was interviewed on one television programme, I tried to find out, through contact with representatives of the Department for Work and Pensions, exactly what the new measures were. They said that they would not be available until the first Monday in April.

We got that information, from which I found out that, sure, a working household with no children with a combined income of £17,500 to £18,000 a year would lose about £13 a week, but also that in some instances single earners would gain. There is a fuzziness, and we do not know who the winners or the losers are. I refer the Minister to the Treasury Committee's clear recommendation in its report on the 2007 Budget:

"An important part of any change to the personal taxation regime must be that both winners and losers can identify, with ease, how they are affected by the changes stated within a Budget package. We recommend that, in future, this information be provided within the Red Book."

If the Government had indeed provided that information in the Red Book, we might not be having the highly charged debate on the issue that we are having today.

Mrs. Betty Williams (Conwy) (Lab): Does my right hon. Friend agree that the media's claims that Labour Back Benchers have been silent on the issue for 12 months are misleading? Members like me were writing to the Treasury about the points that our constituents were raising with us on the issue 12 months ago.

John McFall: Yes, I agree.

Kelvin Hopkins: My right hon. Friend rightly talks about winners and losers. Would it not simplify the situation if the only losers were the very rich? They would pay more tax, which would not complicate the system, because they do not claim benefits, and no one on average or low incomes would need to be a loser at all.

John McFall: That is another of my hon. Friend's long-term objectives.

Mr. Eric Illsley (Barnsley, Central) (Lab): Over the past hour or so, my right hon. Friend has made the Government the offer that his Committee will look again at the 2008 Budget. I hope that those on the Front Bench will intervene to indicate that they accept that offer. May I impress upon my right hon. Friend the need to undertake that inquiry with some urgency, in order that the Government might have a vehicle through which to alleviate the situation in which many lower-paid taxpayers find themselves?

John McFall: I would be pleased to return to that issue as quickly as possible. As I have mentioned, the Treasury Committee has tracked the issue since last year, when the figure of 5.3 million people not gaining was given. We have been on the case for that year and we would all like a decent resolution of the problem, but it is for the Chancellor and the Prime Minister to respond.

John Mann: That figure was given to the Treasury Committee last year by Mr. Chote. He also said that the figure would come down over the 12 months, but could not say by how much. Has he given an update on what the precise figure is?

John McFall: No, 5.3 million is still the figure. I mentioned the winners and the losers. There are ups and downs and a nebulous element to the process. That is why we need to ensure clarity in the debate, so that we can show who the winners and the losers are. If the Committee undertook any inquiry, that is one thing that we would want to do.

John Mann: I thank my right hon. Friend for giving way again. I was not trying to minimise the issue for the losers; I was just referring to the evidence that Mr. Chote gave the Committee last year. He made it clear that the figure of 5.3 million would come down over the next 12 months. It would be helpful to have some proper quantification of the figure. Whether the figure is 5.3 million, 4.3 million or 3.3 million, the issue is still vital, but it appears that Mr. Chote has not provided any further information.

John McFall: There are in fact figures. I do not want to go through them tonight, but let me give my hon. Friend a feel for them. Some 2.2 million of the total will be single working people with no children who do not receive tax credits, while 1.2 million will be two-earner couples with no children and 400,000 will be households comprising one-earner couples without children, most of which will be in the range of about £17,000 to £18,500. There will be 700,000 two-earner couples with children who will lose twice because of income tax and national insurance changes, but who will perhaps gain only once through child tax credit or working tax credit. There will be 300,000 tax-paying women between the ages of 60 and 64 who do not get tax credits and who are too young to be compensated by the rise in pensioner tax allowance. There will also be 500,000 non-workers paying more tax on their taxable benefit and pensions than they gain. They could be early retirees or incapacity benefit claimants. We can see, therefore, how wide-ranging the impact of this measure will be. Those are the figures that add up to the 5 million; I am quite happy to share that information.

Several hon. Members *rose*—

John McFall: I said that I was going to make a short speech, but the record will show that the interventions have taken longer than my speech so far, so I am being true to what I said at the beginning.

Mr. Graham Stuart: Many football fans get frustrated with supporters who turn up only when their team is winning. Does the right hon. Gentleman agree that the Labour party has the opposite problem, in that many of its members develop a conscience only when their team is losing?

John McFall: Absolutely not. We are on the park all the time. As I said, the Treasury Select Committee has been on the park on this issue for a year. We have not even taken a break at half-time and we have not had any Lucozade, so what is the problem?

Pete Wishart (Perth and North Perthshire) (SNP): The right hon. Gentleman said that he was looking for a solution to the issue of the 10p rate. Surely that solution will present itself next Monday when the right hon. Member for Birkenhead (Mr. Field) presents his amendment. If the Chairman of the Treasury Select Committee and his colleagues want a solution to this, all they have to do is support their right hon. Friend.

John McFall: That is utter nonsense. The fact is that 21 million people—four out of five people—will gain from the measures. It is typical of the Scottish National party to say that we can find a solution to the problem by creating further anarchy. We cannot do that; we have to be realistic and grown-up about this. The fact is that there is a taxation issue here in the Budget, and we need to be positive about it. Why do I want a solution? I want a solution because poorer people will be affected, and I would have hoped that the hon. Gentleman shared that worthy concept rather than warmongering and trying to create division. He is living up to his past, however, and he will probably continue to do so.

I want to move on to better things. The only other measure that I want to talk about today is personal allowances for non-dom taxpayers. Public debate has focused on the issue of non-doms who will be required to pay the £30,000 charge, but many shorter-term non-doms will be affected by the removal of personal allowances, including many with quite small amounts of unremitted foreign income. There has been a focus

[Mr. Jeremy Browne]

I remember that, on 21 March 2007, the Labour Benches were awash with a sense of euphoria that the then Chancellor had paved the way to Downing street with no contest, as no one would stand against him. The leader of the Conservative party rose to his feet—we have to remember, of course, that my constituents pay more in their taxes for the salary of the right hon. Member for Witney (Mr. Cameron) than they do for any other Opposition MP, so we are entitled to think that he will stand head and shoulders above us all in respect of his ability to analyse the Budget—but unfortunately, he did not notice the doubling of the 10p rate. In fact, in the first line of his speech, the leader of the Conservative party said the following words on behalf of the 5.3 million people who were losers in the Budget:

"Well, the Chancellor has finally given us a tax cut." [*Official Report*, 21 March 2007; Vol. 458, c. 829.]

That was his analysis.

Mr. Hammond: Just for the record, the reason my right hon. Friend the Member for Witney (Mr. Cameron) did not notice that is that it did not appear in the Chancellor's speech. We had to get the Red Book and plough through its tables to understand precisely the sleight of hand that the Chancellor had used.

Mr. Browne: I am grateful for that intervention, which brings me perfectly to the next speech that was delivered on that occasion, which was by my right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell), the then leader of the Liberal Democrats—*[Interruption.]* Indeed, he is not our leader now, but he made a speech that would have informed both Labour and Conservative Members if they had taken the opportunity to listen to it. If you will indulge me, Mr. Deputy Speaker, I will cite what he said at some length. In the same debate as the leader of the Conservative party welcomed the tax cuts, my right hon. and learned Friend said:

"The Chancellor told us as he sat down, to waves of applause, that he would cut the basic rate of income tax from 22p to 20p. On the face of it, that is a Liberal Democrat proposal and a welcome one. But if one looks carefully, one sees that the revenue to justify that reduction will be obtained from the abolition of the 10p rate. To fund the reduction, income tax will be increased for many taxpayers. One could say that we will be asking the poor to subsidise the rich. That is an example of the sleight of hand that the Chancellor has demonstrated in the past." [*Official Report*, 21 March 2007; Vol. 458, c. 834.]

[Interruption.] I hear sedentary interventions once again, but there is a difference between being the official Opposition and being an effective Opposition; just being numerically superior in the House of Commons does not make Members more able to stand up on behalf of their constituents. *[Interruption.]* We will come on to the Conservative party in more detail in a few moments, as its tax policies deserve greater scrutiny.

Mr. Hammond: Just for the record, there is also a difference between having to respond to the Chancellor from the moment he sits down and responding to him after having had the benefit of perusing the Red Book for half an hour.

Mr. Browne: If the Conservatives cannot stand the relative heat of being a smaller Opposition than Michael Foot was able to muster, they are obviously not quite the Government in waiting, as they have come to style themselves in recent weeks.

Let us go back to 21 March 2007. Labour MPs, who were hugging themselves with joy because their re-election had been confirmed on the backs of more than 5 million people who were losing out, rushed off to the Tea Room to gossip excitedly about what had just been announced. As a matter of courtesy, as well as of self-preservation, they would have been well advised to stay and listen to the leader of the Liberal Democrats. Of course, the London media commentators in the Gallery all rushed off as well, back to their computers. As a result, the warnings that the Liberal Democrats gave on Budget day, within minutes of the Chancellor sitting down, were not heeded by those Labour MPs, media commentators and others.

The media continue to describe those who are losing out under the March 2007 proposals, which are just being implemented, as low earners. Low earners are affected, but not just low earners. In many communities around the country and in constituencies such as the one I represent, a salary of up to £18,000 does not constitute low earning, although it may sound like low earning to some in the London media commentating classes. Such wages are typical in places such as Taunton, in Somerset and right across the country. Right across my constituency, people such as farm labourers, hotel receptionists and those who work in service industries are adversely affected by the proposals that are being introduced.

People in the House and elsewhere should not delude themselves that we are talking about just a small number of people who are marginally oppressed. We are talking about millions of people who are contributing to the community in every constituency represented here.

Mr. Brian Binley (Northampton, South) (Con): I am most grateful to the hon. Gentleman for giving way, because I wonder whether he can explain why that paragon of virtue—that quick-on-the-draw man—was rejected by his party as leader and why he is not standing here now, continuing with those great virtues. Did the hon. Gentleman support that particular paragon of virtue?

Mr. Browne: I did, although he chose to relinquish his post. However, it reflects well on our party that we have managed to find another person of equal talent—some would say even greater, but that is for other Members to conclude.

I am confident that at the next general election, when the leader of the Liberal Democrats, assisted by my right hon. and learned Friend and others, puts his case to the electorate, the voters of this country will not be impressed by a Labour Government who have left more than 5 million people on low and low to middle incomes worse off.

The Prime Minister is now in a state of absolute denial about the effect of his changes. According to reports that I hear second hand—I am happy to take interventions from Labour MPs on this—he is telling the parliamentary Labour party that nobody will lose

as a result of the changes made in his final Budget, when we know, and as has been confirmed this afternoon by the Chairman of the Select Committee on the Treasury, the right hon. Member for West Dunbartonshire (John McFall), that more than 5 million people will lose as a result of the changes announced in 2007. No wonder Lord Desai, a distinguished economic commentator on the Labour Benches in the House of Lords, said:

"Gordon Brown was put on earth to remind people how good Tony Blair was".

We have a complete disintegration of discipline in the Labour party. We have the Prime Minister, waiting in an anteroom in the west wing of the White House for his audience with the most powerful politician in the world, having to divert his attention to emergency phone calls to a Treasury Parliamentary Private Secretary—not a PPS from another Department, but a PPS from the relevant Department—so that he could plead with her, "Before I have an audience with George W. Bush about issues of global magnitude, please, please will you not embarrass me by resigning as PPS to the Chief Secretary?" It is a pitiful state of affairs.

The hon. Member for Sheffield, Hillsborough (Ms Smith) was not the only rebellious PPS—we have a full-scale revolt: the hon. Members for Sittingbourne and Sheppey (Derek Wyatt), for Blaydon (Mr. Anderson), for Barnsley, East and Mexborough (Jeff Ennis), for Hove (Ms Barlow), for Stafford (Mr. Kidney) and for Ealing, North (Stephen Pound), and, no doubt, many others, whose unfavourable comments I have yet to read in the newspapers. The Chancellor used his Budget to tell us that he would crack down on carrier bags; the Labour Chief Whip is now having to crack down on the bag carriers.

It is an extraordinary state of affairs that it has taken Labour MPs so long to realise the consequences of doubling the 10p rate. That proposal was not only in last year's Budget, which took place on 21 March 2007, because only a month ago, on 18 March 2008, during the Divisions in the House on the Budget resolutions, we yet again had a vote on the 10p rate. The Government's position was carried with the support of precisely those Labour MPs who are now making such a fuss, because, as I understand it, they had not then had the opportunity to talk to their constituents and they had not canvassed for the local elections. *[Interruption.]* As is being said from a sedentary position, it is amazing what an opinion poll or two will do to refocus minds and allow people to rediscover their consciences.

Rob Marris: I am grateful to the hon. Gentleman for his generosity in giving way. I am a PPS and I have expressed reservations to the Government. I did so in the House on 30 April last year.

I caution the hon. Gentleman. I take some of his points about equality and fairness for the lower-paid, but before he goes too far down this line, he should remember that two years ago his party was making proposals for swingeing increases in green taxes, some of which would be counterbalanced by drops in other taxes. The hon. Member for Eastleigh (Chris Huhne), speaking for the Liberal Democrats on those matters, made it quite clear that green taxes would be ratcheted up and up and up. Given that those measures would have been there to change behaviour, they would have affected the lower-paid badly.

Mr. Browne: I do not want to go too far off the beaten track, but the point that we have consistently made, and which the Government have not heeded, is that there will be public support for environmental taxation only if that taxation is offset by reductions in other taxes, most notably income taxes.

I am in a strange position. I took an intervention from one Labour Back Bencher, the hon. Member for Wirral, West (Stephen Hesford), who said, "Look at our environmental credentials; they are greater than you claim they are," and I am now hearing that the environmental credentials of the Liberal Democrats are excessively ambitious. Yet again, the lack of any sense of purpose and direction in the Government becomes obvious.

I was listening to Radio 4 on the evening of Friday 18 April, and when asked what would happen as a result of the growing rebellion in the Labour ranks over doubling the 10p rate, a Treasury Minister said, "Watch this space." Well, we watched it today, and unless I missed something the Chief Secretary said no changes were possible. In fact, over the weekend, she took to the airwaves to damp down any speculation that that other Treasury Minister might have been suggesting or hinting at imminent changes.

Labour MPs need to realise that there is no great salvation coming from the No. 10 bunker; they are on their own. In the bunker, all is dither and meltdown. If they want to save their lower and lower to middle income-earning constituents from taking a big tax hit precisely when their food and other bills, council tax and fuel bills are going up, that will not be achieved by this Prime Minister and this Chancellor. Labour MPs will have to act alone to try to represent the interests of their constituents.

Mr. Russell Brown: I thank the hon. Gentleman for giving way once again. If Labour Members are looking for some kind of saviour and an answer to the issue, we did not get one from the main opposition party. Can he give an indication of what his party would do? I honestly believe that this issue is far more complex than some individuals understand.

Mr. Browne: I am again grateful for an extremely helpful intervention, because it is my party's policy to reduce income tax rates on the lowest earners. Hon. Members must remember that the Labour party and the Conservative party are committed to offering identical levels of taxation at the next general election. I hope that my party will have the scope to do even more than we already propose to help some of those people on the lowest incomes in this country, who in my view are paying far too great a proportion of their income in taxation.

The hon. Gentleman has also brought me neatly to the Conservative alternative to the proposals in the Bill. As I said earlier, the Conservative party leader did not notice the doubling of the 10p rate, so I must rely on quotations from other Conservative Front Benchers for guidance.

On 16 April, while the House was in recess, the shadow Chancellor of the Exchequer in a national newspaper wrote:

"I would stop the tax rises on families."

[Mr. Jeremy Browne]

But we know that he will do nothing of the sort, because the Conservative party is committed to precisely the same levels of overall taxation as the Labour party. In fact, the Conservatives have two criticisms of the Labour Government: the first is that they tax too much, spend too much and waste too much, and the second is that they have not done what the Conservatives would do, which is exactly the same. The Conservative party and the Labour party have morphed into a single entity. Every time the Conservatives criticise Labour tax rises, we should remember that they must have a secret extra tax rise in mind to make up for the one that they are criticising.

The Conservatives feign concern about those who will be harmed by the doubling of the 10p rate, but at the Conservative party conference last autumn, what was the party's main priority for helping those who were struggling with their tax burden? Was it helping the people on the lowest incomes—the people whom I mentioned earlier, the farm labourers, hotel receptionists and hospital porters cited by the hon. Member for Runnymede and Weybridge (Mr. Hammond)? Was it single people under the age of 25 on modest incomes? No; they were completely ignored by the Conservatives. Was it pensioners between the ages of 60 and 64, who will be adversely affected by the Government's proposals? No, it was not them either. The group singled out for special assistance by the Conservative shadow Chancellor—

Mr. Graham Stuart: First-time buyers?

Mr. Browne:—were people who owned houses worth around £990,000 to £995,000 and had paid off their mortgages. Those people were considered to be a more deserving target for the largesse of the Conservative party than people, in my constituency and elsewhere, on incomes of £11,000, £12,000 or £13,000 a year.

Mr. Stuart: What about first-time buyers?

Mr. Browne: Many members of the shadow Cabinet bought their first house for about £1 million, but they are not entirely typical of the people whom I represent, although they may be entirely typical of the people at the dinner parties attended by the shadow Chief Secretary of the Treasury. It was the shadow Chief Secretary, who is so out of touch not just with public opinion but with the mood in his own party, who said recently that the Conservative party would not be able to introduce any tax cuts until 2015. Unfortunately, over the recess he was overruled by the shadow Chancellor, who indicated that it might not be possible to reduce the tax burden until 2018 at the earliest. No wonder the chairman of the Conservatives' own tax commission, the former Cabinet Minister Lord Forsyth, said only last week that the Conservative tax policies were "mad".

Stewart Hosie (Dundee, East) (SNP): I intervene only for the sake of clarity. I am quite enjoying the hon. Gentleman's speech. Can he tell us by what proportion of gross domestic product Liberal Democrat tax policy would reduce overall taxation?

Mr. Browne: That is an intelligent intervention. The answer is that we shall see at the time—*[Interruption.]* Let me answer the question. We know for certain that for the purposes of the next general election the Conservative party is committed to taxing the same proportion of GDP as the Labour party. I hope—although it will depend on the economic circumstances and on what GDP is at the time—that the Liberal Democrats may be able to introduce a tax cut aimed at people on low earnings who, in my view, are currently paying too large a proportion of those earnings in tax. If we could do that and, as a consequence, reduce the proportion of GDP that is taken by the Government in overall taxation and help people on low incomes, it would be fantastic, but we need to make our overall calculations to see where we can afford to make the savings. We know that the Conservative party is committed to not doing that. For those who want an overall net reduction in taxation in the United Kingdom, there is only one party that can potentially offer that at a general election: the Liberal Democrats.

On 15 April, the political editor of the *Daily Mail* wrote a story beneath the headline "Cameron plans his own night of long knives in Shadow Cabinet clear-out". The right hon. Member for Witney—overlooking his own fallibility when it came to identifying the most damaging parts of the Government's agenda—had identified what were described as a "magnificent seven" members of the shadow Cabinet out of a 30-strong team. The article went on to say

"He is, however, preparing a purge of under-performers"

I regret to say that the hon. Member for Runnymede and Weybridge was not one of the "magnificent seven", and is therefore in the firing line. I for one am extremely disappointed, because I think that the hon. Gentleman made an excellent speech this afternoon which identified many of the Government's failings. I regret that his efforts are not appreciated more by the leader of his party.

Rob Marris: Talking of purges, the hon. Member for Falmouth and Camborne (Julia Goldsworthy) has been purged over these Treasury matters. Last year she committed the Liberal Democrats to producing a Finance Bill only once every two years. Is that still Liberal Democrat policy?

Mr. Browne *rose*—

Mr. Deputy Speaker: Order. This is a Second Reading debate and a fair amount of latitude is allowed, but I remind the hon. Gentleman that we are discussing the Second Reading of the Finance Bill.

Mr. Browne: I am grateful for your guidance, Mr. Deputy Speaker.

Everything that has been said by my hon. Friend the Member for Falmouth and Camborne (Julia Goldsworthy) is eminently sensible. I commend it, in its entirety, to the hon. Gentleman. Just as Labour Members would have benefited from hearing my right hon. and learned Friend warn them of their impending doom, every time my hon. Friend speaks she can offer them guidance that will prove extremely useful as they seek re-election against a very unfavourable political backdrop.

Like the Budget, this Finance Bill fails all the tests of leadership. It has no great purpose, it has no great vision, and it flunks all the big challenges. Worst of all, the proposals that we will scrutinise in depth in the months ahead have no soul. It is now impossible to work out what the Labour party exists to achieve. The abolition, or doubling, of the 10p rate sends out the signal that the end of the empty hologram that was new Labour has finally arrived. It was Harold Wilson, who won four out of five elections while leading his party—four more than will be won by the current Prime Minister—who said that the Labour party

"is a moral crusade or it is nothing".

Many Labour Members seem finally, but far too late, to have realised that with the doubling of the 10p rate their party is now nothing.

6.28 pm

Sir Stuart Bell (Middlesbrough) (Lab): It is a pleasure to follow the hon. Member for Taunton (Mr. Browne). He reminds me of a former Member of Parliament, Bob Woof, whom many Members may recall. Each year he made a Budget speech, but about the previous year's Budget. He read the previous year's Budget carefully, and then made his speech. Having listened to all of today's debate so far, I have a feeling that this too is a debate on last year's Budget, and on last year's abolition of the 10 per cent. tax rate.

I remind the House that last year, as now, there was a Budget statement, followed by publication of the Red Book, which has been mentioned. It was followed by a Budget debate which continued for about five days, a debate on Second Reading of the Finance Bill—such as we are having now—a Committee stage, and Third Reading. Where the House went wrong in not picking up the fact that the 10 per cent. rate was to go must be a mystery to most of us. It seems to me that the reason why we are having a debate on that particular aspect is the Institute for Fiscal Studies and the figure of 5.3 million net losers, and I am not sure that the IFS report actually said that.

I remind Labour MPs who are signing early-day motions and carrying their consciences on their sleeves that, in the 11 years of the Labour Government—to get on to the "vision thing" that the hon. Member for Taunton talked about—our vision has been clear. We believed in a fundamental and irreversible shift in the balance of wealth and power to workers and their families. Over those 11 years, we have brought in a national minimum wage, against great hostility in this House from the Opposition, who said that it would cost jobs, and increased it to more than £5 an hour. We introduced tax credits, of which we have heard some criticism, to which I shall refer in a moment. We have signed the social chapter; the Conservatives not only did not support it, but have said that they will repeal it when they come to power. We have brought in specific measures for the elderly, of which the increases in winter fuel allowances are one. Over 11 years, we have moved the balance of power towards workers and their families.

If I may spend a moment on the 10 per cent. rate, the tax package last year was designed to target extra support to help many of those who only paid the 10p rate. For those aged 65 and above, age-related allowances were increased by £1,180 above inflation, meaning that 600,000 pensioners paid no income tax at all. For families with children, the child tax credit child element increased by £175 above earnings indexation from £1,845 to £2,085, providing additional financial support for families and further reducing child poverty.

For those in work on low incomes, the first income threshold of working tax credit rose significantly from £5,220 to £6,420. Supporting work is the best route out of poverty through increasing the gain from work for many low income households. That is the background to the abolition of the 10 per cent. rate.

We do not want to go back over history or to recite poetry:

"see how dark the backward stream!
A little moment passed so smiling!"

It is a long time since we had a Conservative Government, but under the Conservatives the basic rate of tax was 23p in the pound with no tax credits other than the limited benefit from family credit. That meant that even the poorest taxpayers paid 23p in the pound. Under Labour, the basic rate is now 20p in the pound and there has been a major increase in tax credits, particularly for those with children but also for those without.

The reforms overall meant that all income tax payers have benefited compared with 1997. Those on lower and middle incomes have benefited the most. Giving low-income families a negative income tax rate—that is to say a tax credit—is better than leaving in place the 10p rate; that was the philosophy and reasoning behind the Government's decision, which was not picked up throughout last year's Budget proceedings.

The tax credits system—a minus rate of income tax—is the best way to help people out of poverty. Each year, the Labour Government have put more and more resources into tax credits. The 10p rate is not a targeted tax measure as all taxpayers benefit from it, including higher earners, such as those on £100,000 a year who would still only pay 10p in the pound on the first £2,230 of their taxable income.

As my hon. Friend the Member for Dumfries and Galloway (Mr. Brown) and my right hon. Friend the Member for West Dunbartonshire (Mr. McFall) said, it is because of these tax credits that we have been able to deliver historic achievements such as taking millions of pensioners and children out of poverty. The tax credits mean that we have rates of 40 per cent. and 20 per cent. for income tax, but that we have effective tax rates of minus 1 per cent. right up to minus 200 per cent. through tax credits, so that the tax and benefits system pays more to people on low and middle incomes.

While the House is focused on this matter, we must not overlook the basis of our economy. Part of the Bill calls for the promotion of access to finance and resources for small and medium-sized enterprise and for the enterprise management incentive schemes. In this respect, I refer to David Smith's economic outlook column in *The Sunday Times* yesterday. The hon. Member for Taunton gave us a great review of the press over the last 10 days, but David Smith said that our

"job market remains extraordinarily strong, with a rise of 152,000 in employment in the December-February period. In the past year, employment has climbed by 456,000 to a record 29.51m."

[Mr. Philip Hammond]

country needs a Bill to define clearly the scope of the rules and the processes for enforcing them consistently and fairly, and to reinforce the incentives for the investment and entrepreneurship that will deliver the jobs and prosperity that Britain needs for the future.

What we have is a Finance Bill that exposes the legacy of the economic incompetence that has left Britain so ill prepared for the current uncertainty and given the Chancellor so little room for manoeuvre. He has so little room that he has to increase taxes on average families who like an occasional drink or drive a family car. The Bill leaves the business community still facing huge uncertainty about the detail of the non-dom taxation policy, which is now set out in schedule 7 a schedule that is so dense and impenetrable that even the experts tell us that they are baffled by it. By the Government's own admission, it is still so full of holes, six months after the PBR announcement, that it will require substantial amendment during the Bill's passage.

In short, this is a Finance Bill that does exactly what we do not need at this point in the economic cycle. It raises taxes on households as the economy slows, the cost of living soars and the housing market teeters on the brink, fuelling the collapse in consumer confidence. It raises taxes on business at a time when our competitors are cutting them to support their economies, undermines investment and business confidence, and kicks families and businesses when they are down.

It is typical of this Prime Minister that, at a time when the focus of attention in the Bill should be on supporting business and consumers and stimulating investment to keep the economy from slowing still further, the income tax measures announced in his Budget of 2007, when he was seeking to box in his successor, have dominated the debate. Perhaps it is poetic justice that when he stepped off the plane to confront the grim reality of home, it was his income tax reform that was fuelling the collapse of his authority and undermining his successor's first Finance Bill.

It is typical, too, that the Prime Minister seems to be just about the only person who still does not get it and is still in denial that there is a problem. He still refuses to acknowledge his cynical sacrifice of the interests of the poorest to his own short-term political agenda. Opposition Members well remember the farce of the 2007 tax con Budget, and how Labour Back Benchers cheered the announcement of the reduction of the basic rate. What a coup to crown the then Chancellor's decade in the Treasury, and to launch his bid for the Labour leadership. How he basked in that achievement for about five minutes.

Then, it unravelled. Table A1 of the Red Book exposed the sleight of hand that paid for the tax cut with the abolition of the 10p rate. Then, the Institute for Fiscal Studies identified who the losers would be; the Chief Secretary to the Treasury apparently cannot say the figure, but I will: 5.3 million of Britain's poorest families. That figure was confirmed, give or take, in the Treasury's evidence to the Select Committee, and that is after taking account of the increases in tax credits.

Mr. John Redwood (Wokingham) (Con): My hon. Friend is making a very powerful case. Is it not even odder that the people who are going to pay this extra burden through the abolition of the 10p band are exactly those who are hit most severely by the surge in food and energy prices and by the further big hike in fuel duty when they want to travel in their car?

Mr. Hammond: That is what makes the timing of this all the more poignant, and I suspect that that double whammy has focused the minds of many Members in this House.

The thing is that the Prime Minister knew that his tax cut would be paid for by an increase in the tax burden of the poorest. The tax-cutting Budget became the tax con Budget, and boy, is the Prime Minister paying for his five minutes of glory.

Mr. Russell Brown (Dumfries and Galloway) (Lab): Can the hon. Gentleman explain to the House why members of his party sat on their hands when an amendment was tabled for last year's Budget?

Mr. Hammond: We identified this problem in the 2007 Budget within an hour of the then Chancellor sitting down, and as I understand it, two amendments were tabled in the course of the following debate. One would have reduced the 10p tax rate to zero, costing the Exchequer about £16 billion, which is not a sensible or fiscally responsible way to address the problem. The other sought to put in place a long-term constraint on the Chancellor's ability to manoeuvre in future Budgets. Neither of those is the right way to address this problem. We have to deal with the issues in this Finance Bill, the Budget before it and the 2007 Budget, and we believe that that is the way to tackle these problems.

Mr. Ian Austin (Dudley, North) (Lab): If the hon. Gentleman expects anybody to take seriously his new-found concern for the poor and low-paid, can he explain to us why his No. 1 tax reform proposal is inheritance tax reform to benefit multi-millionaires such as the shadow Chancellor and the Leader of the Opposition, or the abolition of stamp duty on shares to benefit multi-millionaire City traders? Can the hon. Gentleman tell us which way he voted on the minimum wage, the introduction of tax credits and the introduction of the winter fuel allowance, all of which show that Labour has been consistent in delivering better standards of living for the poor and low-paid?

Mr. Hammond: I appreciate that the hon. Gentleman may be the only Parliamentary Private Secretary left in the Government who is supporting the policy, but it is pretty unprecedented to have the Prime Minister's PPS on the Back Benches with a crib note, trying to intervene in this debate. I suspect that we on the Opposition side of the House are rather with Mr. Carter on this.

If the Government want to talk about what happened in 1997, as the Chief Secretary to the Treasury did, instead of talking about the issues facing the poorest households in our society now, in 2008, then nothing demonstrates more clearly that they have lost the plot and the will to govern, and lost the way forward for Britain.

Several hon. Members *rose*—

Mr. Hammond: If I may, I shall press on.

Once again, the man who likes to boast of his long-termism demonstrated the cynicism that has come to personify him, as he reversed a long-term policy objective for short-term political gain.

Mr. Ian Austin: On a point of order, Madam Deputy Speaker. Could you reiterate the answer that you gave to the Opposition Chief Whip about the speaker's right to take every intervention that is put to them?

Madam Deputy Speaker: I have indeed repeated this on more than one occasion, but I will do so again. It is up to every individual hon. Member of this House to make their own decision whether they give way for an intervention or not.

Mr. Hammond: It seems that the Prime Minister's Parliamentary Private Secretary is trying to invent a new constitutional convention: that Prime Ministers' Parliamentary Private Secretaries must be allowed to intervene at any point in the debate on some kind of privileged basis. We would not encourage that.

In case anyone has forgotten, Labour's 1997 election manifesto—that unfulfilled promissory note—promised, among many things, that Labour would

"establish a new trust on tax with the British people."

That was before the term "stealth tax" had even been invented. The manifesto continued:

"Our long-term objective is a lower starting rate of income tax of ten pence in the pound. Reducing the high marginal rates at the bottom end of the earning scale...is not only fair but desirable to encourage employment. This goal will benefit the many, not the few."

So said the 1997 manifesto, on which Labour Members sitting opposite were elected.

That long-term objective was achieved in 1999, and was hailed by the then Chancellor, who said:

"The new 10p rate—the lowest starting rate of tax in Britain for more than 35 years—will make work pay and help people, especially those who are low-paid, to keep more of the money that they earn...As a result...1.8 million low-paid workers will see their tax bills halved...a gain of up to £150 a year."

That was what the then Chancellor said in April 1999. He concluded:

"When we make promises, we keep them."

Today, 5.3 million low-income households know that he does not keep his promises. The income tax burden of some of them will double because, by 2007, the long-term objective had apparently outlived its political usefulness, and the low-income households that had benefited from it were betrayed by the Prime Minister. What price now his moral compass?

David Taylor (North-West Leicestershire) (Lab/Co-op): I stand second to none in having great reservations about the loss of the 10 per cent. rate, which is why I am backing the amendment that will be put forward next week by my right hon. Friend the Member for Birkenhead (Mr. Field).

Would the hon. Gentleman care to correct a canard that seems to have established a life of its own in recent weeks: that this particular change will fund the whole cost of the 2 per cent. reduction in the standard rate, which is about £7 billion or £8 billion? Some 5.3 million individuals or families will lose, on average, between £0 and £232—that is the most that can be lost—and £116 times 5.3 million is about £600 million. That is not even 10 per cent. of the cost of reducing the standard rate by 2 per cent.

Mr. Hammond: I am happy to do so. I was to address precisely that point later in my speech, but I shall give the figures now. As the Chief Secretary to the Treasury knows, the Institute for Fiscal Studies has calculated that the total loss of those who are losers—the 5.3 million households—is approximately £766 million. That compares with the £9 billion cost to the Exchequer of reducing the 22p rate to 20p and, interestingly, with the £550 million that the Chancellor managed to magic out of nowhere between his pre-Budget report last October and the publication of his Budget this year to fund his climbdowns on capital gains tax and the non-doms regime. When they want to find the money, they seem to be able to do so.

I also have some good news for the hon. Member for North-West Leicestershire (David Taylor), who has signed early-day motion 1052, and for all those hon. Members who signed early-day motion 1308. My hon. Friend the Member for Worthing, West (Peter Bottomley), who was one of the original signatories of early-day motion 1308, has re-tabled that early-day motion this afternoon, so that hon. Members will be able to reconfirm their support for the sentiments that it contains, as I am sure their constituents would expect them to do.

Of course, everyone likes a tax cut, but how many hon. Members, on either side of this House, came into politics to increase taxes on the poor? There is almost universal consensus that that group is already overtaxed, but increasing taxes on the poor is precisely what we are being asked to do in voting for this Finance Bill this evening. How many hon. Members, and how many people in this country who will themselves be net beneficiaries of the 2p basic rate tax cut, feel comfortable knowing that that cut will be paid for by increasing the taxes of the lowest paid in our society? They include single people, childless couples on low incomes who are not entitled to tax credits, those who—for whatever reason—do not claim tax credits to which they are entitled, and elderly people under 65 living on savings income or pensions. Care workers, soldiers, postmen, call centre operators, security guards and hospital porters are all examples of the millions of ordinary working people who will be penalised.

Linda Gilroy: I am following the hon. Gentleman's remarks with great interest. Can he tell my constituents, some of whom live in the poorest ward in England—a legacy of the Conservatives—how he voted on the 10p tax rate in 1999, on tax credits and on the minimum wage? Unless he puts that information on the record, none of my constituents will be impressed by his new-found religion.

Mr. Hammond: I would stop short of calling it a religion. A theme is developing, because the only way that the Government can think of to try to defend their position is to go back to a baseline of 1997. By implication, the Prime Minister is trying to say to

[John McFall]

on the wealthy non-doms, but almost none on the low and middle-income groups who will be affected by the changes.

There is a serious risk that HMRC could face the problem of millions of foreign workers either seeking advice or being in breach of the new law. John Whiting, our adviser on the Select Committee, was very clear on the issue of low-income non-doms, and he said that millions of them could be affected. I am aware that the Treasury has estimated that there are 80,000 people with both a UK and a foreign income. That might be because it did not include the unwitting non-doms. The Treasury Select Committee report makes it clear that we feel there has been insufficient consideration of the possible impact of the tax changes in the Budget on middle and lower income groups, and we would like the Government to look at that.

By far the largest group of people affected will be the lower and non-income professional workers. An example that has been cited are the typical Polish or Romanian migrant workers who pay UK taxes but who probably do not even know that they are non-doms because they do not know the term, and therefore do not realise that they are about to lose their personal allowance. They will certainly not have any advisers. That group could unwittingly be in breach of the new £2,000 limit for non-doms, and could therefore suddenly lose their UK tax-free allowance. We are asking the Government to be aware of that problem. More importantly, in the light of some of the recent comments about the capability of HMRC, we are asking HMRC to be aware of it. If it is likely to affect millions of people, HMRC needs to understand the problem that is coming down the line.

Mr. Philip Hammond: The right hon. Gentleman talks to the same kind of people as I do, and I am sure he will have heard that there is a mood growing among tax professionals that HMRC in fact intends to deal with this problem by turning a blind eye to the large number of low-income non-doms who will inadvertently become non-compliant. Is that the impression that the right hon. Gentleman has gained, and does he share my concern that that would be the beginning of a slippery slope?

John McFall: I shall refer again to John Whiting of PricewaterhouseCoopers, who has highlighted this point. In his evidence to the Committee, he said that HMRC had come a long way in terms of its engagement with business. This is still a live issue, however, because I am not sure whether HMRC is aware of the potential problem. It is that lack of awareness that I am trying to point out to the Minister. This applies to anyone whose foreign income could be affected, such as anyone with overseas savings of about £40,000, as the interest on that would be more than £2,000, which is the de minimis level. Equally, the measure could affect anyone renting out a property abroad or who has a summer job abroad. I want HMRC to look at this, because I have enough on my plate as Chairman of the Treasury Select Committee with all the inquiries that we carry out. I do not want to have to carry out an inquiry into this matter in a year's time, so will the Minister help me out by solving this before it becomes a bigger problem?

I am willing to work with my colleagues in the Government on the withdrawal of the 10p tax rate in relation to low-income workers so that we can identify and compensate them, and so that we are not seen to penalise them unnecessarily. With that, I shall finish my short speech.

5.56 pm

Mr. Jeremy Browne (Taunton) (LD): There are two main ways in which a Member of this House can judge a Finance Bill, a Budget or, for that matter, a Government. The first is to ask whether the measure has a vision, a sense of purpose and a direction. The second is to ask whether it has what the Prime Minister calls a moral compass. That is the issue that has occupied us to the greatest extent so far today, and the one to which I will devote the largest part of my speech. It is the specific issue of the doubling of the 10p tax rate that is causing the greatest amount of grief and unhappiness among my constituents and among people right across the country.

First, however, I want to touch briefly on whether the Budget had a vision or a sense of purpose, and whether it told us what the Labour party seeks to achieve and what drives the Government. In this debate, we have been discussing a change that was made in the Budget of 2007. The 2008 Budget has escaped without being given much attention at all because it was the most puny, unambitious Budget in living memory.

During the parliamentary recess, I had the opportunity to attend a commemorative service in my constituency to mark the 40th anniversary of the assassination of Martin Luther King in Memphis, Tennessee, in 1968. During the service, I reflected that he had been a man of huge vision. He was an inspirational figure who had a dream and who had stood on the mountain top. He had seen the promised land. How diminished our politics seem by comparison today.

The Labour party, which was founded just over a century ago, was founded for entirely noble reasons. Many people in this House, not only those in the Labour party, will conclude that the formation of the Labour party was to the benefit of the politics of this nation and the many people who live in it. The Labour party was out of government from when I was eight years old until just before my 27th birthday. During that period—from the earliest that I can remember through to my mid-twenties—many people worked in the Labour party to try to make it fit to govern this country again. Many people, including those on the Labour Benches, when they heard this year's Budget, will have been entitled to ask, "Is that it? Is that what it was all for? Is this what our great party has become?" It was the thinnest, most unambitious, managerial Budget that I can remember.

Another notable American politician, Barack Obama, is fond of saying that politics is becoming smaller just as the issues are becoming bigger. That is particularly true in relation to this Government, who seem to have no purpose or sense of direction left. Yet there are a number of visionary causes that they or any UK Government could adopt. After a massive expansion over the last decade, the Government are now spending £1,700 million every single day—in fact, the Government's

daily expenditure is now more than the entire expenditure of the Foreign and Commonwealth Office for a whole year.

As I say, there is no lack of issues for the House and the Government to get to grips with; the question is not "How much?" but "How?" We are no longer in the area of talking about whether taxes and public spending can be endlessly raised; rather, we are in the area of talking about how we can spend that money more efficiently and achieve better value for money on behalf of all our constituents in order to achieve the objectives that we all share. The primary domestic objective must be to make public services more accessible and more accountable. How can we, as a group of politicians, ensure that people of all incomes can be empowered to shape their own lives? The big domestic challenge of the 21st century is to create health and school systems that are fit for our times—not just through extra public spending, but through meaningful reform.

Of course, the greatest challenge of all facing politicians of our era is how we can protect our planet from ruinous climate change. There is clearly an agenda there for a Government who have vision, a sense of direction and a sense of purpose—a Government who can grasp the scale of the threat and the opportunities and who have the imagination to respond.

Stephen Hesford: The hon. Gentleman is talking about vision, so has he not heard of the Climate Change Bill, which is going through the House? How does that Bill square with the idea of the Labour Government not doing anything about climate change? I simply do not understand the hon. Gentleman's point, as we are the only Government in the world to introduce a Bill to deal with climate change.

Mr. Browne: I did not claim in my opening remarks that the Government had done nothing at all; I said rather that the scale of their ambition was far too puny, timid and lacking in ambition. That is very much true of the Climate Change Bill; in fact, I could not have come up with a better example if I had sat in my office and given considerable thought to the matter. That Bill is a proposal put forward by a Government who have been in office for 11 years, during which time the issue of climate change has become considerably more acute. It would be fair to say that my party was talking about environmental issues to a greater extent than the other parties in the 1997 election and before, but the Government have put this proposal forward and made some progress. The Bill, however, does not go far enough. Instead, we had a Budget that confirmed how small and how visionless Labour in government has become. If I were a Labour Member, that—beyond any specific proposals in the Budget package—would depress me most: the sense that the momentum of the whole exercise and the entire reason for being in government have come to a halt. The Government are petering out, running out of ideas for the future of this country.

Rob Marris: May I suggest that the hon. Gentleman is simply in the position of not sharing the Government's vision? There is a Government vision. The hon. Gentleman talks about the NHS; there is a Government vision based on more autonomy for hospitals, foundation trusts, "choose and book" and so forth. The Government have an agenda on school education, which involves empowering parents, as recent announcements show, and they have an agenda on what goes on in schools and further education colleges—training, diplomas and so forth. There is also a Government vision in respect of higher education and—

Mr. Deputy Speaker (Sir Michael Lord): Order. That is sufficient for the time being.

Mr. Browne: I am grateful for that intervention. I would not disagree that there is a list of Government policies, but I would disagree that they amount to a vision. I was not present at the parliamentary Labour party meeting—obviously, because I am not a member of the parliamentary Labour party—but I heard reports, which the hon. Gentleman might like to confirm, that Labour Back Benchers told the Prime Minister that they did not know what he stood for. At least with Tony Blair as leader, people felt that there was a sense of direction; they may not have liked it, but they were not left confused about what the Government were trying to achieve. Many people in the Labour party and beyond it no longer know precisely what the Prime Minister and the Government stand for.

That brings me on to my second and larger point, which is the Government's moral compass and the doubling of the 10p tax rate that was in the Budget of March 2007. People in my constituency and elsewhere are entitled to ask what took Labour Back Benchers so long. Seventy three Labour MPs have signed early-day motions critical of the change, but the Budget was on 21 March 2007—precisely 13 months ago today—when the Government Benches were full of Labour MPs waving their Order Papers and braying at the electoral triumph just laid before them by the man who is now the Prime Minister. It has taken them an awfully long time to look at the details of the Budget.

Mr. Russell Brown: Perhaps the hon. Gentleman should not read too much into the number of Members who have signed early-day motions. I, for one, have not signed an early-day motion on this matter, but I can assure him that within two to three weeks of last year's Budget, I was sitting at a table with our Prime Minister, then Chancellor of the Exchequer, expressing my severe reservations about the announcement.

Mr. Browne: We "Browns" must stick together to ensure that the main "Brown" is put in his place. *[Interruption.]* I keep hearing sedentary interventions, asking whether the hon. Gentleman was satisfied with the conclusion of his negotiations with the current Prime Minister. I will gladly give way to him again if he will tell me whether he feels that the current arrangements are to his satisfaction.

Mr. Russell Brown: If the hon. Gentleman hangs around and I manage to catch Mr. Deputy Speaker's eye, he may well hear what I have to say about that.

Mr. Browne: That sounds a tantalising prospect. The next four hours will fly by.

and Wyre (Mr. Wallace) that there is still an issue to do with police forces taking full cognisance of ACPO's guidance; we do not need 16 pages in order to authorise many of the aspects of intervention and surveillance under RIPA, as ACPO says that two will suffice. There will also be a need for further legislation in terms not only of ACPO's recommendations, but of other aspects of intercept and surveillance more generally. Hopefully, they will be dealt with at a subsequent time, when we find the appropriate legislative vehicle.

Chris Huhne (Eastleigh) (LD): Britain's most senior Muslim police officer, Tarique Ghaffur, the assistant commissioner of the Metropolitan police, has confirmed that he believes that 42 days' detention without charge would be counter-productive and that there is a danger that it will make the police's long-term job harder. Will the Secretary of State now recognise that, tragically, she is repeating the mistakes of Northern Ireland by going over the top on legal powers of detention, which will only alienate Britain's ethnic minority communities and dry up terrorism intelligence, and make witnesses more inhibited and convictions harder to achieve?

Jacqui Smith: Let me quote the words of Assistant Commissioner Tarique Ghaffur on Friday:

"I do not lead on counter-terrorism matters for the Metropolitan Police Service and I respect the professional assessment of colleagues who deal with counter-terrorism on a daily basis, and who envisage circumstances arising when the current upper limit of 28 days is not going to prove sufficient."

Those colleagues include Peter Clarke, former head of counter-terrorist command, Bob Quick, assistant commissioner for special operations—whose letter to me is available in the House of Commons Library—ACPO and the commissioner of the Metropolitan police.

I choose, in making a judgment about keeping this country safe, to listen to the police officers whom we task with investigating terrorist offences and keeping us safe in a proportionate and precautionary way. Unlike Opposition Members, I am not willing to live with the risk of not taking action now to keep this country safe.

T5. [199748] **Mr. Peter Bone** (Wellingborough) (Con): Last Friday, a constituent came to see me at my advice surgery. On 18 April 2000, he claimed asylum, and despite help from the previous Member of Parliament, his case has still not been decided. Unfortunately, it is not an isolated case. I have a number of constituents who have waited many years for their cases to be decided. Is this fair to the asylum seeker, his family and the taxpayer?

The Minister for Borders and Immigration (Mr. Liam Byrne): It is very difficult to speculate on the circumstances of an individual case, but if it helps the hon. Gentleman, of course I shall be happy to see him and discuss it in detail.

T6. [199749] **Jo Swinson** (East Dunbartonshire) (LD): My constituent, Mr. Fereydum Bahrami, applied for indefinite leave to remain in 2004, and the Home Office is reviewing its initial decision to refuse. Indeed, in November 2005, it stated that

"Mr. Bahrami's case will now be reviewed as a priority".

Two and a half years later, there is no decision. May I ask the Home Secretary to look at the case and make a decision, and to apologise for the delay?

Mr. Byrne: I will add that one to my list as well.

Financial Stability

3.31 pm

The Chancellor of the Exchequer (Mr. Alistair Darling): With your permission, Mr. Speaker, I would like to make a statement about this morning's announcement by the Bank of England to improve conditions in the financial markets. This scheme has been developed following extensive discussions with the Treasury and the Financial Services Authority. I also want to report on the recent G7 meeting in Washington on restoring financial stability to financial markets. I will also report on the measures that we are taking here at home to strengthen the stability of the banking system, as well as to help home owners with their mortgages.

Before I set out in further detail the Bank of England's special scheme, let me remind the House of the background against which it has been developed. The financial markets throughout the world remain turbulent, following the problems that arose in the US housing market last year. Functioning financial markets rely on banks and building societies being able to raise finance from each other, and from other investors, including through securitisation markets and through inter-bank lending markets. These funds can then be used to finance lending to businesses and to consumers, including the provision of mortgages.

However, global financial markets are currently not functioning normally. Across the world, there is a lack of confidence in credit markets, most notably in mortgage-backed securities. That lack of confidence was prompted by the downturn in the US housing market, and in particular by the problems associated with sub-prime mortgages there. Banks are reluctant to lend to each other, and as a result lending to customers is more expensive and more restricted.

Along with other central banks, the Bank of England has, over the past few months, made additional funding available to the markets through its regular market operations. The UK financial system remains fundamentally strong, and the Bank of England's action has helped to take some of the pressure out of the system by giving banks additional liquidity to continue their usual banking operations. Indeed, last week the Bank of England made a further £15 billion available, over three months, as part of its open market operations, and the Governor has said that he is committed to providing the liquidity assistance that the system as a whole needs to enable it to function normally.

Here at home, the economy continues to grow. Last week's figures confirm that unemployment remains low and employment high. That, and the recent interest rate cuts, will provide wider support for the housing market and the wider economy. As banks here and across the world disclose their losses and strengthen their financial positions, which will help to rebuild confidence, the Bank of England can now take action to ease conditions in the financial markets, particularly in relation to mortgage-backed securities.

The special scheme announced today by the Bank of England is a further step towards tackling the problems that have become more evident in recent weeks with the increasing cost and decreasing availability of lending by banks and building societies. Under the new scheme, for a six-month period the banks and building societies, and other institutions that are eligible for the Bank's standing facility, will be able to enter into agreements with the Bank of England under which they exchange high-quality asset-backed securities for Treasury bills. They can then hold these bills or trade them in the markets. Each exchange agreement will be for a maximum of a year but can be renewed at the Bank's discretion, so that the exchange could be ultimately for up to three years. The arrangement is available only for assets existing at the end of December last year and does not apply to new lending since then.

At the end of the scheme, the banks will return the Treasury bills to the Bank of England and will receive back the securities that they provided as collateral. This means that the banks will continue to hold the risk on the securities that they provide, so it is they, rather than the Bank of England, that will be exposed to any fall in value. At all times, the banks must provide as security to the Bank of England assets worth significantly more than the Treasury bills they receive in return. If the value of their assets falls, the banks must provide more assets to the Bank of England or return some of their Treasury bills. They will be charged a commercial rate, so there is no subsidy to the banking sector.

The Bank of England expects the initial take-up to be £50 billion. It will monitor the position daily, both to check new bids from banks and to track the value of the assets exchanged as collateral. The Treasury is supporting the scheme announced by the Bank of England by lending to it—at a commercial rate—the Treasury bills which it will then exchange with the banks and building societies. As the House will know, the Government stand behind the Bank as its sole shareholder, and we are making this clear by providing an indemnity. The Bank of England believes that these measures will support the banking sector during the present period of uncertainty and will help to restore the stability that the financial markets need both now and in the longer term. This will help to alleviate the problems that have seen banks reluctant to lend to each other, and, in turn, support the provision of new mortgage lending.

Maintaining economic and financial stability is a key objective. In addition to the Bank of England's announcement, I can confirm to the House that the Government will take further action at home, and internationally, to restore stability in financial markets. It is important that banks continue to make full disclosure of their exposure to losses, and that they do so as soon as possible. That is why, at the G7 and International Monetary Fund committee meetings in Washington, we agreed that banks should be as open as possible—as quickly as possible—in order to remove the continuing uncertainty as to their true positions. This process has started throughout the world, including here in Britain, with banks disclosing their losses and making proposals to rebuild their capital position.

Transparency is an essential part, along with other steps that we are taking, of stabilising financial markets. In Washington last week, the Financial Stability Forum agreed a range of actions—some to be implemented in the next three months, and others for the longer term. We agreed to strengthen the oversight of risk management, including capital and liquidity,

[Mr. Michael Howard]

the proverbial rabbit out of a hat, in the last few sentences of his speech. It had not been leaked or predicted, and came like a bolt from the blue.

As we all know, the reply to the Budget is given by the Leader of the Opposition. It is often said that it is the most difficult speech in the parliamentary calendar, and as someone who has had the dubious privilege of delivering it on two occasions, I am rather inclined to agree with that assessment. The Leader of the Opposition is not given any notice whatever of the Budget's proposals. The hon. Member for Taunton missed the point that immediately after the then Chancellor announced that shock, unexpected, unanticipated reduction in the basic rate of tax, my right hon. Friend the Leader of the Opposition had to get to his feet to reply.

I am afraid that I cannot entirely escape the thought that at least one reason behind the Prime Minister's action was the hope and belief that it would wrong-foot and embarrass my right hon. Friend and cause him to stumble at precisely the time when all the media's attention was upon him, and that that would damage his reputation, possibly even permanently. In the event, that proved a total miscalculation, as has happened so often on other occasions. My right hon. Friend dealt with it with his usual aplomb and the Prime Minister's arrow conspicuously failed to hit its target.

What a tragedy it is that a man who undoubtedly came into politics wanting to help the poor, who devised extraordinarily ingenious and complicated policies for doing so, and who staked his reputation and integrity on that cause, should end up betraying those ideals, betraying those whom he had promised to help and, ultimately, betraying himself. What was the slogan of which we heard so much early in his premiership? "Not flash, just Gordon". Well, we know an awful lot more about Gordon now, and I suspect that we will hear an awful lot less of that slogan.

6.54 pm

Mr. Eric Illsley (Barnsley, Central) (Lab): It is a pleasure to follow the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), although I am not sure that I agree with his analysis. I do not think that when my right hon. Friend the Prime Minister was Chancellor, he would have designed the replacement of an income tax rate simply to wrong-foot the Leader of the Opposition. That is a simplistic scenario. I suggest that he might have decided, wrongly, to try to distance himself from the then Prime Minister and establish his own manifesto before a possible autumn election.

I shall return to the 10p tax rate, but I turn now to a matter that I have raised in the House on a number of occasions recently—the rates of alcohol duty that are in the Bill and were announced in the Budget. I declare an interest: I am the honorary adviser to the northern Federation of Licensed Victuallers Associations, which, like most people in the pub industry, is concerned about the increases in alcohol duties, particularly that on beer. Duties on other alcohol are not as punitive and are not having the same effect on the pub industry.

It is no secret that the pub industry is in trouble. Both the Prime Minister and the Chancellor have been lobbied on the issue a great deal in the not-too-distant past, and there has recently been a flurry of reports on the industry's problems and the crisis that it faces. Various estimates have been made of the number of pubs that are closing each week in this country, ranging from 30 to 60. Figures have also made the broadsheet press, stating that the last time the volume of beer sold was equivalent to the present was in the 1930s. They also stated that the beer market has fallen by 22 per cent. since its peak in 1979, and beer sales have fallen by 49 per cent. since then. The breweries' profits have decreased by some 78 per cent. There has been a huge decline in beer sales in pubs, and the increases announced in the Budget have increased that problem.

One problem that the beer industry faced last year was the smoking ban, which has had an effect on pubs and clubs. The industry has not complained about that and has accepted it, but the Government's increasing of beer duty has put another nail in the coffin of pubs and clubs around the country.

The main problem that our pubs and clubs face is the sale of alcohol in supermarkets, which have targeted alcohol sales as something on which they wish to take over from the pubs. They are in competition with pubs, and at the moment they are winning by selling alcohol at less than the wholesale cost, as a loss leader at a lower price than they pay for it. Alcohol is sold to people who drink at home, in an uncontrolled environment, whereas there are controls on them when they drink in a public house. Pub operators and owners have to operate to codes of practice, whereas people drinking at home can drink as much as they like. If alcohol is extremely cheap, as it is in supermarkets, it is easy for them to do that.

I am talking not about under-age drinking or sales to minors but about sales to an adult population, particularly those between the ages of 18 and 35, who drink alcohol bought from supermarkets. We have debated the matter before in the House. The phrase used is "pre-loading": young people drink at home among their friends before they go out to a pub or club. Unfortunately, the drunkenness kicks in at the last licensed premises that they visit. The pubs and clubs get the blame for binge drinking, yet a lot of this drinking is done at home.

There has been a call for controls to be placed on such sales by supermarkets to try to make pubs more attractive, to promote them as controlled drinking areas and to prevent them from going out of business in the face of competition from supermarkets and their loss-leaders.

Mr. Binley: I am delighted with the terms of the hon. Gentleman's argument and he is making a very valid point, especially with regard to rural pubs, which have been particularly hard hit by the smoking ban and the increases that we are discussing. They are the heart of our rural communities. Does he agree with me that we are in danger of losing more and more of them, and that that would be bad for our rural communities?

Mr. Illsley: I am grateful to the hon. Gentleman for that and yes, I do agree with him. Attempts have been made to deal with the situation. One initiative aimed at rural pubs used the catchphrase "The pub is the hub".

Some rural pubs were given post office counters and internet connections in an effort to attract people there to do business, and to retain the pub as part of the community by allowing it to go further than just selling alcohol. This is a big issue, particularly in rural areas, but even in urban areas pubs are closing at a drastic rate.

I have referred before to sales promotions in supermarkets, so I shall not dwell on this point. We debated this issue in the House on 6 December, and I gave examples of supermarkets offering cases of beer at the discounted rate of three for the price of two, and three bottles of spirits for the price of two. In one instance, a 75 cl bottle of whisky was sold at £9.99, yet the 1 litre bottle was sold for £10—for an extra penny. It might interest Treasury Front Benchers to know that on the day of this year's Budget, supermarkets knocked £5 off the price of a bottle of spirits. So whatever the message that the Government were sending out regarding controlling or curbing drinking, the supermarkets cocked a snook at them on that one.

Further such examples have been given in debates in the House. Budweiser sold beer to Morrisons supermarkets at £9.82 per case excluding VAT, and Morrisons sold those cases for £10—the same as, or less than, the wholesale cost. The supermarkets are taking the mickey out of the Government and ignoring any message that comes across on safe drinking by selling at a loss.

In 1968, a can of Tetley bitter sold at the off-sales at a pub in, say, Yorkshire, where the Tetley brewery is located, for the equivalent of 79p. Today, a can of Tetley bitter costs about 55p. In February 1986, when, VAT was 15 per cent., a pint of Tetley bitter in a pub cost 68p. If we add 2.5 per cent. VAT to bring it up to the present rate and we allow for inflation, that price rises to £1.51. Today, a pint of Tetley bitter is being sold in pubs in Leeds, for example, for between £2.40 and £2.50. Such is the cost to pubs of overheads and so on that they simply cannot compete with the supermarkets. Whereas a pint of Tetley bitter is £2.50 in a pub, it is 55p down the road in the Asda supermarket, for example. We are talking about a figure that is 59 per cent. higher than the retail prices index. This is the competition from supermarkets that pubs are having to deal with.

How do the supermarkets get away with that, and how do they fund it? The answer is simple—part of that funding comes from us, the taxpayers. Through the VAT regime, the supermarkets can claim back some of the VAT resulting from such sales. For example, if a pub buys £200 worth of beer, it will try to sell it at a profit to cover its overheads. It pays £35 VAT on the £200 of beer and claims £17.50 back. A supermarket buying £100 worth of alcohol will sell it at £75. The VAT on that figure takes it to £88.12, so it is paying £13.12 in VAT but it claims £17.50 back, just as the pub does. However, the net contribution to the Treasury is £4.38, so the taxpayer is subsidising the supermarkets to sell alcohol at a loss. We are not claiming the full amount of VAT back. After taking into account VAT, the net loss to the supermarket on £100 of alcohol, which it sells at £75, is £20.60. It simply recovers that by increasing the price of goods in the non-VATable area, which, of course, is food. That is another reason why food prices are increasing.

That is a rather clumsy example of how VAT works, but if we apply those figures to alcohol sales of some £50 billion in our supermarkets, which are avoiding VAT and requiring us to pay for it, we can see exactly what the Government are losing. If they addressed that fact and claimed some more VAT back off the supermarkets, we would probably not be having the debate on the 10p rate of income tax, as plenty of revenue would be coming in. Something has to be done about how supermarkets can avoid their responsibilities in respect of VAT and sell alcohol as cheaply they do.

Another suggestion that has been mooted heavily is to rate supermarkets on the areas in which they sell alcohol on the same basis as pubs—in other words, on turnover, not square footage. The rate that would be paid by a supermarket on the section of it that carries alcohol would be higher than the rate for the rest of it, but on a basis equivalent to a pub.

I turn now to an issue that is not covered in the Finance Bill, but which I and other Members think perhaps should have been: VAT on bingo participation fees. Some of my colleagues and I have been lobbying the Government for a number of months on the issue of bingo duty. Just as pubs are closing, so are bingo clubs. Nine have closed already this year, and some 57 closed last year. The bingo industry has made representations to the Government for a number of years regarding what it refers to as

"the current system of double taxation"

on bingo played in licensed clubs. Licensed bingo remains the only gambling product subject to double taxation, which results in an effective tax rate of 28.2 per cent., compared with 15 per cent. for most other gambling products. The industry believes that this is illogical.

I can explain the situation very simply. If a Member of this House goes into a betting shop to put a bet on a horse, they are not charged an entry fee or required to pay anything to place that bet; they simply pay the stake over to the bookmaker, who takes it at a certain set of odds. If a person walks into licensed bingo premises to play bingo, they might be charged for entry or for the bingo card on which they will play the game, and anything that they buy within those premises will also be subject to a charge and to VAT. So bingo operators are subject to VAT and what is known as gross profit tax.

In 2003, the Government chose not to remove double taxation from bingo. There are some 3 million bingo players at any one time; they continue to be disadvantaged by this system, and bingo clubs continue to close. Bingo is a soft form of gambling that appeals mainly to women, and all constituencies contain bingo clubs. Bingo should not be subject to this level of taxation. We should be encouraging safer forms of gambling, rather than promoting casinos and all the rest of it. I mentioned that there are 3 million bingo players at any one time, but I should also say that the total membership of UK bingo clubs is about 17.5 million people—that is an average of 30,000 members per club. If an hon. Member's constituency contains a Gala bingo club, the chances are that 30,000 people will be registered as members of it. My local club in Barnsley, Central has 26,000 registered members.

The removal of VAT on bingo clubs would be cost-neutral to the Treasury because it would help to keep clubs open. The £75 million that the Government get from VAT on bingo clubs is countered by the loss of

[Mr. Illsley]

tax from other areas of revenue. The Bingo Association and the bingo industry are therefore saying to the Government, "You're allowing these clubs to close at an alarming rate, and you're losing the VAT and other revenues from them. If you waived VAT and stopped the double taxation, you would keep that VAT and you would also get other revenue from people paying tax on other aspects of the clubs."

Stewart Hosie: I know that one of the arguments has been that the removal of VAT might require a derogation from the EU, but can the hon. Gentleman confirm that no such derogation is required in terms of gambling or gaming—that matter is purely at the discretion of each state—and that there would be no technical, legal or European obstacle to removing VAT on bingo?

Mr. Illsley: The hon. Gentleman is right to say that that very technical issue would not require a derogation, because in order to levy VAT on bingo as we do, the Government apply a derogation to the existing European Union legislation. This issue is subject to a court case, known as the Linneweber judgment. I shall not go into that this evening, because it is extremely complicated and I would not want to bore hon. Members rigid by referring to it. In order to remove VAT on bingo duty, we would need an exemption from the exemption that we already have. The issue is complex, but it would not be difficult to remove VAT on bingo. As I have mentioned, the wider aspect is that the Government will lose revenue from the closure of bingo clubs, and our constituents will be deprived of a particular leisure activity.

I mentioned that nine clubs have already closed this year at a potential cost to the Treasury of £5.6 million, which adds to the £25.9 million potential cost of the 37 clubs that closed last year—that already represents more than the tens of millions estimated by the Treasury. I hope that the Government will re-examine bingo duty as the Finance Bill goes through Committee. As I say, we have lobbied hard on this matter, from the Prime Minister downwards, to try to get some relief.

My remaining comments will be about the 10p tax rate, which has been widely covered by hon. Members. I do not have much to add, except to say that I cannot understand why this Government, who have known about this for a year and have done the calculations, have abolished this 10p tax rate without realising the consequences. Like many hon. Members, I have been out campaigning in the local government elections and have been surprised by the representations that I have received on the doorstep, and by the number of letters and emails I have received about this matter. That is mainly because, like other hon. Members who made representations to the Treasury on behalf of constituents, I was assured that this would affect a small number of people at a very small level of income. As it is, that level of income is obviously very important to the people affected, because they are on low incomes, and I cannot understand why a Labour Government have simply not thought this through.

I heard the Prime Minister saying on the radio today that nobody will lose out because of the proposal. My hon. Friend the Member for Middlesbrough (Sir Stuart Bell) also suggested that nobody would lose out, and that the 5.3 million people could be wrong. People do not agree with that view. They do not see the wider picture, and that perhaps their allowance has gone up in some way and perhaps the winter fuel payment will compensate them in another way. They see an increase on their tax assessments and a reduction in the money coming into their households each week. They perceive that they are being taxed by this Government even though they are the lowest-paid in our society.

The Government must overcome that perception. Saying that we will have a review starting for the pre-Budget report in November simply will not wash with anybody. It will not wash with me, because I do not agree with that approach. I want the Government to re-examine this matter and come up with something substantial rather more quickly than that to alleviate my constituents' concerns. The only sensible option produced so far in this debate was put forward by my right hon. Friend the Member for West Dunbartonshire (John McFall), the Chair of the Treasury Committee, who said that his Committee would re-examine the issue. The Government must re-examine it; otherwise they will be labelled as the Government who are taxing the lowest-paid in our society while at the same time making concessions on inheritance tax and capital gains tax for venture capitalists. I urge my hon. Friends to look again at this issue.

Several hon. Members *rose*

Mr. Deputy Speaker: Order. Before I call the next speaker, may I say to the House that although we have a reasonable amount of time left, hon. Members will be aware that a number of other hon. Members are seeking to catch my eye, so unless contributions are reasonably short, a number will be disappointed?

7.17 pm

Mr. Graham Brady (Altrincham and Sale, West) (Con): I shall try not to speak for an unlimited period of time, Mr. Deputy Speaker, in deference to the House and in the interests of other hon. Members. It is a great pleasure to follow the hon. Member for Barnsley, Central (Mr. Illsley), whose three key points contained an important common theme: they all related to the direct ways in which taxation impacts on people's daily lives. I strongly endorse his comments about bingo, where a clear unfairness will increasingly take away one of the few areas of social interaction for people in many communities. That matter should be addressed.

My hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) began by saying that the Finance Bill should be supporting business and consumers but is failing to do so. The hon. Member for Taunton (Mr. Browne) made an entertaining speech, in which he said that the Budget was puny and unimaginative. My take on things is that the fundamental problem is the Budget's lack of theme and the fact that there is no theme or context to the Finance Bill either.

Stephen Hesford: Unless I have completely missed something, was not the theme the credit crunch and the need for stability? The Budget was all about a steady-as-she-goes approach within that context. That surely was the theme, and it was successful.

Mr. Brady: I am grateful to the former chairman of the Altrincham constituency Labour party for making that point; he may return to that role in the near future. He makes my point for me, because the Budget, and the Finance Bill that seeks to implement it, demonstrated a continuation of business as usual; the same procedure and approach that we have had over a number of years rolled on. Precisely what it failed to do was to respond in any significant way to changed circumstances.

The underlying assumption of the past 10 or 11 years is that a high tax burden is sustainable and that the Government can keep taking money out of people's pockets and it will not hurt and people will not object. The assumption is that that is true for individuals and for companies. We are now starting to find—the story is the same from Labour Members—that such taxes are becoming much more difficult to justify in the difficult circumstances pertaining today when people are up against the credit crunch and worried about whether they can pay their mortgages or whether they will be in stable employment in one or two years' time.

The only obvious concession to a new and more difficult economic situation was the six-month delay in the implementation of the fuel duty increase. That is a welcome recognition of the fact that fuel costs are rising for families and businesses, which is creating a competitive problem for UK hauliers, many of whom are competing against continental competition from countries that do not impose such a high fuel duty. However, the Budget was not clear about why the duty rise would have been unacceptable now. If it is because of the overall effect on costs for families or businesses, how will the Government respond if the same, or worse, circumstances appertain in October when they intend to proceed with the duty increase? People need some clarity about whether the Treasury accepts the principle that the costs in UK industry should not be levered up, creating an increasing competitive disadvantage for British businesses. Or was the delay just a response to short-term pressure and intended to get the Chancellor off the hook? Do the Government accept the principle that families are hurting because they have to pay increased fuel costs every week when they fill up their cars' fuel tanks, or was the delay just a short-term fix to put off the moment of reckoning?

The same question arises in relation to the abolition of the 10p tax rate. It is welcome that Labour Members are starting to recognise that taxes cannot be increased again and again without consequences. For 11 years, taxes on all our constituents have increased dramatically. The pain has been mitigated, in many cases, by significant increases in salaries, easy credit, and rising house prices, which have given people a sense of security. It has also been mitigated by the hugely complex system of tax credits, which has reduced the impact on some groups of people.

In proposing the abolition of the 10p rate of income tax, the Chancellor—or perhaps it is the Prime Minister—has belatedly discovered the joy of simplifying the tax system. That is welcome, but simplifying taxes when raising or maintaining the overall burden of taxation means that there will inevitably be losers as well as winners, which has also been demonstrated in the changes to capital gains tax. The drive towards simplification is welcome, but it has been necessary to introduce mitigating measures, such as entrepreneurs' relief and the transitional arrangements, because of the damaging effects—some of which were unintended consequences—on some people.

With both the capital gains tax regime and the abolition of the 10p rate, I hope that a new understanding is developing on both sides of the House that there is a limit on how much it is fair or sensible to tax people, and that that limit has been reached if not exceeded.

Much has also been said about how proper consultation could have helped on the capital gains tax issue. That brings me to my final issue, because I wish to congratulate the Treasury on its sensible and detailed consultation on the proposed tax change to aviation duty. The changes will come into effect in autumn next year, but the paving measures are in this Finance Bill. The intention is to move from air passenger duty to aviation duty. The consultation document released in January was a serious and thorough exploration of the options and some of the difficulties arising from the proposal. I suspect that by now, with the consultation drawing to a close on Thursday of this week, Ministers will have begun to arrive at some conclusions. It will be clear, for example, that applying aviation duty to freight could lead to significant problems for the UK air freight industry. It could lead to significant job losses, especially in some parts of the country, such as the area around East Midlands airport. It could lead to the diversion of air freight from UK airports to near continental airports, and that will not save any emissions. Instead, it will increase road haulage and the environmental impact caused by the transhipment of freight by road. It will also transfer thousands of British jobs to other EU competitor countries, and that will clearly not be beneficial to the British economy.

The document also goes into sufficient detail about some of the other difficulties that might arise. The first obvious answer is to exempt freight-only flights, but not all flights carrying freight are freight-only flights. Passengers and freight are often carried on the same aircraft.

The second conclusion that is difficult to escape is that applying a distance criterion to aviation duty discriminates in favour of short-haul routes and against longer haul routes. Short-haul routes tend to give rise to the most emissions, which are concentrated during take-off and landing. Therefore, mile for mile, applying a distance criterion has a perverse effect.

Thirdly, the inability to apply the charge to movements other than those that originate at UK airports would encourage the use of aviation hubs outside the UK. All the same aviation would take place, so there would be no environmental benefit. People would take short-haul flights from UK airports to Schiphol or Paris to transfer to their long-haul flights. All that that would achieve is to damage Britain's strategic economic interests by undermining UK hubs.

Fourthly, the duty could have a damaging effect on regional airports. It could therefore increase the pressures on and congestion at Heathrow and other airports in the south-east of England.

Fifthly, an up-front charge, unrelated to demand and the number of people on board a flight, would make it much harder to establish new long-haul routes from

[Mr. Brady]

regional airports. I have a particular interest in Manchester airport, which is very close to my constituency. When long-haul services from regional airports are established, they often depend on relatively low volumes of use in the early stages, and putting a charge on the flight when the service is first inaugurated could render them uneconomic and uncompetitive, and might also lead to a diversion of traffic to the more congested airports in the south-east.

Sixthly, basing the duty on the maximum take-off weight of the aircraft provides no incentive to invest in cleaner aircraft. Furthermore, while the shift to a duty based on air movements rather than passenger numbers is superficially attractive, the change could lead to higher emissions rather than lower emissions for all the above reasons. Given that the whole of aviation will, we hope, be included in the European emissions trading scheme within a relatively short period of time—that ought to cover the environmental costs of the industry—we are not talking about a provision that will have an environmental benefit. In fact, the new tax might defeat many of the objects that it purports to achieve.

Finally, the proposals might actually breach international law. They might be contrary to the Chicago convention and the EU-US aviation agreement. For all those reasons, I hope that the Government will learn something from the numerous problems in their application of tax policy and tax changes in recent months. I hope that they will reflect on the fact that where they have not consulted, they have come unstuck. They have had to engage in some embarrassing changes in policy. They have had to execute some U-turns and have looked unprofessional and unco-ordinated in doing so. When they have engaged in some consultation but have not taken proper account of its findings, they have had further difficulties.

In this case, the Government are consulting. They have given themselves a reasonable time. They do not need to finalise the details of the duty regime until this autumn in order to give the 12 months' notice that they have promised the industry for implementation in November 2009. They have time to think again and to consider the implications of what they are doing. I strongly urge them to do so.

7.32 pm

Mr. Russell Brown (Dumfries and Galloway) (Lab): It is a pleasure to follow the hon. Member for Altrincham and Sale, West (Mr. Brady).

The top priority of the Budget was to ensure the country's economic stability not only for today but for tomorrow and into the future. The Budget sets out a number of measures to support the economy and families while preparing the nation to meet all the challenges of the future. Those challenges and the steps taken to deal with them include tackling child poverty by increasing housing benefit disregard, child benefit and child tax credit; promoting enterprise by improving access to finance; improving access to housing though more shared equity for key workers and first-time buyers; and tackling climate change by increasing incentives to go green.

After the Budget debates, the official Opposition voted specifically against measures on alcohol duty and vehicle excise duty. By voting against those measures, they voted against the funding that enables the increases in child tax credit and child benefit, as well as the extra winter fuel payment for this year.

Mr. Elliot Morley (Scunthorpe) (Lab): Is it not also the case that it undermines the Conservatives' green claims to vote against VED changes that are based on emissions and the fuel use of cars? This is surely the kind of route that we want to follow in being more thoughtful about how we apply green fiscal measures. Although I welcome what is being done in the Budget, there is an awful lot more that we could do.

Mr. Brown: I agree wholeheartedly with my right hon. Friend. I thought that we were at a stage in this House where we were all 100 per cent. behind making progress on green issues. Clearly, as he has pointed out, there was a fundamental flaw on this occasion.

The Conservatives voted against the Budget measures that raised money, but not against those that increased spending. That equates to a £10 billion black hole in their economic plans on top of the £10 billion in unfunded tax pledges. Support in the Budget included the additional one-off payment in 2008-09 of £100 alongside the winter fuel payment for the households of those aged over 80, and of £50 for the households of those aged over 60. That will benefit about 9 million households. The increase in the first child rate of child benefit to £20 a week from April 2009 reinforces our Government's commitment to child benefit as a foundation of financial support for all families. The increase in the child element of the child tax credit of £50 a year above indexation from April next year will further help low to middle-income families.

The public will see through the reckless unfunded promises made by the official Opposition, whose opportunism showed through when the Leader of the Opposition called for the 10p rate to be restored. Now there seems to be confusion, because they refuse to say what their policy is. That is typical of the reckless and irresponsible approach that they take to issues of taxation and spending. It was precisely that reckless approach to public finances that saw the last Tory Administration inflict on hard-working families across Britain interest rates at levels that reached 15 per cent. We would never wish to return to those days.

More than a third of the Bill is concerned with measures designed to simplify and modernise the tax system. That will help businesses to be more productive and the UK to remain internationally competitive in these difficult times. The 2008 Finance Bill will implement the business tax reforms announced in the 2007 Budget. The Bill will further promote access to financial resources for small and medium-sized enterprises through reforms in the enterprise investment scheme and the enterprise management incentive scheme.

The Bill implements the capital gains tax reform announced in the pre-Budget report towards the end of last year. That includes the introduction of the flat-rate capital gains tax of 18 per cent. and a 10 per cent. entrepreneurs' relief on the first £1 million of lifetime gains. The Bill will also reform the North sea fiscal regime, particularly focusing on the tax treatment of assets. Petroleum revenue tax will also be reformed.

Having mentioned petroleum, I want again to put on record my thanks that the Chancellor saw fit to delay the fuel duty increase that had been proposed for

earlier this month. I know that there is likely to be a proposal from some in this House to introduce a fuel price regulator. I hope that my right hon. Friend the Chancellor will be in a position fully to explain why such a proposal is unmanageable.

As I am talking about fuel, I also want to mention an issue that blights many who live in rural communities—household heating oil. Those people are among the hardest hit. I know from a recent discussion with my hon. Friend the Minister for Energy that we need seriously to consider a number of issues, including social tariffs, which would alleviate some of the problems that many households face.

Looking to the future, as a nation we need to set our minds to the ever-increasing price of crude oil. It has taken us a long time to reach the price of $100 a barrel. It is not uncommon to see some of the major oil companies saying in the press and the media that oil will cost $200 a barrel in the next two or four years. If that is the case, we all need to consider the issue seriously now rather than waiting until it happens.

Mr. Brady: On that point, does the hon. Gentleman agree that if oil continues to increase in value in the way that he suggests, it would be folly to proceed with future increases in fuel duty?

Mr. Brown: I thank the hon. Gentleman for his intervention. The current and the previous Chancellor have obviously watched the increase very carefully in recent years. If the price of crude oil was seriously to increase, and crept up towards $200 a barrel, we would need to look at the issue in its entirety. It is for all of us seriously to consider where we are going as a nation, and whether we will be held to ransom by oil producers. The Organisation of Petroleum Exporting Countries is not at present considering increasing output; if it did, the price of oil would fall, so we are, to a certain extent, being held to ransom.

On the reduction in the basic rate of income tax from 22p to 20p announced in last year's Budget, and the abolition of the 10p rate, we should not forget that more than 600,000 pensioners will be lifted altogether out of paying income tax. That is a major issue for some pensioner households. Earlier, I intervened on the hon. Member for Taunton (Mr. Browne); he has not stayed around to hear the end of the story that I told him, but I am sure that he will read *Hansard* enthusiastically tomorrow. I told him that within two or three weeks of the Budget last year, a number of colleagues and I met the then Chancellor of the Exchequer, now the Prime Minister, to discuss various aspects of the Budget. Obviously, there was a lot that was good in it, but I took the opportunity to raise certain issues.

I represent an area that is renowned, north of the border at least, for having a low-wage economy and very low household incomes. I thought that the abolition of the 10p tax rate would bring severe hardship to a number of households. In recent weeks, we have read in newspapers, seen on TV and heard on the radio that many households and individuals will be adversely affected, including women pensioners under 65, those who have retired early on the grounds of ill health, and wage-earning households where there is an income of under £18,000 and no recourse to tax credits to offset some of the loss.

The tax credit system has to be improved; that may be the best way of putting it. In an intervention on my right hon. Friend the Member for West Dunbartonshire (John McFall), I made the point that far too many families have fallen foul of the system and ended up having to repay some of the tax credit that was awarded to them. Let us imagine someone on a low income, earning barely more than the national minimum wage, working hard and taking the opportunity to do a little bit of extra overtime. Months down the line, that may put their figures out of kilter, and it may mean that they receive an overpayment. In some cases, such people have unfortunately fallen foul of the tax credit system. They are then very reluctant to go back to it. That is a tragedy, because tax credits have removed so many families and children from poverty. I raised that issue with the former Chancellor shortly after the Budget statement last year, and I have also raised it twice in the past three months or so with the current Chancellor. He understood, and made it abundantly clear that he had been lobbied on the issue, particularly as regards the issue of women pensioners under the age of 65.

I am somewhat perturbed by some of the stories that the press have run. As well as dealing with constituents through correspondence, I have also taken the time to pick up the phone and call them in the evening, so that I can understand what their difficulties are. I have been astounded by the number of pensioners over 65 who have believed everything that has been in the press. They have not recognised the fact that there has been an increase in their personal allowance, which will more than likely take many of them out of the tax-paying bracket. That has not been helpful. I tell my right hon. Friend the Financial Secretary to the Treasury that I suspect that in many working households, people in the low-earning bracket, who have not yet received their April salary, do not yet realise the impact that the measures may have on them.

How did we get where we are? The figure of 5.3 million has been quoted regularly today, but I am not desperately concerned about the exact figure, because I come from a background where if people on low incomes are being adversely affected, we have to do something about it. Whether we are talking about 5.3 million people or a few hundred, it matters. There are people who will find it much more difficult to make their household budget meet their needs. I tell my right hon. Friend that we have a problem, and we, as a Labour Government, need to put it right. It really does not matter how we try to dress things up, or what the facts are. If a pensioner pays an extra £1 a week, or £52 a year, we may try to offset that with a winter heating allowance increase, but the reality is that that does not matter to them. All that they are concerned about is the fact that they are paying additional income tax.

I am greatly concerned by the fact that our problem—I do see it as a problem—is not easily resolved; there is no quick fix. Earlier, the hon. Member for Buckingham (John Bercow) suggested that an increase in the national minimum wage would help low-wage earners. Yes, it would, but that is no good for women pensioners under 65 years of age, or anyone who has retired early on the grounds of ill health. The matter is much more complex than that. Supporting an

[Stephen Hesford]

there is an element of naivety in the approach to the 10p tax rate conundrum. That has two parts: the issue itself, and all that it means, and the context in which this Finance Bill and the Budget were produced—that of the global economy. We cannot unpick those two elements. It is all much of a muchness in relation to the stability package that the overall Budget was designed to address.

The right hon. Member for Witney (Mr. Cameron) said in a recent article in *The Daily Telegraph*:

"We would not double the 10 pence tax rate for five million of the lowest-paid families".

He went on to list a litany of unfunded tax-and-spend promises to the value of about £20 billion. However, having stated that he would not double the 10p tax rate, he did not say what he would do on that issue. The shadow Chief Secretary did not say that either. He hid behind the technical defence—I think, Madam Deputy Speaker, that you were asked about it in several repetitious points of order—that the Opposition cannot table amendments to make positive suggestions on the Budget. That is not what the Opposition are duty bound to do if they are suggesting, as the right hon. Member for Witney suggests, that the abolition of the 10p tax rate is wrong. What the Opposition can do, and I invite the hon. Member for Fareham (Mr. Hoban) to do this in his winding-up speech, is tell us their policy. I know that they cannot put it down in a technical amendment and affect the Finance Bill in that way, but they could tell us their policy on the 10p tax rate, and what they would do about the £7 billion it would cost to vote against the measures in the Bill.

The contradictory nature of what has been said comes from the hon. Member for Tatton (Mr. Osborne). I do not know the gentleman who wrote an article recently in *The Parliamentary Monitor* describing the hon. Member for Tatton as "petulant and unremarkable". Whether he meant that personally or with regard to policy is for hon. Members to decide, but I want to address policy. In a recent article on 8 April, the hon. Gentleman said:

"Today's generation of bankers, economists and politicians across the Western world are also confronting problems that few had imagined possible even a year ago".

In other words, the credit crunch could not be foreseen, but that is exactly the contradictory charge that the Opposition have made.

Mr. Colin Breed (South-East Cornwall) (LD): Is the hon. Gentleman saying that it was perhaps a mistake to announce such a radical change to the tax situation a year before it took place, when the Government could not possibly know the economic circumstances in which that change would take place?

Stephen Hesford: The hon. Gentleman has made his point.

In the article to which I referred, the hon. Member for Tatton went on to say:

"We must not rush to rash judgment or premature solutions",

but that is exactly what the Opposition seek to put forward. The right hon. Member for Witney did so, among a litany of other issues, in the article to which I referred earlier. However, the hon. Member for Tatton went on to contradict himself in his article. Having said that the crisis was not foreseeable even a year ago, he goes on to say:

"But the warning signs were ignored because under... the old economic consensus all was well."

Mr. Binley: Is the hon. Gentleman saying that if a Government cannot take responsibility for global situations in the bad times, they should not claim credit for them in the good times?

Stephen Hesford: The hon. Gentleman's memory is short. During the 10 years that my right hon. Friend the Prime Minister was in post as Chancellor, there were a number of pauses in the global economy, to say the least: the dotcom collapse, the Asian collapse and American problems in the early 2000s. One of the only economies that survived and prospered was this one. The Chancellor was entitled to take some credit for the stability and growth that this Government brought forward from 1997.

The hon. Member for Tatton, having said that the credit crunch could not have been foreseen, and having claimed that we should have foreseen it, said that we cannot rush to judgment and that not every problem

"needs a new law or piece of regulation."

He went on to say that to survive the credit crunch, we must change the rules. Which is it? Does he say that all is well, or does he think that there ought to be intervention of the sort mentioned earlier by my right hon. Friend the Chief Secretary?

Following that article, the hon. Member for Tatton made a speech at the Policy Exchange on 14 April attacking my right hon. Friend the Prime Minister, saying that his economic legacy had collapsed. He referred to the "three pillars" of my right hon. Friend's economic policy collapsing. That would be a damning indictment if it were accepted by serious commentators in the economic field. When I heard the hon. Gentleman make his speech, I asked myself where this idea of three pillars collapsing came from. Lo and behold, the day before, Lord Lamont had also written an article, for *The Daily Telegraph*. No doubt the right hon. Member for Witney—who advised Lord Lamont at a particular time in the life of the previous Government—and the hon. Member for Tatton had got their heads together on the Policy Exchange speech, because Lord Lamont said in his piece of 13 April:

"Contrary to what the Government have been saying, the UK is not well positioned to withstand this crisis. Whether it be the rise in house prices, mortgage debt... or personal indebtedness"

That is the line that many papers have run, probably for a month or more. If those were the facts, they would be quite worrying to my constituents.

I have set out how what the Opposition are saying is opportunistic and contradictory, but it is also wrong. The case made by Lord Lamont is simply wrong. Why do I say that? Ruth Lea, a well-respected economist, but no friend of the Labour party—she never has been and never will be—used to be the finance director for the Institute of Directors, and she contradicted Lord Lamont and the hon. Member for Tatton when she said, very recently, that the British economy was very well placed to withstand the credit crunch in terms of stability. She said that that was the case for three

reasons, low interest rates, in contradistinction to circumstances when other credit crunches caused severe recession, pain, negative equity and so on; low inflation; and high and improving levels of employment, a point made earlier by my hon. Friend the Member for Middlesbrough (Sir Stuart Bell)—we now have record employment. Those three factors were completely absent in 1991, 1992 and previous recessions.

As for other economic commentators, in case there were any doubt about whether the economy is in good shape to withstand the credit crunch, David Smith said last week in *The Sunday Times*:

"If you are in America, with barely any growth, or Italy, with today's election being fought in an economy predicted to grow by only 0.3 per cent., things feel grim...As for Britain, the IMF's forecast of 1.6 per cent. growth for this year and next is stronger than America, plainly, but also outstrips Germany, France, Italy and Japan."

He went on:

"It may not be a great prize to win, but over the next two years Britain will vie with Canada to be the strongest-growing economy in the G7."

That does not fit the description of a country that is acutely vulnerable to the credit crisis.

David Smith's final point shoots the fox that some newspapers and Opposition Members have been trailing for the past month or so. He comments on the circumstances of credit crunches and squeezes in the past, and analyses three or four previous examples. In summary, he says that, on each and every one of those occasions, the credit crunch lasted for a certain period and was then over, with the economy back on an even keel. He measured three previous credit squeezes as lasting between six and 18 months. He said that we are already seven months into the current credit squeeze, which began roughly in August last year, and, unless those previous historical circumstances—I am talking not about pre-history but about events in the 1990s, 1980s and 1970s—are completely different from our position now, he guesstimates that we will get through it very soon or a little later.

David Smith therefore says that there are two sets of circumstances. First, the economy is in good enough shape to withstand whatever the credit crunch throws at us, contrary to what Opposition Members argue. Secondly, even if we are more vulnerable, only some months are left, hopefully. *[Interruption.]* The hon. Member for Northampton, South laughs. Does he wish to intervene?

Mr. Binley: I would love to. I thank the hon. Gentleman but, with respect, "hopefully" is simply not good enough for the many people who are considering starting businesses, those who will make investment decisions about developing such businesses and those whom banks will tell that they cannot have the money to start a business. "Hopefully" is not good enough.

Stephen Hesford: Of course it is uncomfortable, but a Lord Lamont-style rant, which talks down the situation for political gain and makes it appear worse, for political purposes, than it is, will not help. I exempted the hon. Gentleman from my opening remarks, because he has a genuine interest in the small businesses about which he spoke. However, it does not help those small businesses to talk up the credit crunch or talk down the economy—the real economy. David Smith also says that some of the conversations about the credit crunch are divorced from the way in which the real economy works. The small businesses about which the hon. Member for Northampton, South speaks can prosper in and take succour from the stable economy, unbroken since before 1997. The business people whom he forcefully represents want that sort of climate and will prosper in it.

When considering the removal of the 10p tax rate, we must examine both the proposal itself and the global circumstances in which it is being discussed. Members of all parties refer to the Institute for Fiscal Studies. One of its leading economists said that there are basically three solutions and that, in simple terms, two are simply not affordable. The one that is left is to mitigate the effect on the so-called 5.3 million. The effect cannot be reversed, as the Opposition suggest, but mitigated. Labour Members have pointed out the problem with mitigation, but we have received no help from Opposition Members, who refuse to say what they would do instead. The problem is that several separate components of the electorate are differently affected by the removal of the 10p tax rate, so that mitigation for one sector might not assist another. The House must consider that seriously. My right hon. Friend and neighbour the Member for Birkenhead (Mr. Field) may table an amendment to try to address the mitigation aspect, but could fall into the trap of not dealing with the matter for every one of the 5.3 million. We should not, as the hon. Member for Tatton said about a different matter, rush to judgment.

What is to be done? My right hon. Friend the Chief Secretary said that the matter would be considered. The Treasury Committee suggested that that could be done in conjunction with it. That may well be a sensible option. However, the matter is much more complicated and serious for the people whom we are considering than we have explored with Opposition Members—unless the hon. Member for Fareham can tell us what he would do in place of removing the 10p tax rate.

8.28 pm

Stewart Hosie (Dundee, East) (SNP): I am pleased to follow the hon. Member for Wirral, West (Stephen Hesford), who provided a cheery, upbeat assessment of the economy. I would hate to hear him when he was miserable. However, let me get rid of the delusion that he presented—the denial in his speech and the making light of the credit crunch. The Chancellor told us earlier that he would give the banks £50 billion in Treasury bills in return, at least in part, for US credit card debt; there are tens of billions of Treasury bills in Northern Rock now; there will be £581 billion of cumulative deficit next year—that is in the Red Book, as is next year's £43 billion of debt, and there will be £189 billion of private finance initiative liability, most of it off balance sheet. When the hon. Gentleman talks about the "real economy", he should remember that we have lost a million manufacturing jobs since Labour came to power, and that there is an £87 billion balance of trade deficit in goods and £1.3 trillion of personal debt. We all want to talk up the economy, but let us do it on the basis of—he is a Labour Member and will understand—objective reality. His speech contained no reality.

[Stewart Hosie]

On Budget day, I described the Chancellor's speech as a speech from

"a Chancellor who had no room to manoeuvre." [*Official Report*, 12 March 2008; Vol. 473, c. 345.]

The clearest indication that we have had of that limited room for manoeuvre is the detail in the Bill, which is another smash-and-grab raid. The Government will take £2 billion extra from business, including £200 million extra from business in Scotland, in the next three years. I will come to the detail of that, but there is also the abolition of the 10p rate. I do not want to claim credit for being the first person to notice that in last year's Budget, but I should like to put it on the record that I mentioned it in my speech on Budget day.

The Finance Bill sees the Government scrambling around for every penny that they can get from business and people's pockets to plug the holes in the books. I have outlined some of those holes to the hon. Gentleman and will return to them later. The Bill also takes its lead from policy decisions in the previous Budget and the pre-Budget report, which the CBI estimated would take some £5 billion from business, straight into the black hole of the Exchequer. That is the clearest indication that, after 10 years of relatively benign international conditions, relatively stable if unspectacular growth and reasonable inflation, there is nothing left in the tank. Debt levels are far too high and there is no cash reserve to allow the Government to do what is necessary to stimulate the economy when the downturn comes.

Ministers have said that there is stuff in the Budget and the Finance Bill for business, but where are the measures genuinely to increase investment in research and development? We know that such investment is relatively low in the UK, at about 1.8 per cent. of GDP, as I have said before. Our main competitors have a higher rate, and in Scotland the figure is very low indeed. The Government have done little in the Budget or the Finance Bill to assist R and D. Ministers may point to the small and medium-sized enterprise R and D tax credit increases, as well as the general R and D tax credit increases, from previous Budget measures. That will cost the Exchequer some £70 million this year, and that goes to business; however, that is taken away from business, in yield to the Exchequer, either by the changes to the integral fixtures capital allowances, which will bring in £70 million, or the first year of the phased abolition of the industrial buildings allowance, which brings in £75 million. There is therefore no net gain for business from doing the R and D that they want, and they will have to find the cash to pay for those outgoings.

By increasing taxes—the small companies rate of corporation tax in particular—and refusing to reconsider proposed changes to capital gains tax, the Government are taking more tax from business at a time when they are making it potentially more difficult to secure investment. I am certain that those measures will worsen the situation in manufacturing, which has seen 1 million jobs lost in the UK since 1997, including 100,000 lost in Scotland and 34,000 lost since 2002.

Making it more difficult to raise capital and increasing taxes for growing companies, particularly when they are struggling to meet spiralling energy, transportation and raw material costs, will worsen the balance of trade problem. We are talking about an £87 billion deficit in our trade in goods and a £70 billion deficit in our overall balance of trade, which is up £10 billion from £77 billion in the past full year. That deficit affects our ability to grow GDP. Since 2000, we have seen a suppression of GDP of around 0.25 to 0.5 per cent. every year. That means that UK GDP has grown by £30 billion less than it would have, had trade been in balance, which equates to about £1,000 per household. That is another matter that should have been addressed in the Budget and the Finance Bill, but which has not been.

The Chief Secretary also argued that the Finance Bill was a Finance Bill for the environment—that was when she was actually talking about the Bill. I am not sure whether the Government are right about that. The Bill will defer the April rise in fuel duty, until the autumn, which is to be welcomed, but from next year there will be a 1.84p per litre rise, and a 0.5p per litre rise above indexation from 2010, as well as a swingeing new vehicle excise duty regime.

My hon. Friends and I have no objection to using price to discourage unnecessary journeys, to encourage public transport or to encourage freight off the roads, which everyone in the House agrees is sensible. However, many of the Government's measures ignore the fact that so many journeys, of both people and freight, are wholly necessary and that in many areas there is often no alternative. With the Government already taking in excess of 60 per cent. of the price of a litre of fuel in duty and VAT, it remains outrageous that, when there is a windfall, particularly in VAT, and when there is spiking of prices at the pump, that money is not used to moderate the price of fuel.

I hope at some stage to be able to table amendments to the Bill to do a number of things. The first would be to introduce a fuel tax regulator, in order to use the VAT windfall, first to help generally, secondly to assist remote rural areas, and thirdly and most importantly I hope that this will command support—to assist the road haulage industry, which is being hammered and is even contractually unable to pass on the fuel prices it is having to pay.

The second thing that I would like is for the Government to reconsider possible exemptions for working 4x4 vehicles from the new high rates of VED. The Chief Secretary said that growth is continuing, but at a much lower rate than previously forecast. The impact of the lower growth is that Government receipts are forecast to be down £1.2 billion from the pre-Budget report. That did not stop the Chancellor, like his predecessor, boasting about growth in the UK economy. However, it is worth reminding ourselves—particularly the hon. Member for Wirral, West, who believes that this is the best of all possible worlds—that average growth in the OECD has outshone that of the UK in half of the past 10 years and that low-tax economies such as Ireland's have outshone the UK every year since Labour came to power.

As ever, the Chancellor, like his predecessors, ignored the quarterly downturns in the Scottish economy and the many low and flat growth quarters under the Government's watch. Indeed, average growth in Scotland has been 30 per cent. lower than in the UK over the past 25 years, yet there was nothing in either the Budget or the Finance Bill to assist.

One of the few areas where the Budget indicated revenue growth was from the North sea. There was an increased tax yield from the North sea, which was based on an average price at the Budget of $83.60 a barrel of oil, which is an increase on the $68 a barrel forecast in the pre-Budget report. As I pointed out at the time, four out of the five closing prices for oil in the week running up to the Budget were record closing prices. The price on Budget day was $94 a barrel, but it has now smashed through the $100 a barrel price. It is worth noting that the Budget forecast £56 billion in revenues over the next six years, as compared with £38 billion over the previous six-year forecast. That massive windfall alone should act as an encouragement for the Government to consider how we might deploy some of the extra revenue generated for a fuel tax regulator, to help people in remote rural areas in particular and the road haulage industry.

Many Ministers and Government Back Benchers—the ones loyal to the Government, that is—have argued that the Finance Bill was a Bill for stability. Obviously the Budget was so dull and the Bill so appalling that the only watchword that they could come up with was "stability". However, the Bill and the Budget will not provide stability. They are designed to do one thing: to fill the holes in the UK books. There was £37.6 billion of debt, with £43 billion forecast for next year. There was a cumulative debt of £541 billion last year, with a debt of £581 billion forecast this year. The PFI liability last year was £179 billion, with £189 billion of PFI liability this year, for—from memory—only £60 billion of capital projects. That is why our First Minister, my right hon. Friend the Member for Banff and Buchan (Mr. Salmond), described PFI as hyper-expensive and a hyper-waste of money. We need to do something about that, and very quickly.

Michael Jabez Foster (Hastings and Rye) (Lab): The hon. Gentleman may or may not be right about the current level of borrowing. He has already listed a number of ways in which the Government could spend more or collect less. However, he has not set out how they could spend less in order to balance the books more accurately. What are the cuts that he would suggest in order to achieve the balance that he seeks?

Stewart Hosie: May I remind the hon. Gentleman, who has only just come into the Chamber, that the cumulative debt has been built up not by the Scottish National party, the Conservative party, the Liberal party, the Social Democratic and Labour party, the Ulster Unionist party or the Democratic Unionist party? It has been built up, over a decade, almost exclusively by the British Labour party. I say to the hon. Gentleman with the greatest of respect that we are picking holes in the Finance Bill and finding the things that will not work, and it is for Ministers and for the Government to find solutions to the problems that they have created. [Hon. Members: "Answer!"] There is absolutely no point in their making a meal of things, then expecting someone else to sweep up the rubbish.

In regard to business, it is interesting that the Government have failed to listen—not to me or to the Tories but to the people on the outside. They have failed to listen to the British Chambers of Commerce on scrapping the plans to raise the small companies' rate; they have not done that. They could also have looked again at the plans on capital gains tax, but they have not done so. The Finance Bill will take more money from business. Ministers will say that the baseline capital gains tax rate has been reduced, and that is absolutely correct. That will save business about £5.5 billion. However, almost every penny of that will be clawed back by the changes to general plant and machinery capital allowances. Indeed, this year and next year, the changes to those allowances will outstrip the benefit of the 2p reduction in the basic rate of corporation tax. Businesses will gain no net benefit by investing in their business or their people or, most importantly at this time, by absorbing the increases in the cost of fuel, energy, transportation and raw materials.

Mr. Binley: Does the hon. Gentleman agree that, while UK plc will gain from those investment benefits, most small businesses will not, because they do not borrow or invest a sufficient amount of money to get the benefit back?

Stewart Hosie: That is absolutely right, and the same argument applies to the new annual allowance. That is why we in Scotland are delighted that the Scottish National party Government have either slashed or removed the business rates for 150,000 small companies. That is something that we wish could be done down here to benefit similar businesses.

The Finance Bill also offers us the extraordinary decision to put 59p on a bottle of whisky. That decision has the potential to damage one of the most successful industries at home. It is an industry that generates £2.5 billion surplus for the UK balance of trade. It is one of the few success stories in terms of real exports and real balance of trade surplus. The decision might also damage the industry abroad. When whisky manufacturers, companies, marketers and wholesalers go abroad to argue the case that another country has a discriminatory regime against Scotch, those other countries could turn round and say, "So what? Your Government are doing the same thing."

I hope that the Government will consider undertaking a proper review of this matter, not necessarily to exempt Scotch from the duty rises this year—although that would be most welcome—but to look again at whether alcohol could be taxed on an equitable basis across the board. The tax, whether it be on wine, beer, cider or spirits, should be levied on the basis of the alcohol content. That would create an absolutely level playing field, irrespective of the type of alcoholic drink.

Michael Connarty (Linlithgow and East Falkirk) (Lab): I think that the hon. Gentleman will be pleased that he has given way to me, because I entirely support what he is saying. The latest research shows that a lot of binge drinking involves people being served supersized measures of wine in wine bars. They are deliberately given larger measures in order to make more profit, and the profit is greater because the wine is not taxed in the same way as beer and spirits. Might not the hon. Gentleman's proposal for more equitable taxation also be of benefit in that regard?

[Sir Stuart Bell]

Twenty nine million of our fellow citizens are in work. As my right hon. Friend the Member for West Dunbartonshire said, there were 21 million beneficiaries from last year's Budget – something that must be repeated. There are nearly 700,000 job vacancies and the unemployment claimant count is at its lowest since June 1975.

We have had forecasts on growth; my right hon. Friend the Member for West Dunbartonshire referred to them, as did the hon. Member for Runnymede and Weybridge (Mr. Hammond). In conjunction with the hon. Member for Taunton, I thought that the hon. Member for Runnymede and Weybridge made an excellent speech from the Front Bench. It was a strong Opposition speech and he should be congratulated on it. We will not go into his facts or polemics, but the manner of the speech was worthy of the House of Commons and for that he deserves congratulations.

The growth rate forecast by the Treasury is about 1.85 per cent. It may be that the forecast will go down to 1.5 per cent., but I remember being an Opposition Member and asking Lord Lamont, as he now is, at that Dispatch Box whether we were in a recession. The answer was yes, we were; we had had three months of negative growth. We are not in a recession and we are not likely to go into one. We are holding the line in a very difficult and turbulent financial world.

We read a lot about consumer confidence. The newspapers make a great thing about the loss of consumer confidence, but whatever the newspapers tell us – to get back to the hon. Member for Taunton and his diligence in reading newspapers – total retail sales in our country, including new floor space, were up in March on a year earlier. The rise was 1.1 per cent., while Tesco reported a 12 per cent. increase in sales in the past financial year. By the way, over the same period cash was used for 60 per cent of all retail sales, up from 54 per cent. in 2006. If we are moving away from a credit card economy to a cash economy, that is all to the good.

The Chancellor said that the theme of the Budget was stability. We live in an unstable world and I shall not repeat all the arguments on the sub-prime mortgage crisis. I commend my right hon. Friend the Member for West Dunbartonshire on his excellent Treasury Committee report on the subject. We have moved over the last 10 years to economic stability and growth. We are faced with unprecedented turmoil in the financial markets, but in those 10 years of stability, we have been able to deliver real change in our economy.

The national minimum wage, to which I referred earlier, has increased by 23 per cent. in real terms to £5.73 in October 2008, which has helped 1 million low earners, many of them women working part-time. We have lifted 600,000 children out of poverty since 1997 and action since the Budget of 2007 will lift an additional 500,000 out of poverty. Child poverty, which doubled in the 20 years up to the mid-1990s, has been reversed under the Government. What we can see is a strong economy underlined by great stability.

Mr. Graham Stuart: The Government set the target of halving child poverty by 2010-11. The Treasury Committee has said that if they do not put in place the policies and funding to ensure that that is met, it will

"represent a conscious decision to leave hundreds of thousands of children in poverty for longer than is necessary or desirable."

Does the hon. Gentleman believe that the Government are on track to halve child poverty by that date, or have they abandoned that aim as they are no longer wholeheartedly committed to it?

Sir Stuart Bell: It would be a great help if the Conservatives were to match our commitment on child poverty. The point has been frequently made today that the Opposition are not the Government, and I fully accept that. I accept that the Government must make decisions and bring forward policies, but when we do have policies that are in the national interest it would be helpful if they were supported, and the Conservative Opposition should support our child poverty aims. We have heard about stability repeatedly from the Chancellor today, and also in the Budget – stability for the country as a whole. The Opposition are right that we have difficulties with consumer prices; wheat and fuel prices have risen. The price of a loaf of bread has risen in this country at the same level as in France and Italy. That is currently a problem for all such countries.

Mr. Stuart: I am grateful to the hon. Gentleman for giving way again. No other countries are putting taxes up at present, as they know that they need to support those with least in their societies now when they are being hit with those price rises. Only our country's Government are hitting millions of poor people. That is why so many Labour Members are so uneasy about the Budget and the Bill.

Sir Stuart Bell: Clearly, rising food and fuel prices will trouble the economy, and the Government must look at those matters and deal with them as they can. Making changes to last year's Budget this year might not be the appropriate way forward. Instead, the appropriate way forward might be that suggested by my right hon. Friend the Member for West Dunbartonshire and the Minister, which is to see how we might accommodate the changes being forced upon us by exterior events.

The hon. Member for Taunton asked about the vision thing. There have been answers from the Labour Benches on the national health service and climate change, but the vision is also present in the Budget and the Budget statements. It is a value vision based on opportunity, fairness, efficiency and equilibrium between all strands of society. We are frequently coming across that vision. A reference was made to this being a managerial Budget. It was not managerial, but it was intended to accommodate a difficult financial situation and to be a steady-as-she-goes Budget – the words of Stanley Baldwin many years ago.

There are difficulties, therefore, but within them there are also opportunities, and this Budget reflects those opportunities, as do the Labour Government. Our business is to maintain stability in our society in what is an unstable world, and this Budget does that. The measures announced today by the Bank of England, supported by the Chancellor, will assist that stability, and as time goes by we will see that the British public will come to understand that and will support us.

6.43 pm

Mr. Michael Howard (Folkestone and Hythe) (Con): Despite the strictures of the hon. Member for Middlesbrough (Sir Stuart Bell), whom it is always a pleasure to follow, the speeches we have so far heard in the debate have concentrated, as, I suspect, will those we have yet to hear, on the effects of the abolition of the 10p rate—or as the hon. Member for Taunton (Mr. Browne) rightly described it, the doubling of the 10p rate—on the 5.3 million households who will lose out as a result, and who are among the poorest households in our land. I know that there has been a certain amount of controversy about that figure, but no Member has put forward an alternative. The only Member who came close to doing so was the Chairman of the Treasury Committee, the right hon. Member for West Dunbartonshire (John McFall)—and, indeed, if we add up the various components he itemised in his speech, we get to a number that is pretty close to 5.3 million.

It is right that we should concentrate on that aspect of the matters before us this evening, because there is no doubt that this change will cause genuine hardship to people such as the young man I met in a supermarket in my constituency on Friday. With great pride, he told me that he had been unemployed for some time and that he had just got a job in the supermarket. I congratulated him, of course. He is precisely the kind of person whom we ought to be helping by making work a more attractive prospect. It is madness to take action that will make the world of work less attractive to him and others like him, as this change will do.

However, I want to concentrate in my brief contribution to the debate on another aspect of the change: what does it tell us about the Prime Minister? I have studied the Prime Minister for many years. We entered the House at the same time, after the 1983 election. During the 25 years that have elapsed since, I have had ample time to get to know him, sometimes at close quarters, such as when he was Chancellor and I shadowed him, and at other times from a distance. I do not want to damage him by praising him too extravagantly, but I have long had considerable respect for the Prime Minister. It has always seemed to me that, quite unlike his predecessor, he brought to his political life a clearly formed philosophy and a deep-seated sense of values. He wanted to help the poor, and he cared about social justice—indeed, we all do, although we may differ radically on what is the best way of achieving that eminently desirable goal.

It has always seemed to me that the Prime Minister has been clear in his own mind that the best way of helping the poor has been through old-fashioned, socialist redistribution. By and large, that is what he tried to do during most of his tenure as Chancellor. Of course, that has given rise to a great deal of internal tension, because he was never prepared, or allowed, to admit that that was what he was doing. The word "redistribution" was expunged from the new Labour lexicon, so it was all carried out by stealth—and it was only moderately successful, largely because the Prime Minister's chosen weapon of the tax credit system is so complicated and unwieldy that many do not claim what they are entitled to claim, and many who do claim suffer severe hardship when overpayments are recovered. I was, however, always prepared to give the Prime Minister credit for good intentions; I always thought that although his methods may have been flawed, his intention was clear.

So how on earth did it come about that this Prime Minister could introduce a change that hurts so many who are among the least well-off in our society? What is the explanation? We know that in one sense the explanation is that through making this change he found the money to reduce the basic rate of income tax from 22p to 20p, but why did he choose to benefit the somewhat better-off at the expense of the less well-off?

The hon. Member for Hyndburn (Mr. Pope) said in his short-lived early-day motion earlier in the month that that was not the intention of the Government that, in effect, it was an accident. However, no one doubts that the Prime Minister is a very clever man with a reputation—although perhaps not always well-deserved—for prudence and caution. It is inconceivable that he could introduce such a measure without making a careful assessment of its consequences. After all, as Chancellor—when he introduced the Budget we are discussing today—and now as Prime Minister, he has held in his hands the power to make a real difference to the condition of life of millions of our fellow countrymen. I do not believe for one moment that he is so irresponsible that he would introduce a change of this kind without carefully thinking through all that it would mean for those affected. No, I think that the Prime Minister knew very well what he was doing, and he was doing it deliberately and for a purpose.

Of course, we can only speculate about the reason, but I am afraid that none of the likely candidates reflects well on the Prime Minister. My hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond), the shadow Chief Secretary, said, in an excellent speech that has rightly earned tributes from all quarters of the House, that it was to curry favour with the then Chancellor's own party in advance of a possible leadership election. That is certainly one explanation, but I confess that I am somewhat sceptical about it. I think that if there had been a leadership election, quite a lot of attention would have been paid to the consequences of doubling the 10p rate, and I am not sure that it would necessarily have helped the then Chancellor.

Another possibility is that, even at that early stage, the current Prime Minister had an autumn general election in his sights. What better platform to appeal to middle England, he might have thought, than a reduction in the basic rate of income tax? If that were achieved at the expense of those who were less well off, so what? That would, of course, have been an extremely cynical act. Had it been put to the test, I do not think that it would have worked. We all want to better ourselves, but very few of us, if any, want to do so at the expense of those who are less well off than ourselves. If an autumn election had taken place, I do not think that the Prime Minister would have reaped the electoral reward that he may have expected from the policy.

I am afraid that I cannot put out of my mind the thought that there may have been another, even more unworthy, reason for the Prime Minister's action. We all remember the flourish with which he finished his Budget speech last year. Without leak or prediction, the reduction in the basic rate of tax was produced, like

[Mr. Russell Brown]

amendment next week is not the answer, either. The question of how the situation arose is of deep concern to me. I see that the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) has left his place; I do not agree with any of the conspiracy theories that he put forward.

Mr. Mark Hoban (Fareham) (Con): Given that the Treasury knew at the time of the previous Budget that 5.3 million households would be net losers from the change, why does the hon. Gentleman think the Treasury went through with it?

Mr. Brown: I was about to come to a point that may provide the hon. Gentleman with some answer. I am not absolutely convinced on the subject, but I am prepared to give those involved the benefit of the doubt. I would like to know whether someone got their calculations wrong. Or was bad advice given, and taken?

Mr. Graham Stuart: Just to be clear, is the hon. Gentleman saying that the only excuse that he can think of is the incompetence of the former Chancellor of the Exchequer?

Mr. Brown: I am not saying that at all, and the hon. Gentleman should know better than to try to put words into my mouth from across the Chamber. There has been an error that affects many people in this country. As I say, it is the duty of this Labour Government to put that right.

Mr. Hoban: The hon. Gentleman was not able to explain why the former Chancellor made the change, and he ruled out incompetence. Let me ask the hon. Gentleman another question: given that the problem was known a year ago, why has it taken the Chief Secretary to the Treasury so long—a year—to suggest that a review be undertaken? Is the timing down to the imminence of next Monday's vote?

Mr. Brown: I am not convinced that the hon. Gentleman is right. We have to look. Undoubtedly, there were a number of Members—probably on both sides of the House—who knew that there was an issue. Has the hon. Gentleman's party, knowing that there was a problem, merely sat quietly and brought the issue to the fore only in the run-up to the local and mayoral elections? We can all have conspiracy theories. Many on the Labour side had deep concerns, which they raised hoping that the matter would be corrected. It has not been. That is why I am saying that any amendment next week will not put the issue right.

Mr. Hoban: He is giving up.

Mr. Brown: No, I am not giving up. The comments made have been to the effect that the issue can be reviewed and looked at. I urge the Chancellor and his team to consider seriously the offer made this afternoon by my right hon. Friend the Member for West Dunbartonshire: an answer may be found by working with the Treasury Committee. That answer must be found sooner rather than later.

7.50 pm

Mr. Brian Binley (Northampton, South) (Con): It is a pleasure to follow the hon. Member for Dumfries and Galloway (Mr. Brown), who always speaks with care on behalf of his constituents. I am sure that many of them would listen to his concern about fuel prices, which is shared by many Members.

I was disappointed earlier at the words of the Chief Secretary to the Treasury. Given that she represents a Yorkshire constituency, I would have thought that she would have known a little more about how to judge a wicket. It seems to me that she was on a particularly sticky wicket today, and I expected her to respond accordingly. However, my judgment of her words was that she thought that the wicket would take a bit of spin, and I found that disappointing.

I want to talk about what is missing from the Finance Bill and what should be put in on Report. I want to concentrate on three issues: the rising costs of regulation faced by business generally; the increasing tax burden borne by small and medium-sized enterprises, particularly small ones; and the personal debt faced by many of the poorest in our community, for whom the cutting of the 10p tax rate will cause considerable hardship.

I have spoken about regulation on a number of occasions and the issue is well rehearsed among many other Members. It is almost a truism now to say that the cost of regulation is hitting business hard. Much of that regulation is increased tax regulation, with which the Bill is particularly concerned. The Chancellor's inability—or unwillingness; call it what you will—to simplify that tax burden for business generally is a sizeable omission. I do not need to repeat that the British Chambers of Commerce recognises that the cost of regulation under this Government has now risen to £66 billion—a massive burden for business, given the global challenge that is emanating from Brazil, India and China. In addition, the statutory instrument statistics for 2007 made it clear that 14 new regulations were enacted by the Government every working day. Many of them impact on business. Finally, the Federation of Small Businesses said that, on average, small businesses spend seven hours a week on red tape and paperwork.

Those are tremendous burdens on a business economy to which we are looking to provide the real challenge on which our children and grandchildren will rely for their well-being in 20, 30 and 40 years' time. This House does not often think in terms of such lengths of time, but it behoves us to do so. Otherwise, we shall find our decline down the table of well-being continuing and accelerating. I find that a fearful prospect.

I do not need to talk too much about the need for tax changes because the Treasury Committee report on the 2008 Budget made that plea on a number of occasions. I could read them out, but I do not think that you, Mr. Deputy Speaker, would want me to do so, given that time is limited. However, the Treasury Committee grabbed on to the fact that we need to simplify our tax system and get burdens off the backs of businesses, particularly small ones.

The National Audit Office looked at small businesses in 2006. I have not seen any changes as a result of that audit, although the Government should have taken notice and created change. That is a fine example of

how the Government, in my humble opinion, are going wrong. The National Audit Office said that the monitoring regulations for small schemes were not well developed and that there was no assessment of the impact of Small Business Service expertise on the development of regulation. Indeed, the Government went on to argue that they would cut the number of small business support schemes from the estimated 3,000 in existence at that time to 100.

Way back in March last year, I asked the Treasury how many schemes had been cut, how many had been consolidated and how many were in existence then as a result of the reduction. Secondly, I asked what assessment had been made of the effectiveness of the schemes, but I am afraid that I got no answer. I tabled a written question on the issue on 3 April this year, which means that I was due an answer this morning. Sadly, I did not receive an answer to the important question of how many schemes have been reduced, how many are now in existence and the Government's assessment of their effectiveness. My guess is that I will not receive an answer, although I hope that the Minister will give me it tonight. Unless the Government effectively assess what they do, they cannot do anything effectively; the premise is simple. My concern about the Bill is that nothing in it tells me that the Government are assessing properly. I shall talk more about that in a little while.

I move on to taxation. I can say from my own experience that the business sector is not getting the message that the Government are business friendly. In fact, it is becoming increasingly concerned about the Government's attitude when it comes to real measures rather than words. There has been a capital gains tax increase from 10 per cent. to 18 per cent.—an 80 per cent. increase. I welcome entrepreneurial relief, but many entrepreneurs are still being put off from starting, developing and growing businesses. We need to recognise the impact of such increased taxation on small businesses particularly. What assessment has been made of that increase, and what effect do the Minister and the Government generally feel that the increase will have on small business start-ups and on the businesses that might leave these shores as a result of increased taxation? Capital gains tax plays a particular role in that respect. It is estimated that the Exchequer yield from increased capital gains tax will be £250 million in 2008-09, £300 million in 2009-10 and £500 million in 2010-11. However, it does not seem to assess what the cost impact will be in real terms. If it does, I will be happy for the Minister to prove me wrong later, but I bet that I do not get a proper answer.

An example of the impact of Government thinking on small businesses is that of income shifting. Many small businesses run by husband and wife teams will recognise the value of consultation undertaken by the Government after due pressure and will be equally pleased that this measure has been put off until 2009, but there is fear about the bureaucracy that will be enacted at that time. Anybody who has been involved in a small business and knows about the impact of such bureaucracy will understand that fear. It will mean all sorts of double accounting for husband and wife teams.

My main concern, however, is that the Government seem to believe that every small business is out to twist the taxman. That is the impression that they give. One need only read what the Chancellor said in his Budget speech to recognise that that was the underlying theme of this move. The truth of the matter is that most people in small businesses are, frankly, too damn busy—I apologise if that is unparliamentary language, Madam Deputy Speaker—earning a living and creating and developing their businesses to have the time to think about dishonesty with the taxman. In fact, they are quite fearful of the taxman and want to be honest because they do not want him on their backs. I do not understand why the Government think that small businesses are out to cheat them. Again on assessment, it would be nice to know what is the economic advantage to the Treasury. Has that figure been worked out? Are we putting a massive burden on small business generally for very little return to the Treasury simply because this Government do not trust business? If so, business knows the answer and will know how to act.

Let me conclude by talking about the impact of personal debt, particularly among the very poorest in our society. I quote from a document that states:

"The Bank of England has estimated that around half the people who describe debt as being a "serious burden" are from a low income group...People living in housing provided by local authorities or housing associations are more than twice as likely to have been in debt than the average person...Debt and a number of other serious social problems are interdependent on each other both in terms of cause and effect...Those out of work are more likely to have experienced serious personal debt problems...Those who left school early, or came from single parent families, or whose parents were unemployed are more likely to have been in debt."

There is a massive debt problem for people at that level; I do not want to talk about loan-sharking today, but that has an impact. It is all about weekly cash flow, and the problem is that the Government's proposals will affect that. There lies the hidden problem that they have not understood. I wonder whether they have assessed the impact of that weekly necessity to repay debt and how that relates to the abolition of the 10p tax rate. If so, perhaps the Minister will tell me what it is. That is a serious matter that has not been considered and needs to be.

The Budget, as represented in this Finance Bill, has not helped many sectors of the community. It has created massive concern for home owners, as indeed has the Prime Minister—the previous Chancellor over a period of years. It has brought despair to would-be first-time buyers, because there was no help for them. It has turned off entrepreneurs and depressed business managers. It has made the poor poorer. Sadly, all this is from a Minister who has bailed out bankers who have caused their own problems, and caused problems for this country, not only by allowing increased personal debt but by acting in the most irresponsible manner imaginable. There are parameters to controlling any sector of business, and, by golly, there is an immediate need to look at the finance sector.

8.6 pm

Stephen Hesford (Wirral, West) (Lab): I would categorise the position of the official Opposition as follows: opportunistic, contradictory and wrong. So far, we have had crocodile tears from Conservative Members, although I do not necessarily include the hon. Member for Northampton, South (Mr. Binley) in that. I have to say to some of my own colleagues that

Stewart Hosie: The hon. Gentleman is absolutely right about the supersized wine goblets. I have seen them, and I bet that each glass could contain half a bottle. Obviously, he and I would take all night to drink that amount. I have seen these glasses being presented, but I have always declined them—*[Interruption.]* Mostly, anyway.

My proposal would also address another problem. Super-strength cider is also taxed at a very low rate at the moment, and very strong lager is cheaper to buy than bottled water. My proposal would help to address social issues such as binge drinking and the crime that is associated with it, and I hope that the Treasury will take this matter on board. That is not a partisan point and I will not be calling for swingeing reductions, but I do want an investigation into whether the equitable taxation of alcohol, by alcohol content—irrespective of the type of drink—could be delivered.

We know that fuel price inflation is about 19.5 per cent. and food price inflation more than 6.5 per cent.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): My hon. Friend will be aware of fuel price inflation in my constituency, as my constituents probably pay more tax per litre of petrol than in any other part of the UK and diesel prices at the moment are somewhere between £1.31 and £1.33 a litre. Does my hon. Friend believe that that is sustainable?

Stewart Hosie: It is utterly unsustainable for people in my hon. Friend's constituency and in other remote rural areas throughout the UK. We cannot have parts of the UK paying 33 per cent.—a third—more for a litre of diesel or petrol, which is quite extraordinary. The impact in some remote rural areas, where it happens to be particularly cold among other things, is even worse; the hon. Member for Dumfries and Galloway (Mr. Brown) referred earlier to heating fuel—another issue that the Government must look into.

Thus, with fuel inflation nearly 20 per cent., food inflation more than 6 per cent. and filling up the tank costing an absolute fortune, what was the social provision in the Budget, feeding through to the Finance Bill? For the first time, we saw child benefit for the first child rise by only 70p and the second child by 45p. I know that it is planned for it to rise to £20 in future years, but when the Minister sums up, I would be grateful if she would explain where the Government intend it to go. Those annual rises—a tin of juice or a packet of crisps for the second child—are really very low. Likewise, the extra £50 winter fuel allowance is welcome, but I am already talking to pensioners who are saying that that amount has been gobbled up already. I hope that at some point, the Government could commit either to making the allowance permanent, which it is not at the moment, or, better still, to rolling up lots of these allowances and delivering a proper living citizens pension.

I will finish where many of us started—with the abolition of the 10p starting rate. We know that it will be to the detriment of about 500,000 Scottish households in which people earn very little. We know that it is the wrong thing to do, particularly in the light of rising inflation for the necessities of life.

Mr. Jim McGovern (Dundee, West) (Lab): Does the hon. Gentleman accept that as a result of the aspirations of the Scottish National party for Scotland, income tax for every person in the country would go up by 3p in the pound?

Stewart Hosie: I recognise that abolishing the council tax would bring about not only a redistribution, but the largest tax cut for a generation—and almost everybody would benefit from it.

It is important that we do not play politics with the 10p rate; I want to finish with a constituency case. A lady came to see me on Friday with her husband. She was very upset, having been forced to take early retirement due to ill health. She had not chosen to do so, but was forced to do so. She could simply no longer work. She received her slightly smaller occupational pension, but was not yet at retirement age. She told me that her tax had now gone up, but because she had not quite reached retirement age and her husband had budgeted for her working until retirement, they still faced many large monthly expenditures, particularly the mortgage that they had had for some time. What do I say to that constituent? How do I explain to her that the Government have put up her tax in order to benefit people like myself? That seems wholly unfair and wholly unnecessary.

Mr. McGovern: I am sure that the hon. Gentleman will be aware that the Scotland Act 1998 allows for income tax raising or lowering by the Scottish Executive. Surely, then, his party could deal with this problem at Holyrood.

Stewart Hosie: That amounts to another one of those situations that Labour Members are keen to use; they create a problem and expect someone else to fix it. I am asking the Exchequer Secretary and other Ministers on the Treasury Bench what I should say to my constituent. How do I explain to her that this Government have introduced a new tax regime that will benefit me and everyone in this Chamber, but will make her and her husband worse off? That is the key point. I say to Ministers on the Treasury Bench and indeed to Labour Back Benchers that I hope that a sensible amendment will be brought forward around which everyone can coalesce next week.

I say that because, although there may be an investigation by the Select Committee, which I would welcome, and although the Government may introduce measures in future Budgets and pre-Budget reports, which may do the job, my constituent cannot wait. She is worried now. She is worse off now. She and I want an answer now.

8.49 pm

Mr. Michael Meacher (Oldham, West and Royton) (Lab): The hon. Member for Dundee, East (Stewart Hosie) made several telling comments across the range of financial and industrial policy. I hope that he will forgive me if I do not follow him down that track, except with respect to his final point, which was about the 10p tax rate. I want, in a short speech, to concentrate on the most politically contentious part of the Bill, arising out of the abolition of the 10p rate. I

hope that something of what I say will answer his final point. I want to make proposals that are designed to be helpful in preserving the Government's well-earned record for alleviating poverty while ensuring that there is no shortfall in revenue to the Treasury. It is all very well to propose schemes that will cost money if we are to protect the poorest; the question is where the money comes from.

The right hon. and learned Member for Folkestone and Hythe (Mr. Howard), who is no longer here, made a most extraordinary speech, purporting to peel away one by one the supposed conspiratorial motives of the Prime Minister. Rather, it reminded me of Salome discarding her veils one by one, although the final revelation of Salome was a great deal more telling than the final disclosure of the right hon. and learned Gentleman. I thought it was patent nonsense.

The one really positive thing to come out of this afternoon's debate—

Mr. Hoban: Will the right hon. Gentleman give way?

Mr. Meacher: The hon. Gentleman wishes to defend his former leader.

Mr. Hoban: I wish to ask the right hon. Gentleman a question. If he dismisses the arguments made by my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard), does he subscribe to the view either that the former Chancellor, now the Prime Minister, was incompetent in designing a situation with 5.3 million net losers or that he did that deliberately?

Mr. Meacher: I do not subscribe to any of the theories that have been pumped out from the Opposition Benches. They are all absurd. If one really wants to find out, the best thing to do is ask the Prime Minister exactly what his reasons were. The absurdities that have been pressed by those on the other side of the House do not do them much credit.

The one really positive thing that has come out of today's debate is the fact that we agree that we need to look at the wider tax package to decide how we can protect the poorest in our society. That is exactly what I propose to try to address. It is widely and quite properly acknowledged that one of the Government's major achievements has been to remove 750,000 children from poverty. In addition, they have significantly enhanced the incomes of the poorest households, right across the board, through a combination of tax credits, pension credit, the national minimum wage and improving training skills for employment. That is a thoroughly good and reputable record, and it would be a tragedy if the good will that comes from that substantial gain to the poorer half or quarter of society were undermined by this unfortunate mishap over the abolition of the 10p tax rate.

Mr. Graham Stuart: Will the right hon. Gentleman give way?

Mr. Meacher: I have only just started my speech. The hon. Gentleman likes to bounce up and down, and I will give him one chance.

Mr. Stuart: I am extremely grateful to the right hon. Gentleman for giving way. He suggests that everyone has benefited under this Government, yet among working childless households the number of those in poverty has increased by 500,000. How does he explain that?

Mr. Meacher: What I am saying is that the incomes of the poorest tenth—the lowest decile—in society have improved significantly, which is very different from what happened after 18 years of Conservative government. I am one of those who would like them to improve considerably more—there are still too many poor people in our society—but the Government have not received proper credit for what they have done.

I recognise all the problems that many other Members have described. We need to develop a package to protect the lower-paid taxpayers, while at the same time solving the really big problem of how to recoup the potential revenue that would be lost by the Treasury as a result of any such package. I think that that could be done.

Michael Connarty: The hon. Member for Beverley and Holderness (Mr. Stuart) pointed to the fact that many single working people who do not receive any tax credits are in relative poverty because the economy has expanded, and the upper echelons are therefore earning much more than they did before. Should the Government not seriously consider the trade unions' recommendation that the minimum wage should be 50 per cent. of the median wage in the country? That would have started it off at £5 an hour, and would now be giving people enough money not to be in poverty even if they were single.

Mr. Meacher: I have always been a supporter of the national minimum wage. Fifteen or 20 years ago, when I was a Back Bencher, I promoted a private Member's Bill proposing its introduction before it was finally introduced by this Government. The rate appears to be slowly increasing—it is now £5.52 an hour—and I believe that, without any loss of employment, it could rapidly be raised to £6.50 and probably to £7. So I rather agree with what my hon. Friend has said.

The cost of restoring the 10p rate would be £6.6 billion. To concentrate the gain on those in need—the Institute for Fiscal Studies spoke of 5.3 million losers; I do not know whether that is the exact figure, but the number is clearly substantial—one obvious mechanism would be to limit the restoration to poorer taxpayers and those who pay the standard rate of tax. As about 12 per cent. of taxpayers pay the higher rate, that would immediately recoup £2.4 billion. The problem would be how to raise the remaining £4.2 billion. There are several ways in which we could make the tax system a whole lot fairer, and I hope that in Committee next week we can examine amendments suggesting how that could be done.

It is probably little known that although United Kingdom-based individuals hold some £284 billion in shares or UK-based unit or investment trusts, the total declared disposal value of quoted shares in 2004-05—the last year for which we have figures—was only £5.8 billion, or just 2 per cent. of their shareholdings. It is inconceivable that, on average, their portfolios are changed in total once every 50 years. In fact, it is known that the average market holding at that time was only 14 months. The first strand of a strategy of recoupment for the Treasury could be the ending of what is clearly substantial undeclared share trading on

[Mr. Meacher]

the London stock exchange. Even if individuals traded their portfolios only half as frequently as the actual recorded rate, every 14 months—and we can be certain that that would be an underestimate of the degree to which they trade—if the proceeds were collected, stopping evasion would still raise the revenue take by at least £4 billion a year. Collection could be guaranteed by a requirement for automatic declaration by the stockbroker of all such deals.

Another remarkable fact is that nearly half all commercial property in the UK—I think the exact figure is 45 per cent.—is now owned by foreign nationals. I have no objection to that. Yet they are unlikely to pay UK tax on their UK property sales, unlike the practice in many other countries where non-residents do pay tax on their property gains. In addition to the revenue lost, that distorts the UK market. Closing this gap by charging capital gains tax on the sales of foreign holdings could well form a second strand of the strategy. Property disposals in 2004-05, in the latest information we have, accounted for nearly a third of all reported capital gains, amounting to £5.3 billion. That suggests that the gains to foreign property owners amounted to some £2.4 billion. Eighteen per cent. capital gains tax would yield nearly a further £0.5 billion.

My third point is this. It may not be realised that a fifth of all financial assets sold and subject to capital gains tax have been held for less than a year. Gains in terms of liability to capital gains tax, however, are meant to arise on investments, which, by definition, are usually meant to be long-term holdings. Those arising from short-term trades are likely not to have arisen from investments at all. It is clearly right that the profit in that case should be subject to income tax. More than £1 billion of chargeable gains was declared on these disposals in 2004-05 and the percentage rate was only 13 per cent.—a far lower proportion of profit compared with disposals as a whole, which amounted to 52 per cent. Ending that anomaly could also provide the third arm of recoupment for the Treasury and would yield at least a further £0.5 billion.

Those three actions alone—I am well aware that there are many others—would raise around £5 billion a year and would certainly be more than enough to recover the revenue resulting from restoring the 10p tax rate while concentrating its benefit on the lower paid, which seems the sensible way to do it. Of course I would be the first to say that there are many other options that the Chancellor could equally consider. I want to mention one or two of them very quickly.

Recent research prepared by Richard Murphy, one of the country's foremost tax experts, found that the 50 largest UK companies almost always pay 5 per cent. less tax on average than they declare on their accounts. As a result, the actual corporation tax rate paid by these UK companies in 2006 was 22.5 per cent., when the rate set by Parliament was 30 per cent. By the end of 2006, the cumulative tax savings recorded in the accounts of the 50 largest companies amounted to no less than a staggering £47 billion from deferred tax charges for which no date of payment is set. The amount actually exceeded the total tax paid by all companies in 2006 by some £2 billion.

Frankly, it is indefensible that persons on £200 a week should be required to pay more tax when the 50 largest companies each currently receive on average £1 billion a year of tax benefit. *[Interruption.]* I am being asked to finish in time and I will certainly do so. I will make one further point.

If these sources of revenue still are insufficient for the purpose—they are more than sufficient in my view—continuing the crackdown on tax haven abuse following the German lead, which I think is very helpful, must be pursued vigorously. It has already led to more than 60,000 people admitting substantial undeclared income in offshore bank accounts in tax havens such as the Channel Islands and the Isle of Man, with, the Revenue expects, the prospect of £500 million in tax recovery. Her Majesty's Revenue and Customs is rightly targeting those who have declined to make a voluntary declaration, and no doubt much more will be brought to light.

All of this raises the spectre of redistribution from rich to poor, which I am glad has already been mentioned in the debate. That has been a political taboo subject in this country for the past 30 years. However, with inequality between the highest and lowest incomes currently growing faster than at any time in recent history, and also with rapidly increasing food, energy and housing costs for the poorest, redistribution has never been more justified—and it would, at last, signify that we had a Labour Government who really meant business.

9.5 pm

Mr. Graham Stuart (Beverley and Holderness) (Con): It is a great pleasure to follow the right hon. Member for Oldham, West and Royton (Mr. Meacher). He correctly says that redistribution has been a political taboo for the past 30 years. However, this Finance Bill brings redistribution out into the light of day, but in exactly the reverse manner to what both he and I would like to see, which is putting first those with least in our society. We should not be looking to punish those who are hard-working and who are already struggling with bills, yet that is exactly what the abolition of the 10p rate does; it doubles the tax on those on low incomes, and it is a direct result of this Government's plans.

Neither the right hon. Gentleman nor any other Labour Member has been able to give any explanation of why the Prime Minister carried out, when he was Chancellor, this extraordinary raid on those with least in order to get that headline rate and that momentary frisson in the Chamber, cheered by so many Labour Members, when he was seen to cut taxes from 22p to 20p. Why did he do that? Was it to discomfort the Leader of the Opposition for a moment—was he really looking for that brief glimpse of instability on the Conservative Benches? Was it because, after 10 years at the Treasury, he simply did not understand the impact, when he had been given the reports that clearly stated—he did have this information—that 5.3 million people would be affected, including a lot of those with least and those who had been least well served by the changes made by the Government during his time? Did he not realise that it would be those people who would be hit?

The right hon. Member for Oldham, West and Royton suggested that my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard), a former leader of my party, was indulging in a mad fantasy in his stripping away of the Salome-like veils of the Prime Minister's thinking and motives, but neither the right hon. Gentleman nor any other Labour Member has come up with any more credible theory than my right hon. and learned Friend's damning, if scary, analysis.

Michael Jabez Foster: Will the hon. Gentleman give way?

Mr. Stuart: I will do so shortly.

We were told in 1997 that things could only get better. The incoming Labour Government could not believe their luck: they found that they had a large Commons majority and huge public good will, and that the basket-case economy that Labour had left behind in 1979 had been transformed by the now unpopular Tories into the most dynamic, flexible and fast-growing market economy in Europe. Five years of continuous growth from 1992 meant that Labour's biggest economic challenge was to maintain stability and avoid wrecking what they had inherited.

Mr. Chaytor: Will the hon. Gentleman give way?

Mr. Stuart: In a moment, after I have made a little more progress.

The Labour Government could, therefore, fairly quickly turn their collective mind to the improvement of the lot of their historical and core constituency: the working class. In my speech, I plan to examine this Finance Bill in the context of that mission to improve the lot of hard-working people, and particularly the working poor. The Government have delivered some noticeable successes. The minimum wage dreamt of by Keir Hardie was implemented without the dire employment impacts initially forecast from the Opposition Benches. Economic growth has continued year on year, and employment has grown—even if at a slightly lower rate than under the previous Government of John Major.

On the back of that, the Prime Minister walked into No. 10 last summer with a reputation as a sound and competent manager of the nation's finances and as someone who cared passionately about the plight of the working poor. During his time as Chancellor, he used the tax and benefit system to increase the average incomes of the poorest tenth of the population by 12 per cent. and cut those of the richest tenth by 6 per cent. Even if he was not allowed to say it in public, he did redistribute wealth. He set ambitious targets for the elimination of child and fuel poverty, and consistently championed his flagship new deal programme.

Michael Jabez Foster: The hon. Gentleman's concern for the poor is touching, but when did the Tory party decide not to investigate further the flat tax, which was all the rage about two years ago?

Mr. Stuart: Like a minority of his colleagues on the Labour Benches, but none the less too many, the hon. Gentleman wants to arrogate sole concern for those with the least in our society to his own side. In the most arrogant and patronising way, he wants to suggest that Opposition Members are not as committed as him to creating a fairer and more decent society, not least for those with least. The difference between the two sides of the House is the methods of carrying out that programme; that is what separates us. The Opposition never arrogate moral superiority over Labour Members. We are more interested in delivering something better for the people of this country that will sustain and grow our wealth, not least for the benefit of those who have least in our society.

The flat tax is a way of looking at creating a more effective tax system. The Conservative party is not closed off to ideology and incapable of looking at new ideas. We will consider any ideas that will create a more dynamic economy, so that we can have a prosperous society for the good of all and first-class public services.

Michael Connarty: I am listening to all the allocations suggested by Conservative Members of tax cuts here and tax cuts there. They know that they are talking about expenditure, but the reality is that in their proposed tax take they are about £10 billion short of the money required for the building programme that this Government are undertaking to repair the damage done and the massive under-investment that took place under the hon. Gentleman's party's Government. Which services does he think could be taken away without affecting the poor—which particular building and which particular service that we have provided? There is a £10 billion gap in what has been said by his party today.

Mr. Stuart: One of the great dangers in political life is that, when one repeats a mantra often enough, one starts to believe one's own propaganda. Those figures are entirely invented, and their repetition by Labour Members does not make them true. What is true is that the Bill increases taxes on 5.3 million households. That is the hon. Gentleman's Labour party's record and the legacy of the party of Keir Hardie to people around the country.

Mr. Stewart Jackson (Peterborough) (Con): Will my hon. Friend give way?

Mr. Stuart: If I may, I shall make a little more progress before I give way to my hon. Friend, who I know will have trenchant remarks to make, not least because of the challenges faced by his constituents in Peterborough.

Imagine my pride when I found myself in Washington DC last week, discussing climate change with various senators and congressmen on the hill. I knew that my Prime Minister was coming, and Pennsylvania avenue was closed, the bunting was out and people were lining the streets. Unfortunately, after a while I realised that it was not for the visit of the Prime Minister but for that of the pontiff. I realised that the Prime Minister's great relaunch from his troubled Government at home had been completely mistimed.

Of course, the Prime Minister's lack of timing is particularly relevant to the Bill, because it comes just when my constituents are finding it hardest to make

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ends meet, facing high council tax rises—it has doubled under this Labour Government—and seeing their fuel costs going through the roof. Many of them are shift workers in Hull, having to travel from rural Holderness into work each day, and they are finding the costs enormously hard to bear. Just at this time, when so many people—the very backbone of this country—are struggling most to make ends meet, the Prime Minister decides to hit them with an increase in taxes.

Lack of timing is in many ways the Prime Minister's weak point, as, equally, is his inability to take responsibility. It was almost comical when he was asked—in the United States, I think—about selling gold at the lowest point in the market for decades, why he had done this and whether he was responsible. He said no, he was not—it was the fault of the previous Conservative Administration. This is a man for whom denial is some kind of speciality.

The Prime Minister, as Chancellor, came before the Treasury Select Committee and was asked about the change to the 10p rate. One of my hon. Friends asked him to explain to the Committee why, if the economy is doing so well, low earners should lose out. He said:

"I do not accept your conclusion about low paid workers",

suggesting that they would not lose out in the end. When asked again about those who would lose out under the change, the then Chancellor said:

"At the end of the day I do not think we will see the effects that you are saying".

There was the report of the meeting of the parliamentary Labour party on 1 April—I would be grateful if Labour Members intervened on me about this—at which the Prime Minister was rightly challenged by Labour Members about the impact of the abolition of the 10p rate. He responded by pointing out that no one would be less well off as a result of the 10p tax rate abolition stated in his last Budget. If the right hon. Member for Oldham, West and Royton wants to intervene, perhaps he can share with the House whether that incident took place. Clearly, no one wants to get to their feet. I think that we can conclude from that that the Prime Minister did in fact say that no one was going to lose out—in complete contravention of the truth. I now give way, as I promised, to my hon. Friend the Member for Peterborough (Mr. Jackson).

Mr. Jackson: I thank my hon. Friend for giving way. Does he share my concern at the Government's lack of contrition about the fact that, because of their fiscal policies, they are forcing more of the poorer working people to pay taxes, and at the same time more than 5 million people are on some form of welfare? Their uncontrolled, unfettered immigration policy has meant that more people who want to work in this country are being forced on to benefits.

Mr. Stuart: My hon. Friend is of course absolutely right. So few of the benefits of job creation over the past few years have gone to those who voted for this Labour Government in the hope that they would provide benefits to them—benefits in the form not of a girocheque, but of the sustainable work and employment that I know my hon. Friend's constituents would like to see.

It is noticeable that when the Government were riding high in the polls last year, Labour Members with a very few honourable exceptions seemed strangely indifferent to the impact of the abolition of the 10p tax rate on the working poor. It is interesting to note that the reawakening of the Labour party conscience has coincided with plummeting poll ratings and the realisation that many Labour MPs could lose their seats. In preparing for this debate, I decided to look back at last year's Finance Bill debates. Again, with just one honourable exception, there was barely a mention of the Government's decision.

Britain's families are hurting. They are hurting every time they fill up their cars; they are hurting every time they go shopping; they are hurting every time they receive their council tax bills. They are hurting from a constant barrage of price rises and tax increases. This Budget hits ordinary families up and down the country—people whose only luxuries are having a couple of pints on a Friday night, and who are seeing the price go up, and a week's holiday in the summer.

On Saturday, I held my normal street surgery in Withernsea and Joan Kaye came to speak to me about the price rises. She said, "How am I supposed to make ends meet when my income tax is going up from £22 a month to £41 a month?" Her council tax is going up by £5 a month, and her gas and electricity is up by £36 a month. She has at least £60 extra a month to pay out and cannot survive.

Another constituent e-mailed me this morning, saying:

"I would like to voice my objection to the abolition of the 10 per cent. tax band. My husband has had to leave work with Alzheimer's...he is 61 and has been retired 2 years. This year I have given up work to be with him."

Their two pensions take them just out of benefit, and they find that they are worse off. These are the people who are being hit by this Government's attack on the hard-working and those who retire early, often because of illness.

Anne Main (St. Albans) (Con): Would my hon. Friend like to pick up on the remarks made by the right hon. Member for Oldham, West and Royton (Mr. Meacher), who described the whole thing as a mishap? As I understand it, a mishap is something that is not planned and happens by accident. If that is really what Labour Members think of their Prime Minister—that he operates by mishap—we should be incredibly worried about this Bill.

Mr. Stuart: My hon. Friend is right. Almost every contribution from a Labour Member contained two themes. One is a fury that the Conservative Opposition have not provided the solution so that they can adopt it—after all, they have adopted so many of our policies lately. The other is a complete inability to explain why a Labour Prime Minister, who supposedly has a lifelong commitment to helping working people who have the least in our society, should deliberately bring about this policy. Labour Members have given reasons, such as incompetence—

Anne Main: Mishap.

Mr. Stuart: Or indeed mishap. We have not heard a proper explanation, but perhaps the Minister will be able to give us one before we finish this evening.

Lynne Jones (Birmingham, Selly Oak) (Lab) *rose—*

Mr. Stuart: I shall now come to a conclusion.

This Budget hits ordinary families up and down the country—people whose only wish is to contribute to society, play by the rules and leave a couple of quid to their children when they pass away. They are the bedrock of our society, the people who get up every morning and earn an honest living. That is the constituency that the Prime Minister and the Labour Members who vote for this Finance Bill will have betrayed. They are the millions who gave that Prime Minister the benefit of the doubt last year when, unelected and unopposed, he introduced himself as their new leader. Those millions now find themselves drowning in debt, yet they are being hit for more by a Prime Minister who is both out of touch and out of time.

9.21 pm

Mr. David Chaytor (Bury, North) (Lab): It is a pleasure to follow the hon. Member for Beverley and Holderness (Mr. Stuart), although I was deeply disappointed that in his passionate espousal of the cause of the working poor he was not able to remind us what the standard rate of income tax for the working poor was under the previous Tory Government and at what level of earnings that 23p standard rate of income tax kicked in. Before we progress this debate, we must expose the hypocrisy of those on the Conservative Benches when they now talk about the plight of the working poor.

I feel strongly about some aspects of the elimination of the 10p rate of income tax, but I do not intend to focus my remarks on that. I should say that I associate myself with the general approach adopted by my right hon. Friend the Member for Oldham, West and Royton (Mr. Meacher). He gave the House some specific suggestions on the way forward, and I hope that the Government will consider some of them in the next few days.

I want to draw attention to the hidden agenda of this Budget. Overall, the Budget is a good one for the vast majority of British people: it supports pensioners, children and families, and it makes the vast majority of British people better off. There is a difficulty with the anomaly of the impact of the abolition of the lower rate on a certain group of people, and I know that many others have discussed that. What this Budget also does, possibly for the first time in 11 years of Labour Budgets, is take seriously the issue of climate change and the environment. Interestingly, although I have not been here for the entire debate I cannot recall a single Conservative Member touching on that issue.

The Budget of course paves the way for the establishment of five-year carbon budgets. The UK is the first country in the world to adopt that policy. It makes an important commitment that in the third phase of the European Union emissions trading scheme 100 per cent. of permits will be auctioned, which is an enormous improvement on phases one and two; and it recognises that the taxation of aviation has to change from a per person basis to a per plane basis. To their credit, the Opposition have raised that issue over the past year or two, but they chose not to mention it this evening.

The Budget also takes other important steps forward in respect of transport taxation, particularly the changes to fuel duty and vehicle excise duty, and contains ambitious targets for zero-carbon homes and new buildings. I want to say a word or two in support of fuel duty, because in this House, over many years, fuel duty has been the issue that almost everyone has united against.

We now need to realise, given not only the urgency of the problem of climate change but the imminence of peak oil, that fuel duty is a sensible, effective, environmentally sustainable and efficient form of taxation. It is socially just, because it impacts least on those who consume the least fuel. It is easy to collect and, in the long term, it will serve to conserve our supplies of fossil fuel, rather than burn them off in a great orgy of consumption.

I want to put the case for fuel duty, but I do not argue that fuel duty should rise every year infinitely, without any changes to other forms of taxation. What is especially good about the Budget is that it balances a slight increase in fuel duty with a significant reduction in income tax. That is the way forward and, for the first time in 11 years, the Government have started to take seriously the important message about shifting the burden of taxation from the bads to the goods, reducing taxation on income and labour and increasing taxation on pollution, and I welcome that. I am just desperately sorry that the official Opposition, who have tried over the past two years to identify themselves opportunistically with the politics of climate change and the environment, are silent on the really important measures in the Budget.

I welcome the ambitious targets for zero-carbon buildings. All new homes should be zero-carbon by 2016 and all new commercial buildings by 2019. However, we still have the problem that the overwhelming majority of buildings in the country are not new. Most were built decades ago and, in some cases, centuries ago. We have to do more to address the problem of retrofitting those buildings, because they are the source of the most significant proportion of carbon emissions.

I know that other hon. Members wish to speak, so I shall conclude my remarks. Although the Budget does the right things in terms of climate change and the environment—it takes huge steps forward—the Government need to do more. We have not yet succeeded in properly explaining to the population as a whole the purpose of this historic shift in the basis of taxation away from taxation of labour to taxation of pollution. My final comment is an appeal to my right hon. Friend the Minister—I am sure that she will pass this on to other Treasury Ministers and the Chancellor—to ensure that taxation goes hand in hand with explanation. If the Government do not take more seriously the need to explain to the citizens of the United Kingdom the urgency of the challenge of climate change and the imminence of the threat of

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peak oil, we will not be successful in building support for the green tax policies that the Government are now successfully pursuing.

9.28 pm

Mr. Adam Holloway (Gravesham) (Con): My constituency has many low-income families and the focus of my concern is the tax credit system that is supposed to bridge the gap for those on lower incomes when the 10 per cent. band is removed. Other measures will help to bridge the gap, but they will not be introduced until April 2009. They also rely on people applying for and using tax credits. That is a shift from taxing people on income and earnings to the benefit system.

Instead of a starting rate of tax that helps hard-working individuals and families, we will have a benefits system that is complicated and burdensome, especially for some of the sorts of families we are talking about. I take as an example a family in my constituency—other hon. Members will have many more examples—in which both parents are working. Do we want to encourage them to work and to earn money with a lower starting rate, or do we want them to spend their free time continually fiddling with child tax credit applications and becoming more and more dependent on a benefit culture?

I want to run past the House some research that illustrates the inefficiency of the processing of tax credits, but before I do I want to pay tribute—as would quite a few other people, I would guess—to the staff on the tax credit hotline and the staff at HMRC, who always had a difficult system to deal with. We have all met constituents—we have sat in their homes surrounded by piles and piles of relevant paperwork—who are trying to make head or tail of their statements and the various amendments. They are unable to persuade the powers that be that they spent overpaid tax credits in good faith. As we all know, those overpayments are often the result of errors on the part of HMRC, and the many people trying to cope with the complicated system.

There is a dilemma. Should we recover the taxpayers' money that was paid in error to hard-working families who went on to spend that money on essentials, also in error, or should we write off that money, which came from taxes paid by other hard-working families and individuals?

One reason for highlighting the plight of my constituent, who lives in a tower block and does their best with young children, is that the last thing that working families want to do is to spend additional time fiddling around applying for tax credits and benefits. Shifting the balance from the 10 per cent. rate to tax credits does not help working families. Some families I have met have variable incomes and have multiple jobs to make ends meet. They certainly do not benefit from a shift from the 10 per cent. rate to a need to make tax credit applications, which they must change every time there is a minute adjustment in their employment arrangements. One of my constituents told me that a tax credit office adviser had told them to try to have only one job as it would simplify the tax credits situation. That seems pretty crazy.

I understand that one idea being mooted by the Government to get out of this hole is to refund unclaimed tax credits, which run into hundreds of millions of pounds. The taxpayer is already owed about £4 billion in overpaid credits, and solving the problem through further use of the woefully inefficient system perfectly highlights the shift towards a long-term benefits-based system that reduces the impetus for people to work. My constituents are paying for the increased inefficiency in the tax credit benefit system, having the burden of the system imposed on them or avoiding the situation altogether because it is too complicated for them to deal with.

Hard-working families will also be hurt by the abolition of the 10 per cent. starting rate in income tax. In a way, I feel quite sorry for the Government. If the tax credit system had been more competently designed and managed, large numbers of families up and down the country would have been indebted to them for the additional income. As it is, millions of taxpayers are now oblivious to the amount of their money that has been washed down the drain through incompetence. Many thousands of families who are entitled to tax credits are feeling pretty fed up. Those who fund them through their taxes are becoming more aware of the cost and inefficiency of the system. Thousands of people in my constituency will be among the 5.3 million who will lose out through the removal of the 10 per cent. rate. I cannot help agreeing with the right hon. Member for West Dunbartonshire (John McFall) who said a few hours ago that we are penalising poor people completely unnecessarily.

9.33 pm

Joan Walley (Stoke-on-Trent, North) (Lab): I am grateful for the opportunity to take two minutes to make a specific point that relates to my constituency. I apologise to the House that I was not present at the start of the debate, but I had urgent constituency business. If I had had the chance to make a long speech, I would have wanted to refer to the 10p tax rate and to have said that I have every confidence that the Government will resolve the matter. I would also have followed the example of my hon. Friend the Member for Bury, North (Mr. Chaytor), and said that the environmental changes in the Budget are far-reaching. It will stand the country in good stead.

In the minute that I have, I wish to refer to the part of the Finance Bill that deals with industrial buildings allowances, and to ask the Financial Secretary to the Treasury whether, before the Bill's final stages, she could have further talks with the North Staffordshire chamber of commerce and industry and the Minister for the West Midlands, who has concerns about manufacturing in the area. As for the ways in which the Budget and the Bill are designed to deliver increased investment and growth overall, will the Financial Secretary look specifically at clause 82 and the removal of industrial buildings allowances for manufacturing areas such as the one that I represent? The measure is being applied retrospectively, and that could have an adverse effect on small family firms that have invested in manufacturing and are resisting the temptation to move and invest abroad. They are, and want to continue to be, part of the UK economy. Will she

consider the effect that the clause will have on small family businesses? I am most grateful to her for her attention to the issue.

9.35 pm

Greg Clark (Tunbridge Wells) (Con): Last night, I received an e-mail from one of my constituents, who said:

"I am one of the unfortunate people who will be hit by the abolition of the 10 per cent. tax band. I am a single man of 30 years, on a salary of only £13,000 a year working full time as a teaching assistant. I cannot afford to have a home of my own and am still living with my parents. If the Labour Government say they will support or help those hit by this ridiculous fiasco you bet that I will not be one of them as a single man... Please make my comments known in Parliament."

I am delighted to have the chance to do that, because my constituent is representative of a number of people in my constituency who have been in contact with me, and of others across the country.

It is extraordinary that in his final Budget as Chancellor, the Prime Minister, having cast around for people to raid for revenue, should have alighted on the least well-off who are employed. He has always said, and asked us to believe, that work is the best way out of poverty. What kind of message does it send when those who are targeted are precisely those who are in work but who are earning the smallest possible amount? Is that a wholesale reversal of his mantra over the years?

There is an almost grotesque irony in the fact that the group hit hardest by the increase in tax are people on the Government's official poverty line. The amount at which a single person will be hit is £149 a week; £145 a week is the official poverty line for a single man. The Government have targeted those on the poverty line to raise revenue. Of course we can argue about whom we can best help when distributing the Treasury's occasional largesse, but for people in the Treasury to have a discussion about which people should be tackled and hit hardest, and come up with the answer that it is low-paid people on the poverty line, is so extraordinary that it beggars belief.

As for how the issue can be resolved, of course the review that has been mentioned will no doubt involve discussion of tax credits and the question of how we can put more money into child tax credits. However, as my constituent made clear in his e-mail, there are people across the country in deep poverty who do not have children. Their poverty should be our concern, just as other people's poverty is. Child poverty is to be tackled, but adult poverty is booming. Severe poverty—people on incomes of less than 40 per cent. of the median across the economy—has hit a 30-year record under this Government, and is increasing all the time. Surely our aim should be to rescue them from poverty, as well as to tackle child poverty. We should not get into a situation in which we can take adults out of poverty only by making them dependent on their children. That is not right, and it is not a sustainable way forward.

Kelvin Hopkins: Can the hon. Gentleman remind me which Government raised VAT—a regressive tax—from 8 per cent. to 17.5 per cent., broke the link with earnings for pensioners and saw child poverty rocket?

Greg Clark: The hon. Gentleman's constituents in Luton will be delighted that he has chosen a debate on a practical matter, about which I am sure they have written to him, to rehearse tired arguments that are 20 and 30 years old rather than deal with the problem in hand.

I suggest that we deal with the problem in hand. Ministers on the Treasury Bench should give some indication of how they intend to get out of the mess that they have got into. They should not pretend that there are no means available to do that. The calamitous Budget that resulted in this situation had implications for charities too; I should say that I am a Front-Bench spokesman on charities. Charities were caught up in the issue of whether the circumstances were unforeseen or, as my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) said in his masterful speech, the result of a rather more cunning enterprise to raise revenue without disclosing its source.

Charities found that they would be paying £70 million a year, given the reduction in gift aid coming from the reduction in the basic rate. The then Chancellor kept quiet about that in his Budget speech, but in this year's Budget the Chancellor came forward with a package of £285 million to relieve charities for a limited, three-year period. The Treasury was exercised and busy in trying to find a way to get charities out of the mess that it had created for them, but what was wrong with the low-paid? Why could the Treasury not give them the thought and attention that it gave charities? Why have the Chancellor and Prime Minister said that they will start thinking about that now? Why did they not do that before the most recent Budget? Why do we have to wait for the pre-Budget report and the Budget after that?

I am conscious that time is short. It is lamentable that the Government have chosen to hit our pensioners, and the very people whom we want to encourage into work and give the best start, with this doubling of tax. If that was a mistake, the Government should admit it; if it was deliberate, they should recant it. I hope that on Monday practical steps will be taken immediately to address the serious problem that faces my constituents and others around the country.

9.42 pm

Mr. Mark Hoban (Fareham) (Con): This has been an important debate. Before I turn to the substance of my remarks, I want to comment on some of the speeches made by right hon. and hon. Members on both sides of the House. The Chairman of the Treasury Committee offered an olive branch to the Government—although the Chief Secretary to the Treasury seemed to bat it away—by suggesting that the Committee, rather than the Treasury, might look at the number of losers from the abolition of the 10p tax rate. The Chairman also highlighted the risk that the changes in the rules on non-doms will create a culture of non-compliance among those on low incomes.

The hon. Member for Taunton (Mr. Browne) spoke for 32 minutes. It was a speech long on style, short on substance and composed almost entirely of extracts from other people's speeches and articles—and one joke, which badly misfired. The hon. Member for Middlesbrough (Sir Stuart Bell) spoke about the net

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losers from the tax changes. He doubted whether 5.3 million people were affected, but as the Financial Secretary knows from her own parliamentary questions, 5.3 million households are net losers from the scrapping of the 10p rate.

In a characteristically forensic speech, my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) threw out a challenge to those on the Labour Benches. He came up with his own analysis of why the former Chancellor might have decided in his final Budget to scrap the 10p rate. Labour Members could not come up with their own explanation for why he might have done that.

Anne Main: It was a mishap.

Mr. Hoban: Some say that it was a mishap. I asked the hon. Member for Dumfries and Galloway (Mr. Brown) whether the scrapping of the rate was due to incompetence—but that, apparently, was not the answer. Labour Members could not admit that it was deliberate, calculated and well worked through. The challenge that they face is to explain to the House and to their constituents why, in his last Budget, the then Chancellor went ahead with this measure, which would penalise 5.3 million households.

Lynne Jones: In fact, I addressed that issue in my speech on Budget day 2007. I suggest that the hon. Gentleman read it. He is concerned about those who have lost out, as was the hon. Member for Tunbridge Wells (Greg Clark), who looked for practical measures to help them. Yet the hon. Gentlemen did not support the amendment tabled last year by my right hon. Friend the Member for Birkenhead (Mr. Field). Earlier, the shadow Chief Secretary misrepresented

Mr. Speaker: Order. Interventions should be short.

Mr. Hoban: Given that the hon. Lady says that I should refer to the speech that she made in 2007, she might wish to read the remarks of my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond), in which he set out very clearly why we did not vote on last year's amendments.

The hon. Member for Barnsley, Central (Mr. Illsley), who spoke about the damage that the Budget will cause to the licensed trade, echoed the remarks made by the Under-Secretary of State for Culture, Media and Sport in the *Morning Advertiser*—until, of course, he had to recant and say that his comments did not represent his views. Clearly, the call from No. 10 that kept the hon. Member for Sheffield, Hillsborough (Ms Smith) on the Government team also worked in his case.

My hon. Friend the Member for Altrincham and Sale, West (Mr. Brady) talked about a Budget without a theme and expressed the view that perhaps the Government held off on increasing fuel duties because they understood that taxes were starting to be painful. My hon. Friend the Member for Northampton, South (Mr. Binley) spoke about the challenges posed in this Budget to small businesses and the increase in the rate of taxation for small companies.

The speech by the hon. Member for Wirral, West (Stephen Hesford) was rather like that of the hon. Member for Taunton, except that there was no style and no substance. The hon. Member for Dundee, East (Stewart Hosie) highlighted the fact that there was no room for manoeuvre in this Budget—a message that we have been hammering out for the past few months. I am pleased to find that he is on board on that. The right hon. Member for Oldham, West and Royton (Mr. Meacher) gave a remarkable shopping list of tax increases that demonstrated exactly why he could not find the supporters to stand against the Prime Minister for the leadership of the Labour party.

My hon. Friend the Member for Beverley and Holderness (Mr. Stuart) again highlighted the fact that no Labour Members could explain the changes announced in last year's Budget leading to 5.3 million households losing out. The hon. Member for Bury, North (Mr. Chaytor) discussed environmental taxes. Conservative Members believe that new revenues raised from environmental taxes should be used to reduce the burden of taxation on families, unlike the appalling measures put forward by this Government, who put a green gloss on environmental taxes. My hon. Friends the Member for Gravesham (Mr. Holloway) and for Tunbridge Wells (Greg Clark) also highlighted the issue of people who have lost out as a consequence of the abolition of the 10p rate.

The focus of today's debate has been on the announcements made not by this Chancellor but by his predecessor in last year's Budget. The pitfalls of scrapping the 10p rate were pointed out last year, but the argument has gathered momentum as people have started to realise its impact. Members in all parts of the House will have had letters and e-mails from constituents about it. It has cropped up on doorsteps time and again over the past few weeks, as those on low incomes who do not qualify for or do not take up tax and pension credits work out that they are worse off as a consequence of scrapping the 10p rate. A constituent who wrote to me last week told me that she earns £15,000 a year and works for only 30 hours a week so as to help to look after her mother. She asked me to raise in Parliament what she felt was the unfairness of the new income tax rates for people such as herself who have contributed into the system for all their working lives only to be let down by the Government once again—a view that many thousands of people up and down the country have expressed over the past few months.

Hard-working people on low incomes feel penalised by this measure. It is no wonder that 70 Labour MPs have signed early-day motions critical of the scrapping of the 10p rate and that Parliamentary Private Secretaries and ex-Ministers are queuing up to criticise it, with the exception of the Prime Minister's PPS—the only PPS who was wheeled into the Chamber to support the scrapping of the 10p rate.

Mr. Ian Austin: I am very grateful to the hon. Gentleman for giving way. Instead of the pathetic, schoolboy debating society wisecracks we got from the shadow Chief Secretary, can he tell us why anyone should take seriously his party's new-found concern for the poor, when its top priorities for tax reform are dealing with inheritance tax, to give a big tax cut to

millionaires such as the shadow Chancellor and the Leader of the Opposition, and the abolition of stamp duty on shares for hard-pressed millionaire City traders? At the same time, will the hon. Gentleman tell us how he voted on the minimum wage, the introduction of tax credits

Mr. Speaker: Order. Perhaps the hon. Gentleman can write to the hon. Member, because his intervention is too long.

Mr. Hoban: I gave the Prime Minister's PPS the opportunity to speak. I think he is the first Prime Minister's PPS to speak in a debate in this House and refer back to his crib sheet, which he also had to refer to earlier. Let me remind him of the centrepiece of the pre-Budget report in October: a change in the rules on inheritance tax. We will not take any lessons from him on these matters. Of course, the hon. Gentleman is part of the problem: the constant listing of briefings and changes of mind. The Exchequer Secretary said "Watch this space" on Friday. The Chief Secretary was on the airwaves on Saturday, trying to pretend that nothing was going to change.

Today, we have a new line—the "jam tomorrow" line. The argument is, "We don't have the time to sort this crisis out before Monday. Just wait till the pre-Budget report and we will sort it all out then." But this is not a problem that has suddenly emerged in the past few days. No one can pretend that this crisis came as a surprise. The Prime Minister and the Treasury knew last year that a net 5.3 million households would be worse off as a consequence of the abolition of the 10p rate. In fact, the Exchequer Secretary herself was signatory to a Treasury Committee report of last year that was highly critical of the decision to scrap the 10p rate—it cropped up during our debates on the Budget and the Finance Bill last year.

The Government have had plenty of time to put together a package to soften the blow for the losers. Let us not forget how quickly the Government can move when they want to. They quickly backtracked on non-doms, and let us remember how quickly they reversed their position on inheritance tax, after facing pressure from business. Why is it that the 5.3 million households who have lost out have to wait until the PBR? Why do they have to wait, when the Government can move so quickly if they want to?

Why should the people affected believe that there will be jam tomorrow? As the Institute for Fiscal Studies points out, the number of childless, working age adults in poverty has increased by half a million since 1997. They are not going to listen to the promises, hints and suggestions made by the Treasury and the Prime Minister. They want prompt action, and I suggest that Labour Members hold their Ministers to account on the matter, because the pressure put on the Treasury during the past few weeks has clearly started to create movement.

Rob Marris: Several of us have raised this very issue with the Government for the past 12 months. The hon. Gentleman is absolutely right to say that this issue has been around for 13 months, since the 2007 Budget, but we still have no comprehensive alternative policies from the official Opposition.

Mr. Hoban: I would have expected the hon. Gentleman, for whom I have a great deal of respect, to come up with a better intervention than that. If this problem has been around for so long, why have the Government not responded? Why have they not listened to Labour Back Benchers? Why have they not listened to the Parliamentary Private Secretaries who have been writing letters to complain about it? The Government did not budge on a single thing about it until they realised that they had a large-scale rebellion on their hands, and if Labour Members want to put pressure on the Government to get prompt action, they should continue to push the Government to change their mind.

There are many other measures that we could discuss, including the small companies rate, changes to capital gains tax, non-doms, raising taxes for families, putting a green gloss on the Budget, and using an attack on binge drinking to increase taxes on alcohol. However, the challenge for the Government is scrapping the 10p rate, to which there is widespread opposition. We heard that tonight, not only from the Opposition Benches, but from Labour Members.

Last year, the Government put together a package to ensure that people over 65 or those with young children would not lose out by scrapping the 10p rate. However, that left 5.3 million households losing out, including those who have retired early, young people on low incomes who do not qualify for tax credits, and those who are over 25 and on low incomes, but have no children and do not claim tax credits. The challenge that the Chancellor faces is whether he can help those 5.3 million households this year. Can he act to remedy the unfairness of last year's Budget in the Bill? As Labour Members know, the Government have no excuse not to act. The problem is not new; they have known about it for a year and they can act quickly when they wish. They can back down just as they did when they compromised on non-doms, retreated on capital gains tax and reversed their policy of reducing taxes on small companies.

The Government should do the right thing for families and businesses in times of economic uncertainty, when they are finding it harder to meet ever-higher costs, including increased fuel prices and council taxes. By opposing the Bill, we are telling businesses and families that we are on their side, while the Government are on their backs.

9.56 pm

The Financial Secretary to the Treasury (Jane Kennedy): It is a pleasure to bring to a close the Second Reading of this year's Finance Bill, and I thank all hon. Members who have contributed. My right hon. Friend the Chief Secretary gave a forthright presentation of the benefits of the Bill, and I compliment the hon. Members for Runnymede and Weybridge (Mr. Hammond) and for Taunton (Mr. Browne) on their robust presentations of their parties' positions. I welcome the speeches of all those, especially Conservative Members, who expressed a keen interest in the poor and the impact, as they perceive it, of the Budget on some poor people in Britain. It is one of the Government's successes that we have turned the agenda around so that poverty is now at the centre of debate. I welcome that.

[Jane Kennedy]

As one would expect with such a wide-ranging Bill, several points have been made and I would like to respond to as many as possible, within the constraints of time. However, before dealing with those points, I would like to address the changes that the Bill makes to income tax and restate the context in which the debate takes place.

The introduction of the starting rate of income tax in 1999 was an important step in providing incentives for people to work, along with the reduction in the basic rate of tax to 22 per cent. and a set of changes that took 900,000 low paid workers out of paying national insurance contributions. However, the 10p rate is a poorly targeted way of helping people on low incomes. It benefits the very highest earners, but not the very lowest earners, who pay no tax. Since 1999, we have been developing a far more targeted way of making work pay for people on low incomes, and of providing them with support.

Our tax credits system—the working tax credit and the child tax credit—now supports 6 million families across the country. The changes to income tax in the Bill have to be seen as part of a package that puts additional resources into those tax credits. The child element of the child tax credit has been increased by £150 a year above inflation this month, and the income threshold up to which working tax credit is received in full has increased by £1,200.

Mr. Graham Stuart: Will the Financial Secretary give way?

Jane Kennedy: Whenever I see the hon. Gentleman bouncing up and down, I think of the old adage that empty vessels make the most noise. However, he occasionally makes interesting contributions, as his speech today showed. If he will allow me to make a few more comments, I will take interventions.

The changes to income tax in the Bill must be seen as part of a package that puts additional resources into those tax credits. The child element of the child tax credit has been increased, as I said. Those changes mean that 3 million of Britain's 7 million families with children will now have their income tax liability effectively wiped out by the tax credits and child benefit that they receive. Together with the changes in the National Insurance Contributions Bill, which is before another place, the above-inflation increases in personal allowances for pensioners and the reduction in the basic rate of income to 20 per cent., those changes were designed to interact as a package.

As my hon. Friends the Members for Middlesbrough (Sir Stuart Bell) and for Dumfries and Galloway (Mr. Brown) said, the overall impact of those changes is to provide more support for families and pensioners. Some 80 per cent. of families with children will be better off, 200,000 children will be lifted above the poverty line and 600,000 pensioners will be taken out of paying income tax, meaning that 59 per cent. of pensioners aged 65 and over will get their incomes free of tax.

Mr. Graham Stuart *rose—*

Hon. Members: Give way!

Jane Kennedy: I will give way in just one moment.

We have of course carefully considered the impacts of the package. It was I who gave my right hon. Friend the Member for Birkenhead (Mr. Field) a detailed answer on 18 October about those who gained and those who lost as a result of the overall package. I acknowledge that some of those people are in households in receipt of low incomes. *[Interruption.]* Yes, some of them. We are acutely conscious of the possible impact on the low paid. We have of course considered ways of compensating those groups. However, that would be not only difficult to achieve, but disproportionately expensive in many cases. We cannot target

Mr. Stuart *rose*

Hon. Members: Give way!

Jane Kennedy: Hon. Members who have just come into the debate might want to give me one more minute.

We cannot target tax measures at the specific groups that have lost out, and so any changes would also benefit people who have already gained from the package, taking valuable resources away from elsewhere.

Mr. Stuart: I am extremely grateful to the Minister, who was partly gracious in her answer. It is not empty vessels bouncing up in the Chamber, but the empty promises of the Labour party that most concern my constituents. What policies and funding need to be put in place to meet the Government's target of halving child poverty by 2010-11? Are those policies in place and will she ensure that that commitment is met, or is the Treasury Committee right that the Government have lost their wholehearted commitment to reducing child poverty?

Jane Kennedy: If the hon. Gentleman is as committed to eradicating poverty as he claims, I would have hoped that he would acknowledge the steps that we took in the Budget to lift the families of a further 200,000 children above the poverty line. Our approach to the Finance Bill and the Budget has been carefully constructed precisely to enable us to make that progress in tackling child poverty, which his party was responsible for more than doubling when they were in power in the 1980s and 1990s.

If we were to amend the criteria for tax credits, for example, to make more people eligible, we would also reduce their effectiveness in specifically targeting those at the greatest risk of poverty, such as low-income families with children. Again, those changes would also be expensive.

My right hon. Friend the Member for West Dunbartonshire (John McFall) not only spoke on his own behalf, but drew attention to the Treasury Committee's report. I should like to quote something that he said in an interview:

> "While tax simplification is a laudable aim, it seems strange that the abolition of the 10 pence starting rate of income tax disadvantages mainly low income households. As such, the Government must ensure that these people are identified, and appropriate help given to them to ensure they receive the benefits to which they are entitled."

I welcome what he said earlier, as well as any contribution that he and his Committee might make to the process. I completely take his point about ensuring that we work harder to ensure that those who are entitled to, for example, the benefit of tax credits, and working tax credits in particular, receive the entitlement that they deserve. It may well be that many people who fear that they will lose as a result of the proposed change would not be in that position if they were claiming the working tax credits to which they are entitled.

My hon. Friend the Member for Barnsley, Central (Mr. Illsley) and others said that we could not wait until the pre-Budget report, but nor can we unpick the tax package without unravelling its benefits.

The hon. Member for Tiverton and Honiton (Angela Browning) and others mentioned pensioners who have taken early retirement. I want to say a word about those in the 60 to 65 age group. About a third of the women in that age group who are affected will be in two-earner households. It is therefore not true to say—as the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) did, in what I acknowledge was a powerful speech, from an Opposition point of view—that 5.3 million of our poorest families will see their taxes double. That is how he and his colleagues characterise the situation, but it is not true. The make-up of those who will, overall, pay a relatively small increase in taxes is diverse, and that is why it is difficult to say exactly who they are, and why it is difficult to devise a set of measures to ameliorate the effect of the changes.

Overall, this is a package that provides targeted support to the families and pensioners who need it most. *[Interruption.]* Hon. Members do not have to shout and bawl. I am under enormous time pressure.

Greg Clark *rose*

Jane Kennedy: I will of course give way, but hon. Members do not have to shout in order to make their point.

Greg Clark: Will the Minister confirm that, as a result of the abolition of the 10p rate, 300,000 more people will be in poverty—*[Interruption.]*

Jane Kennedy: I listened carefully to the contribution that the hon. Gentleman made earlier, but I did not hear what he just said. Please could he restate what he just asked, because I did not hear it?

Greg Clark: Is the Minister aware that the abolition of the 10p rate will put another 300,000 people in poverty?

Jane Kennedy: No, I do not accept the figure that the hon. Gentleman is offering. I have said that I do not recognise it. All the work that we are focused on—and the whole of the tax package—is centred around the Government achieving their priorities of ensuring that pensioners and children in poverty receive the help that they deserve.

Greg Clark *rose*

Jane Kennedy: I am not going to give way to the hon. Gentleman again.

In last year's Finance Bill debate, on 30 April, the—

Mr. Nicholas Soames (Mid-Sussex) (Con): Will the right hon. Lady give way?

Jane Kennedy: I cannot refuse.

Mr. Soames: May I congratulate the right hon. Lady on her magnificent speech? Would she be good enough to tell the House her figure for the number of people who will be put into poverty by this change?

Jane Kennedy: I do not accept the proposition—*[Interruption.]*. It is always a pleasure to welcome the hon. Gentleman to the debate, but it is interesting to see him joining those who are defending the poor.

In last year's debate, the spokesman for the Conservatives, the hon. Member for Chipping Barnet (Mrs. Villiers), commented on the proposals put forward by the Liberal Democrats that the 10p income tax band should be replaced by a 0 per cent. tax band. She said:

"Our primary concern about them is that they have not been properly costed, so it would not be fiscally responsible to vote in favour of them." [*Official Report*, 30 April 2007: Vol. 459, c. 1276.]

I put it to the House that it would be fiscally irresponsible to unpick the package presented in this Finance Bill; we cannot do it. However, my right hon. Friend the Chancellor has made it clear that he understands the concerns expressed and that we want to do more to help many of those who do not benefit from the package.

The Conservative party likes to say and has said though I was quite surprised to hear Conservative Members say it—that we have lost our moral way and that the moral compass of the Government has lost its direction. In that context, let me say this. When I was elected in 1992, one in four men aged 25 and over in my constituency were unemployed, yet unemployment in this country is now almost a thing of the past, particularly among the young people I represent in my constituency. Even if we had not fixed unemployment, or even if we had addressed only the scourge of unemployment and not built the schools and hospitals and not put in the investment in public services that we have, I would still be incredibly proud to be taking forward a Finance Bill on behalf of this Government, who have achieved so much. I hope that the House will support the Government in these measures, which we will take forward next week.

Question put, That the Bill be now read a Second time:

The House divided: Ayes 298, Noes 223.

Division No. 144] **[10.12 pm**

AYES

Abbott, Ms Diane	Baird, Vera
Ainsworth, rh Mr. Bob	Balls, rh Ed
Allen, Mr. Graham	Banks, Gordon
Anderson, Mr. David	Barlow, Ms Celia
Anderson, Janet	Barron, rh Mr. Kevin
Austin, Mr. Ian	Battle, rh John
Austin, John	Bayley, Hugh
Bailey, Mr. Adrian	Beckett, rh Margaret

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees).

LAND REGISTRATION

That the draft Land Registration (Network Access) Rules 2008, which were laid before this House on 5th March, be approved. *[Liz Blackman.]*

Question agreed to.

PETITION

Nurseries Code of Practice

10.29 pm

Mr. David Burrowes (Enfield, Southgate) (Con): I beg leave to present a petition on behalf of 2,712 constituents, representing concerned professionals in the nursery sector, parents and members of the public from Enfield, Southgate. The basis of their concern is the new nurseries code of practice, its rigid one-size-fits-all criteria and a shortfall in funding likely to lead to the loss of choice of nursery care and free provision.

The petition states:

The Petition of professionals in the nursery sector, concerned parents and members of the public,

Declares that nurseries, pre-schools and day-care providers fulfil a vital role in the development of pre-school children and that voluntary, private and independent nurseries provide the overwhelming majority of nursery care. The Government's new code of practice fundamentally changes the rules regarding the provision of free nursery places for three and four year olds. They are concerned that the new code of practice could cause significant financial harm and insecurity in the nursery sector, and force existing, trusted nurseries out of business, creating uncertainty for parents and children.

The Petitioners therefore request that the House of Commons urges the Government to halt the implementation of this code of practice and undertake an urgent assessment of its impact on nurseries.

And the Petitioners remain, etc.

[P000139]

A417 Traffic Improvement Scheme

Motion made, and Question proposed, That this House do now adjourn. *—[Liz Blackman.]*

10.31 pm

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): May I thank you, Madam Deputy Speaker, and Mr. Speaker for allowing me to bring this matter before the House today? I also thank the Minister for being present to respond to my comments—I have given him good warning of what I will say—and my neighbour and good friend, my hon. Friend the Member for Tewkesbury (Mr. Robertson), for being here to support me.

As I am sure the Minister is aware, this is not the first time that I have spoken in such a debate on this issue, which has unfortunately been going on since 1994, and progress on which is about as slow-moving as the traffic on the road. If the Cotswolds had not just been hit by 12 post office closures, I would describe this as the biggest constituency issue I have faced in my time as a Member of Parliament.

I would like briefly to describe the problem. The A417/419 leaves the M4 at junction 15, bypasses Swindon, Cirencester and Gloucester, and joins the M5 at junction 11A. In other words, it is the apex of the triangle that joins the M4 and M5 so that traffic travelling between Swindon and Gloucester does not have to go all the way round two sides of the triangle via Bristol, thus saving 40 miles. The so-called missing link is the three and half miles in the middle that is the single carriageway between the two junctions. Therefore, this problem clearly has national, regional and county-level significance.

In 1994, I stood with the then transport Minister, John Watts, at the opening of the Brockworth bypass on this stretch of road. With both the Swindon and Gloucester ends of the road having been built, and with £150 million having been spent—then a huge sum of money—it was confidently predicted that this missing link would be built. Unfortunately, however, matters have not progressed.

Wrangling has occurred ever since over various possible solutions, one of which was the suggestion of a tunnel, which I believe has now been rejected even by most of its ardent supporters, given the physical and financial logistics stacked against it. Instead, in 2004 the Highways Agency presented a £150-million surface project, the so-called brown route, about which my hon. Friend will be well aware as he and I have attended meetings with the Highways Agency to discuss it.

Following the 2004 publication by the Highways Agency, Gloucestershire county council consulted the community on the available options. At that time, 67 per cent. of the population and 90 per cent. of the business community were in favour of the brown route. Despite that, the scheme did not receive regional prioritisation. I believe that if a similar poll were carried out today there would be an even higher level of support from the local population, and certainly from the business community, because the Gloucester business park is expanding at one of the fastest rates in the country, and housing in both Swindon and Gloucester is expanding at a huge rate. Indeed, all the

authorities now support the building of the missing link—the county, district and parish councils—as do five Gloucestershire Members of Parliament.

As the House may be aware, on 11 October 2006 I had an Adjournment debate on this subject, during which the then Minister with responsibility for transport, the hon. Member for South Thanet (Dr. Ladyman), undertook to ask his Department to instruct the Highways Agency to search for and consider the best available surface option. It is on the back of its excellent and detailed report, published in March this year, that I have called today's debate, in order to see how we can take this matter forward.

The Minister, whom I am grateful to see in his place today, will be aware that during the last Adjournment debate, I pointed out that the south-west region adjoins three other regions. In this respect, the situation is unique. In considering these very big regions, we should remember that this scheme is only 14.5 miles from the Welsh region border, 6.5 miles from the south-east region border and 11.2 miles from the west midlands region border. It is therefore very close to four regions in total, and it is this factor that causes a weakness in the regional transport prioritisation for delivering road schemes. This is a problem, given that the south-west region is so large. Chipping Campden and the constituency of my hon. Friend the Member for Tewkesbury are closer to the border of Scotland than they are to Land's End, at the south-western tip of the south-west region. That demonstrates how big the south-west region is.

This scheme will benefit the south-west, as the current bottleneck at the top of the region affects the growth and prosperity of the whole region. However, the critical point of this whole debate is that, because the scheme benefits four regions, it becomes no one region's priority. Under a system in which roads are delivered only if they can achieve regional priority, this scheme will never be delivered unless we have some form of national priority.

During my Adjournment debate in October 2006, the then Minister with responsibility for transport stated the following regarding the regional funding allocation process:

> "I acknowledge that there were problems, some of which related to schemes on the edge of regions that might not seem of such central importance to the region. Sometimes a scheme might be located in one region but its importance might be to another, so it is not given priority." [*Official Report, Westminster Hall*, 11 October 2006; Vol. 450, c. 102WH.]

He went on to confirm that two schemes were put to him: the A417 and the M5. He gave the M5 national priority, while the A417 and the missing link were given regional priority. He conceded in the debate that he might have got that decision wrong, and that he would reflect on it.

Perhaps now is a suitable time to explain exactly why I have campaigned so long and hard for this improvement to be made. The missing link is the only section of single-lane road in a dual carriageway that runs from Palermo in Sicily up to Perth in Scotland. One need only scan briefly the 2008 review by the Highways Agency to understand the significance of this road economically and environmentally, but surely most importantly on the ground of safety.

For those of my constituents and those of my hon. Friend who are forced to use the road regularly, I am afraid that the facts are frightening. More than 30 deaths or serious injuries have occurred in the past decade; tragically, the most recent death was just last month. Speaking following this fatality, Inspector Dave Collicott of the county's road policing unit told the local media that

> "the likelihood of this collision would have been reduced had this section been to the same standard as those on either side of it".

Accidents happen with unfailing regularity. The really significant point is that this section of road has an accident rate 30 per cent. higher than the national average. The Minister will note from the report that "107 personal injury accidents" were

> "recorded over the 5 year period to October 2007, a 6 per cent. rise compared with 3 years ago".

Sadly, despite an awareness of those safety concerns, the road is the only viable option for most.

The Highways Agency goes on to say:

> "The route is also vitally important to the regional economy in providing direct links to and between Swindon, Gloucester and Cheltenham, where there is significant development. It is therefore the most appropriate route for all traffic between these two centres".

People certainly use the road; between 28,000 and 34,000 vehicles a day are forced to tackle this bottleneck. At the best of times, that can cause traffic jams as cars sit stationary with fumes pumping from their exhausts. Breakdowns can cause huge congestion problems, particularly as heavy goods vehicles often struggle up the steep incline at Crickley hill, in the constituency of my hon. Friend, break down and cause even more congestion as they do so.

Since the problem has been highlighted, minor improvements have been made to the road. However, the fundamental fact is that 10 years of inactivity on the matter has seen four deaths, 31 serious injuries and 211 minor injuries, alongside countless hours lost to traffic jams and the sheer volume of carbon monoxide emissions from stationary vehicles.

Mr. Laurence Robertson (Tewkesbury) (Con): I congratulate my hon. Friend on, yet again, introducing this matter for debate. He will doubtless have noticed that the road, as it comes towards my constituency, does not clog up just at rush hour, as perhaps it once did; even in mid-afternoon it is not unusual to see a very long tailback. The inadequacy of the rail travel between here and my constituency, and between Cheltenham and Gloucester, makes the matter even worse. We do not have a good transport system to our constituencies.

Mr. Clifton-Brown: My hon. Friend makes a really good point. I believe that he made it in our previous debate in 2006. This really important road improvement is needed for the growth and prosperity not only of our region, but of the adjoining regions. As he says, it is not as if we have a really good rail system. Despite the size of Gloucester and Cheltenham, and their distance from London—less than 100 miles—we are talking about some of the worst rail transport in the country. This important piece of infrastructure needs to be completed.

[Mr. Clifton-Brown]

I have not been alone in my fight to get the necessary changes made; Gloucestershire county council has also been highly vocal on the matter. My hon. Friend will be aware that Peter Bungard, its chief executive, is sending an open letter to the Minister regarding this matter and the work done by the council as it has dragged on, and I hope the Minister will give that letter due attention.

I am aware that a number of challenges are presented by this stretch of road. First, the A417 runs through the Cotswolds area of outstanding natural beauty, so any proposals need to be highly sensitive to mitigate the effects. I welcome the view of the Highways Agency in its excellent report that

"this constraint must be fully considered in any proposed scheme".

However, it must also be noted that the long tailbacks, to which my hon. Friend referred, do not contribute greatly to the beauty of the area.

Secondly, the topography of the area is a challenge to road builders and makes the section at Nettleton Bottom and the Air Balloon so dangerous. Even with those considerations in mind, the Highways Agency has produced a preferred solution—still described as the brown route—that is almost identical in nature to the one it found in 2004. The cost, with inflation taken into account, is inevitably much the same. The Highways Agency states that the proposal is

"highly developed and has captured virtually all the available savings for a major improvement giving long term service, reliability and resilience."

I hope that when those in the south-west region consider their road schemes, they will acknowledge the amount of work that has been done and the fact that the Highways Agency has examined the matter in huge depth, has taken into account all local alternatives and has still come back with its preferred brown route, which is identical to the one that it came up with in 2004.

In the Adjournment debate of 2006, I commented that the Highways Agency was uncomfortable with the road remaining a single lane. In response, the then Minister of State, the hon. Member for South Thanet, stated in respect of the status quo:

"I have no hesitation in confirming that both it and the Government are uncomfortable."

About the proposals that existed in 2004, he said:

"For the first time, importantly, the Highways Agency had a major scheme design, and the Countryside Agency, the Environment Agency, English Nature and English Heritage were all content to see it proceed to the next stage: entry into the targeted programme of improvements.

In my experience, it was probably the first time in national history that anyone had managed to get those four agencies to agree on such a sensitive matter".—[*Official Report, Westminster Hall*, 11 October 2006; Vol. 450, c. 100-01WH.]

That is surely of great importance, given the environmental concerns that were posited beforehand.

I shall conclude on the facts of the case for the Minister. The A417 has an accident rate 30 per cent. higher than the national level. It is bedevilled by congestion and traffic levels are growing. Support for the improvements is widespread across the county and in neighbouring regions. Failure to begin improvements has made the Government uncomfortable, as was said in the previous debate. Five key agencies—I have just listed them—support the scheme. The road is a vital economic gateway nationally, regionally and locally. The solution proposed this year in the comprehensive review is similar to the one proposed in 2004. To my mind that is a clear indication that the best solution is now on the table, as proposed by the Highways Agency.

I would like to leave this debate having received an assurance from the Minister that essential improvements to the missing link will begin in earnest. Perhaps the Minister can confirm that due consideration will be given to making it a national priority. For even beginning work tomorrow will be too late, because the scheme will take many years to complete. If correct prioritisation had been given, we could be well on the way to a solution. Too many people have died or been seriously injured, and the economic fortunes of the nation and the Gloucestershire region are being restricted by that 3.5 mile stretch of single road. I hope that the Minister will be able to give us some good news this evening.

10.46 pm

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): I congratulate the hon. Member for Cotswold (Mr. Clifton-Brown) on securing this second Adjournment debate in 18 months on what he refers to as the missing link on the A417 near Gloucester. I thank him for his constructive engagement with and his commitment to this campaign, which is important to his constituents and to the wider region. I will return to the issue of national importance later in my speech.

Since the last Adjournment debate on this issue 18 months ago, the Highways Agency has undertaken a wide-ranging and thorough review of possible improvement options to address the existing conditions on the Cowley to Brockworth section of the A417. The report that I sent to the hon. Gentleman and his colleagues the hon. Members for Tewkesbury (Mr. Robertson) and for Forest of Dean (Mr. Harper) on 12 March details the work undertaken and conclusions reached during this review. The hon. Member for Cotswold alluded to that report.

The review carried out by the Highways Agency has left no stone unturned in an effort to identify whether a more affordable option can be found to improve the existing conditions on this section of the A417. The hon. Gentleman will be aware that the views of key stakeholders have been an important part of the information gathering during the review. Indeed, I know that he gave his own helpful and supportive views personally to the Highways Agency as part of the value management stakeholder workshop in March 2007.

The value management exercise was very useful. It enabled the agency to identify various options put forward by stakeholders that might contribute to a more affordable scheme and then rank them to establish which elements would be worth considering further. Each of the worthy options was then assessed to identify the impact that they would have on safety and journey time reliability, and then compared with the improvement achieved by the major scheme. This review has confirmed that the major scheme already developed by the Highways Agency would capture virtually all the available benefits, provide optimum

value for money and be a long-term solution. As the hon. Gentleman rightly points out, following an extensive review we have returned to the original proposal.

The hon. Gentleman pointed out the increase in costs of the major scheme. I know that he is acutely aware of the issue. It is why the region requested in 2005 that the Highways Agency carry out a review to examine the possibility of a lower cost solution. Since that last debate the costs have increased from £150 million to £250 million, and that rise is of such an order that it would be entirely appropriate to offer some explanation of why the figures have changed so much.

There are three reasons. First, construction inflation has been far higher than was previously predicted. Secondly, a later date has been assumed for a possible start date. Thirdly, estimates include the historic costs spent on the scheme. As it turned out, construction inflation between 2001 and 2006 was higher than predicted and added some £50 million to the cost. In addition, delaying the scheme to beyond 2013 takes it through the construction period for the Olympics, when inflation is expected to be even higher. In fact, inflation for the period adds about £45 million to the cost. I understand that if a major construction scheme takes place at the same time as construction on the Olympics, resources and materials will be available only at a premium.

The increases led us to look at other ways to reduce the cost of the major scheme. One would be to build the scheme in a number of phases, spreading the cost over a number of years. However, that would increase the costs by at least a further £30 million—13 per cent. of the total. It would also extend the period of construction, which would inevitably cause additional congestion during the construction phase. On balance, there is no doubt that it would be better to build the whole scheme under one contract.

In a world of finite resources, we must ensure that our transport investment is focused on the most important schemes. That is why in July 2005 we invited the south-west region to give us advice on transport priorities with an indicative funding allocation for major schemes in the south-west. The regional funding allocation, or RFA, process has, for the first time, given regions a say in making decisions about transport schemes that affect them. The RFA process is an opportunity for people in the region to work together to develop a realistic, prioritised and affordable transport investment programme to support the region's high-level objectives for jobs, the economy, housing and the environment. It is central to our thinking that the regions are better placed than the men and women of Whitehall to advise decision makers on how transport can help to make the regions even better places.

We backed the RFA process with massively increased investment funding. We have increased our annual spending on such schemes by 50 per cent. since 2001-02. For example, the Highways Agency has invested £16 million improving the Commonhead junction on the A419 in Swindon. The agency is also spending £65 million to provide a much-needed bypass for Blunsdon on the same route.

We intend to provide almost £865 million over the next 10 years for regionally significant transport schemes in the south-west. However, the hon. Gentleman and others have suggested that we are not making enough money available in the south-west.

I shall interrupt my flow at this point to reassure the hon. Gentleman and the hon. Member for Tewkesbury that I understand absolutely that when a constituency MP is dealing with the horrific aftermath and tragedy of people being killed on a local road it makes little difference, particularly to the families, for a Government Minister to talk about the record amounts of money being invested in road schemes elsewhere in that region. I am aware of the importance of providing safe roads in the region represented by the hon. Member for Cotswold and in other parts of the country. That does not detract from the fact that we are spending record amounts of money. I fully understand the hon. Gentleman's personal concerns about the accident record on that stretch of road, which are in no way obviated by the levels of investment.

Mr. Clifton-Brown: The Minister has alluded to the critical point in the debate. The regional priority system will not deliver the road because it is on the edge of three other regions. I have given the figures. It is very close to the edge: some 16 or 8 miles from the three other regions. The problem is that it benefits all four regions, but because of that fact the south-west region will not deliver it as a priority. Unless we get some national input from the Minister, the scheme will never be delivered. It is even more important to deliver it now that the two schemes to which he referred at Blunsdon and Commonhead have been delivered, as the whole road is now a dual carriageway except for the little bit in the middle—the 3.5 miles of single track. That makes it even more dangerous, because motorists get into the frame of mind of driving faster, having been on a dual carriageway section.

Mr. Harris: I will come on to the issue of whether a road is identified as a road of national or regional importance in a few moments. It is sometimes implied—I know that this is not what the hon. Gentleman is suggesting—that if a road scheme is on the edge of a region and is close to other regions, and therefore evades the attention of the regional transport board, that is reason enough for it to become a road of national importance. As I am sure he will accept, the fact that a road is on the edge of a region is not enough in itself to make it a road of national importance, however important the road is to one or more regions.

If the hon. Gentleman is suggesting that the Government should show leadership and give advice to regional transport boards on prioritisation, that is something that the Government can and will do. If he is suggesting that the Government should make available significantly more money than is already available through regional funding allocation, I will have to disappoint him. That was certainly the suggestion made when the prioritisation took place: some people claimed that there was no way that prioritisation could be given to the improvement of the Cowley to Brockworth section of the A417, given current spending commitments. I hear similar arguments from every region in relation to many other schemes, and that makes me think that we have been reasonably fair in dividing the pot among the regions.

[Mr. Tom Harris]

It could be argued that the regional pot should be bigger, but it would have to be made clear where the money would come from, whether from tax increases or from cutting investment somewhere else. Politicians in this place often go round in circles arguing about which scheme we should cut in order to promote another scheme. Unfortunately that is the truth of the argument, and the issue is not just one of party politics. When it comes to funding, there is a circle to be squared, and we have to be realistic. The Government do not have unlimited funds and sometimes tough choices have to be made. The RFA process helps us to make those choices in the best and most sensible way.

Following the RFA's advice, the south-west region assigned funding to a total of 31 schemes in the period up to 2016, including three schemes in Gloucestershire the Elmbridge integrated transport package, the Gloucester and Cheltenham park and ride and the Gloucester A40 improvements and widening. The region advised us that the Cowley to Brockworth improvement on the A417 may well prove to be a long-term priority, but will probably not come forward before 2016. I understand why the hon. Members for Cotswold and for Tewkesbury will be disappointed with the outcome, buf we nevertheless accepted the region's advice. We will ask regions later this year to consider their priorities and tell us whether they have changed. The Highways Agency has already made its report available to the region so that it can take into account the benefits and value for money offered by options, including the lower cost options.

Mr. Clifton-Brown: Let me try just one more time. This is not an issue of funding, but of process. If a scheme is on the edge of four regions, and will benefit all four, no one region will give it priority. The scheme will never be delivered unless the Minister, working on a national basis, advises the four regions that all of them want the scheme. There must be a system of second preferences, as it were, otherwise the south-west region will never regard the road as a priority.

Mr. Harris: The hon. Gentleman makes a perfectly valid point. However, I foresee a problem., If the south-west regional transport board does not see this particular road as a priority, what are the chances of other regions, through which this particular section of the A417 does not pass, giving a significant amount of their allocations to the upgrade of the road? If the south-west region will not prioritise it, I suggest to the hon. Gentleman, who knows the local political layout better than I, that it will be very difficult for the other three regions to which he has referred to put their hands in their pockets and surrender some of their own schemes for one that effectively lies outside their borders. However, I might be able to offer something positive to the hon. Gentleman in the one minute that I have left.

If the hon. Gentleman, as a supporter of the scheme, does not like the priorities already drawn up by the regional transport board, he has the opportunity in the next few months to try to convince it of the evidence that the improvement should be higher on the region's list of priorities and that other schemes that currently have higher priority should be lower on that list. If the region wishes to change its priorities and include the improvement scheme or any of the lower-cost options in the RFA programme, we will be delighted to accept that advice, subject to the scheme meeting the Department for Transport's value for money criteria.

The hon. Gentleman referred to the edge factor, mentioned by my predecessor, and made the point that the geographical position of the scheme may not have helped it within the RFA process. He is right; my predecessor did acknowledge the existence of the edge factor, which may have been an issue in some of the advice that we received from the regions. I do not consider that the edge factor is relevant in this case; if it had been, we would have expected other schemes in Gloucestershire not to have been prioritised. Clearly, that has not happened, as schemes in Gloucestershire have been prioritised.

The motion having been made after Ten o'clock, and the debate having continued for half an hour, MADAM DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at one minute past Eleven o'clock.

House of Commons

Tuesday 22 April 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

TRANSPORT

The Secretary of State was asked

Roads (Permitted Vehicles)

1. **Bill Wiggin** (Leominster) (Con): Whether she plans to permit longer heavier vehicles on some roads; and if she will make a statement. [199755]

The Secretary of State for Transport (Ruth Kelly): With permission, Mr. Speaker, I would like to take this opportunity to pay tribute to Gwyneth Dunwoody, who died last week. It is on occasions such as these that her absence will be sorely felt. Gwyneth had a passion for social justice, was incredibly knowledgeable about transport issues, as was clear from her chairmanship of the Transport Committee, and always made pertinent, if sometimes mischievous, contributions to debates. I am sure that the House will agree that Gwyneth was a truly outstanding parliamentarian and a great servant of the people. She will be sadly missed in all parts of this House.

In respect of Question 1, I am yet to receive the research report on this subject, but I have no plans to allow so-called super-lorries on UK roads.

Bill Wiggin: I served on the Transport Committee under Gwyneth Dunwoody, and I think that she would appreciate the Secretary of State's comments.

Rail freight groups estimate that every tonne of freight carried by rail saves about 80 per cent. of the carbon emissions that that freight would have generated if it had been transported by road. Why have the Government abandoned their target to increase rail freight by 80 per cent. by 2010?

Ruth Kelly: The hon. Gentleman completely misunderstands the facts of the case. In fact, last year, we invested £17 million in removing 1 million lorry journeys from UK roads. We are committed to building on that success and, in the past year, we announced the single biggest package of investment in rail freight infrastructure for decades—£150 million. Rail freight has already gone up by 50 per cent. We are committed to a review, leading to a Green Paper that examines the transport challenges for the UK economy. As part of that, we will perform a specific piece of work to review the contribution that freight can make to our economic success.

Mr. Stephen Hepburn (Jarrow) (Lab): Will the Minister explain to me where the fairness is in letting foreign hauliers use our roads free of charge when our hauliers go to the continent and have to pay £7 a day?

Ruth Kelly: My hon. Friend makes a valid point about whether there is fair, or indeed unfair, competition on British roads. I am completely committed to ensuring a level playing field for UK hauliers and foreign hauliers. It was absolutely right that we considered the so-called vignette scheme, which proposed a daily charge for non-British lorries that use UK roads, although even the haulage industry decided that that was probably too complex and costly to implement. However, I am stepping up significantly enforcement against hauliers on road safety grounds, and have just announced additional investment of £24 million to ensure that there are no infringements of road safety rules.

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): May I make a plea to the Secretary of State not to allow any longer heavier vehicles on the A14 through Cambridgeshire, which has one of the worst accident records in the country, with 52 fatalities in the past 10 years alone? The latest, only three weeks ago, in which a heavy lorry killed a young single mother, was highlighted in a campaign by *Cambridge News*. Will the Minister undertake to prioritise all the Cambridgeshire A14 improvements so that heavier lorries can make safe passage through Cambridgeshire from the east coast ports to the midlands and the north?

Ruth Kelly: The hon. Gentleman is absolutely right that safety should be a key consideration when deciding whether road improvement schemes should go ahead. That is one of the issues that we will consider in determining whether the A14 is a priority for additional investment. We are reviewing all our road schemes and intend shortly to make an announcement on which will be priorities.

Dr. Stephen Ladyman (South Thanet) (Lab): May I associate myself with my right hon. Friend's comments about Gwyneth Dunwoody? She was a tough cookie, but she was our tough cookie. She will be very much missed.

The hon. Member for North-East Cambridgeshire (Mr. Moss) does not seem to realise that it is Conservative party policy to allow longer heavier lorries on the roads of Great Britain. Will my right hon. Friend think very carefully before she allows that, because they will almost certainly be taken through our rural villages causing untold damage?

Ruth Kelly: My hon. Friend takes a huge interest in this subject, and I know that he has a track record of considering the case for longer heavier vehicles. He makes a pertinent point about the Conservatives' policy, and I have a huge amount of sympathy with his points. We should be concerned about congestion and road safety and, on environmental grounds, we should think about the most effective way of moving freight around this country. That is why I have said that I would need a huge amount of persuasion to allow so-called super-lorries on British roads.

Ms Winterton: The regional transport board has responsibility for prioritising the regional funding allocation and it decides the priority for allocations to roads such as that mentioned by the hon. Lady. In the proposals on the sub-national review, transport comes under the auspices of the regional development agencies, and the agencies and the regional assemblies are responding to those proposals and determining how they would like such strategic transport issues to work. The consultation on that closes in June, and the hon. Lady will no doubt wish to respond to it herself.

Mrs. Sharon Hodgson (Gateshead, East and Washington, West) (Lab): Does the Minister agree that it is important that local authorities retain a role in planning local transport services to ensure that buses cannot be removed or rerouted because they are deemed to be unprofitable, regardless of their value to local residents?

Ms Winterton: My hon. Friend is quite right. That was why the Government introduced local transport plans—for which, incidentally, funding has doubled since 2001—which made local authorities responsible for taking an integrated approach on local transport. The Local Transport Bill, which is now going through Parliament, will give local authorities more powers to introduce quality partnership schemes and quality contracts, which have been widely welcomed by local authorities in all parts of the country, and, incidentally, by all political parties. During our discussions on the Bill, I hope that we will be able to persuade Conservative Front Benchers at last to support these proposals.

Mr. Philip Hollobone (Kettering) (Con): Following the opening of the new railway line between Kettering and Corby later this year, there will be a danger that the bus service operating between the two towns will be lost. It provides an important service for local people, particularly to the local hospital. Will the Minister encourage, through her departmental guidance, the relevant local authorities to retain this important bus service when the rail link is established?

Ms Winterton: We ask local authorities, when framing their local transport plans, to look into how to integrate their transport services. The Local Transport Bill will give local authorities greater powers over bus services, so the hon. Gentleman might like to talk to his local authority and, perhaps, his Conservative councillors—about what plans they might like to bring in under the Bill and then perhaps persuade Front Benchers to support them.

Mr. David Clelland (Tyne Bridge) (Lab): May I pay my tribute to Gwyneth Dunwoody, who will be sadly missed by all who knew her and who worked for her?

Does the Minister agree that the best way to achieve successful local transport plans is to ensure that transport authorities continue to be made up of democratically elected and accountable local representatives?

Ms Winterton: I know that my hon. Friend will be feeling very deeply the departing of Mrs. Dunwoody? I know from my most recent appearance before the Transport Committee that he was with her when she was conducting its inquiry into blue badges.

On having elected people on passenger transport authorities and the future integrated transport authorities, it is true that we want to give local areas the right to co-opt other members—for example, representatives of passenger groups—on to those authorities, if it is felt that that would be helpful. However, we have said very firmly that the majority of voting members must be elected councillors. I hope that that reassures my hon. Friend.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I, too, would like to pay tribute to Gwyneth Dunwoody. Indeed, it seems very strange to be here at Transport questions without her watchful eye over proceedings.

Will the Minister tell us what guidance has been issued on light rail, with particular reference to light rail in Merseyside?

Ms Winterton: Recent guidance has been issued. I understand that it is available on the Department's website—setting out the Department's exact views on light rail schemes and how to take their construction forward.

Concessionary Bus Travel

5. **Mr. Desmond Swayne** (New Forest, West) (Con): What steps she is taking to promote concessionary bus travel across county boundaries. [194754]

The Minister of State, Department for Transport (Ms Rosie Winterton) *rose*—

Mr. Swayne: Chop, chop?

Ms Winterton: From 1 April—chop, chop—the Government implemented the new statutory minimum entitlement to concessionary travel so that up to 11 million older people and eligible disabled people could travel free at off-peak times on buses in any part of England, not just in the area where they live.

Mr. Swayne: Notwithstanding the millions of pounds that the Minister boasts of having distributed, is she aware of the disaster being visited on communities, particularly those on the western edges of counties, as county councils attempt to balance the interests of the council charge payer with the traveller and reduce the service in order to be able to afford concessionary fares? Does she realise that it is a fat lot of use having a free bus pass if there is no bus to travel on as a result? Does she know that although 11 million passes have been issued, there are hardly any buses that can process them?

Ms Winterton: The additional allocation in the hon. Gentleman's area for 2008-09 was £493,000, which represents a 48 per cent. increase—48 per cent.—over the spending in 2006-07. I would hope that the hon. Gentleman welcomes a scheme introduced by a Labour Government to help older people in this country and to save them considerable amounts. I hope that he will encourage people in his local area to take it up.

As for the hon. Gentleman's point about bus services, I urge him to ask local councillors what they feel about the Local Transport Bill. I shall be very surprised if they are not supporting our plans for quality partnership schemes and quality contracts.

Stephen Hammond (Wimbledon) (Con): They are not.

Ms Winterton: I agree. Certainly everyone I have met supports our proposals. If the hon. Member for New Forest, West (Mr. Swayne) has that conversation with local councillors, I suggest that he then discuss with Conservative Front Benchers whether they will support them as well.

Dr. Gavin Strang (Edinburgh, East) (Lab): As a former Transport Minister, I, too, pay tribute to Gwyneth Dunwoody. She was a great parliamentarian.

I congratulate my right hon. Friend and her colleagues on the introduction this month of the English national concessionary travel scheme. In Scotland, we have had such a scheme for some years, and it has given a tremendous boost to elderly people in particular. However, some elderly people living close to the English border with Wales and Scotland do not enjoy as much free travel as we should like. Is it possible that in due course concessionary travel can be extended throughout Great Britain?

Ms Winterton: It is refreshing to hear my right hon. Friend welcome and celebrate the proposals for older people, rather than adopting the mealy-mouthed approach of the Conservative party. As he might know, we have had some discussions about the issue of cross-border travel, and many services can already cross county borders. We want to ensure that the English scheme settles down before looking further, but although that has been a priority, it does not rule out further discussions in the future.

Mr. Andrew Turner (Isle of Wight) (Con): There is no help for buses trying to provide services to and from the Isle of Wight. What are the Government doing to improve the position?

Ms Winterton: What the Government are doing to improve bus services is introducing the Local Transport Bill, which gives local authorities more powers to improve services and work with operators in their areas. I am glad that the hon. Gentleman supports that direction of travel, as it were. I urge him, too, to talk to local Conservative councillors about their views, and then talk to his party's Front Benchers.

Jessica Morden (Newport, East) (Lab): I welcome the Minister's remarks about cross-border travel. What discussions are taking place with the Welsh Assembly Government to enable my constituents to travel freely on buses between Wales and England, and within what time scale will we see that benefit?

Ms Winterton: As I explained earlier, if buses are simply to cross the border, agreements can be made between the local authorities concerned. We wanted to ensure that the system in England was implemented from 1 April and that all the passes were issued before proceeding to further discussions. There are, of course, enormous financial implications for the extension of the scheme to Wales and Scotland, and I am sure that my hon. Friend will understand that we must take them very seriously.

David Simpson (Upper Bann) (DUP): May I add my voice to the tributes paid to Gwyneth Dunwoody? She was a great friend of my party and its leader, and a great friend to the people of Northern Ireland, where she was held in high esteem.

How does the Minister expect the concessionary travel schemes across the United Kingdom to interlock in the coming years, and what is her estimate of the increase in the number of people availing themselves of the schemes?

Ms Winterton: As I have explained, our first priority was to ensure that the English scheme was implemented and the cards sent out. The option remains for us to extend the scheme more widely, but we need to consider issues such as financial implications. The extension of the scheme has not been ruled out, but we must take those issues into account.

Mr. Andrew Love (Edmonton) (Lab/Co-op): Will my right hon. Friend congratulate London and its Mayor on the comprehensive bus pass and the very efficient bus service in the capital? There is currently a proposal before the capital to get rid of the modern single-decker buses that have been provided and to replace them with the old Routemaster. Has my right hon. Friend done a cost-benefit analysis of the use of the Routemaster, and is that bus appropriate in the 21st century for a capital city such as London?

Ms Winterton: My hon. Friend is right to congratulate the Mayor of London on the freedom pass; it has been immensely valuable to the residents of London. What they ought to be worried about to start with is the fact that the Conservative Front Bench has said that if— *[Interruption.]*

Mr. Speaker: Order. I must stop the Minister. We must not get on to the London elections.

Stephen Hammond (Wimbledon) (Con): Thank you, Mr. Speaker. Now we can hear the authentic voice of the Conservative Front Bench. National free bus travel was supposed to start on 1 April. Amidst all the contributions today, the Minister is forgetting that because of its botched introduction hundreds of thousands of pensioners were unable to travel as the smartcards and temporary passes the Government had promised them were not available. Why did the Government so badly botch the introduction of national concessionary travel, and how many hundreds of thousands of pensioners were prevented from travelling—and how many are still prevented from travelling?

Ms Winterton: Once again the Conservative Front Bench is attacking local authorities who actually have done quite a lot of— *[Interruption.]* Obviously, the hon. Gentleman does not understand how passes are distributed. That was done by local authorities. The Government purchased 4 million temporary passes in case local authorities got into difficulties, because distributing more than 11 million passes over the course of a year was a huge undertaking. The authorities should be congratulated on the work that they did, instead of once again being beaten over the head, which is what the Opposition Front Bench wants to do. About 99 per cent. of passes have been distributed. Some people who applied later—they might not have been aware of the

introduction of the free pass have experienced a delay. However, the Department for Transport bought 4 million temporary passes, which can be used with people's existing passes up until September of this year. I congratulate the local authorities and others who worked very hard to get these passes distributed, and the Conservative Front Bench should join me in that.

Road Congestion

7. **Mr. Robert Flello** (Stoke-on-Trent, South) (Lab): What steps she is taking to encourage local authorities to tackle road congestion. [199761]

The Secretary of State for Transport (Ruth Kelly): We have given local authorities new powers and resources to tackle congestion. Additional resources are available through the transport innovation fund and the congestion performance fund.

Mr. Flello: Will my right hon. Friend ensure that her Department urgently holds talks with Stoke-on-Trent city council about the damaging impacts on road congestion and the worrying increased risks to pedestrians and other road users if the city council's misguided and misinformed decision to close Trentham high school and Longton high school goes ahead?

Ruth Kelly: I am afraid that I am not familiar with the school closures proposed in my hon. Friend's constituency, although I know he has been a great champion for his constituents. Local councils should think seriously about congestion across their boroughs and make sensible local decisions that support tackling that. I would be happy to look into the case my hon. Friend raises, and to meet him to talk about it.

Sir Nicholas Winterton (Macclesfield) (Con): May I, as a Cheshire MP, pay my tribute to Gwyneth Dunwoody? She was a robustly independent socialist, and she did great credit to this House over many years.

Macclesfield in east Cheshire looks to Stoke-on-Trent, part of which is represented by the hon. Member for Stoke-on-Trent, South (Mr. Flello), with great envy. Huge sums of money—multi-millions of pounds—have been spent on the A50 and the A500. Will the Secretary of State ensure that there is a fairer distribution of funds to other areas that need the sort of road improvement that has taken place in Stoke-on-Trent? Macclesfield deserves a better deal.

Ruth Kelly: I certainly believe in devolution; all my political life I have argued that local authorities and regions should have more funds at their disposal and more authority about how they use those resources. I am sure that the hon. Gentleman will be pleased to learn that we have introduced the regional funding allocation, which gives local regions the power to determine what their own priorities are. I suggest that he makes the case to them that they should be spending the money in Macclesfield.

Sir Nicholas Winterton: I have.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): Does the Secretary of State agree that this approach should involve more park and ride schemes? If she does, does she also agree about the importance of discussion and agreement between her Department and the Department for Communities and Local Government, which often makes decisions on planning applications, to ensure that park and ride schemes, particularly those that can make a major contribution to reducing congestion, such as schemes on the A449 in my constituency, go ahead with all the normal safeguards as quickly as possible?

Ruth Kelly: I agree with the point that my hon. Friend is making. Park and ride schemes can make a tremendous contribution to tackling congestion. In fact, local authorities should be free to determine how they tackle congestion in their local areas, and how they get people out of their cars and on to buses. I know that the local authorities are welcoming the powers that we are giving them to have more say over how buses are regulated. I hope that the hon. Member for Chipping Barnet (Mrs. Villiers) will take that into account when she explains to local authorities up and down the country why the Conservatives voted against the Local Transport Bill just last month.

Mr. Julian Brazier (Canterbury) (Con): The highly successful and expanding port of Dover is putting 100 miles of lorries a day on to Kent's road network. What steps is the Secretary of State taking to discuss with Kent county council measures to tackle the problems of Operation Stack and its knock-on effect on the wider road system?

Ruth Kelly: I know that the Under-Secretary of State for Transport, my hon. Friend the Member for Glasgow, South (Mr. Harris), who deals with these issues, is having lots of discussions, including some with Kent county council, about how to take container lorries off British roads and encourage freight on to the rail network. It is right that we examine these matters on a scheme-by-scheme basis across the country, and that we consider how we can move freight around in the most efficient way possible and how we can do that with the minimum impact on the environment. That is why last year we invested the single biggest sum for a generation—£150 million—in encouraging rail freight infrastructure and why, in the rail White Paper, we committed ourselves to investing another £200 million in the strategic freight network. Those investments will provide real benefits to the freight industry, and I hope that they will keep the lid on road container traffic and encourage more vehicles off the roads and on to rail.

Speed Cameras/Vehicle-activated Signs

8. **Angela Watkinson** (Upminster) (Con): What assessment she has made of the comparative cost-effectiveness, in terms of improving road safety, of speed cameras and vehicle-activated signs. [199762]

The Parliamentary Under-Secretary of State for Transport (Jim Fitzpatrick): No comparative assessment has been made. Safety cameras and vehicle-activated signs are used to tackle different road safety problems. Safety cameras are effective in tackling excessive speed—speeds over the posted speed limit. Vehicle-activated signs are generally used to tackle inappropriate speed, and have proven particularly effective when used to warn drivers of approaching hazards on rural roads.

Angela Watkinson: The cost of a speed camera, including installation, is about £50,000, whereas the cost of a vehicle-activated sign is only £1,000. The Department for Transport's own figures say that 2.2 accidents are estimated to be prevented by a speed camera in one year, whereas vehicle-activated signs are estimated to prevent 3.1 accidents. Does the Minister therefore agree that the Department's own figures show that not only are vehicle-activated signs more effective in improving road safety, but they are very much better value for money? Will he consider introducing a policy that vehicle-activated signs should be given preference over speed cameras wherever the location is appropriate?

Jim Fitzpatrick: The decision about which type of camera to deploy and where is very much a matter for local road safety partnerships, which receive £110 million extra a year to do that. I am not sure where the hon. Lady found her figures. The four-year independent evaluation report on the 4,100 speed camera sites published in 2005, recorded a 42 per cent. reduction in serious crashes a year, meaning 100 fewer deaths and 1,600 fewer seriously injured—as opposed to the two or three that she mentions. Our figures are at variance and I would be happy to discuss them with her, because I know that the objective for the whole House is to reduce the numbers needlessly killed or seriously injured on our roads.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): The Minister will know that nationally many road safety cameras are subject to vandalism, presumably by motorists who have been caught by them. Does the Minister agree that people who are found guilty of such crimes should be severely punished?

Jim Fitzpatrick: It is easy to answer that question by simply saying yes. Speed cameras are delivering road safety targets that we all want to see. Some 3,000-plus people die and nearly 30,000 are seriously injured every year on our roads. Speed cameras are demonstrably helping to reduce those figures, and anybody who is selfish enough to damage the cameras because they have been careless enough to have been caught breaking the rules should feel the full weight of the law.

Topical Questions

T1. [199779] **John Penrose** (Weston-super-Mare) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for Transport (Ruth Kelly): Free off-peak concessionary bus travel throughout England was introduced on 1 April, enabling 11 million older and disabled people in England to use buses anywhere across the country. I also announced that Passenger Focus would be the first national bus passenger champion, speaking up on behalf of millions of bus users.

Today I laid a written ministerial statement announcing a review of the framework of economic regulation of the UK airport system. The review will be advised by a panel of independent experts led by Professor Martin Cave.

John Penrose: Is the Secretary of State aware that the Highways Agency is refusing to increase the capacity of junction 21 of the M5 in my constituency until more local jobs have been created to reduce the number of people who commute into Bristol each day? The regional spatial strategy, which would have achieved exactly that, has just been amended by Government-appointed planners to allow even more houses to be built without the necessary local jobs. The result is deadlock and misery for my constituents, stuck in the resulting appalling jams. Will she therefore liaise urgently with her colleagues at the Department for Communities and Local Government to ensure that the Government's left hand knows what their right hand is doing?

Ruth Kelly: It is important not only that we have the housing that future generations will desperately need, but that we have the appropriate transport infrastructure to support that housing growth. In fact, my Department has been working closely with the Department for Communities and Local Government to support, for example, new growth points, where we have invested £4 billion to support new housing developments. Of course I am happy to look into the specific case that the hon. Gentleman cites, but he can rest assured that the Government work to provide both the appropriate housing and the appropriate infrastructure.

T2. [199780] **Mr. David Chaytor** (Bury, North) (Lab): The production of some forms of biofuels is causing increases in global food prices and does not represent the cheapest way to reduce greenhouse gas emissions. Can my right hon. Friend tell us when the Government intend to introduce the sustainability standards for biofuels? Does she accept that the use of recycled cooking oils to manufacture biodiesel is a 100 per cent. recyclable form of biofuel that is encouraging small businesses in different parts of the country? Will she ensure that that form of biofuel is supported in any future policy change?

Ruth Kelly: I know how concerned my hon. Friend is about these issues and he is right to point to the global impact of rising food prices. I am sure that he will appreciate that biofuels account for only some 2 per cent. of total food production and that other international factors are involved, such as recent droughts and an increasing demand for meat in preference to crops. Our system for supporting biofuel production in the UK must be sustainable. That is why we have introduced a world class sustainability reporting mechanism and the renewable transport fuels obligation at the cautious level of 2.5 per cent. It is why we are determined not to go beyond the level of 5 per cent. in 2010 without making sure that there are mandatory sustainability standards in place. My hon. Friend will know, too, that I have commissioned an independent study led by Professor Gallagher of the Renewable Fuels Agency to consider all the indirect effects of biofuel production.

Mrs. Theresa Villiers (Chipping Barnet) (Con): I start by joining the hundreds of people inside and outside the House who have paid tribute to Gwyneth Dunwoody. She was a great parliamentarian. We will not only miss her today; I am sure that the House will miss her for many years to come. She was hugely influential on all transport matters and her outspoken

Mr. John Leech (Manchester, Withington) (LD): What assessment has the Secretary of State made of the financial implications for road maintenance of allowing longer heavier lorries on to our roads?

Ruth Kelly: We have taken a long detailed look at the issues, not just in government, but through our work with the road haulage industry, to see whether it would be possible to introduce a scheme that would take account of the infrastructure and maintenance costs for British roads. The study concluded that it would not make sense to introduce such a scheme within the current framework of EU legislation; it would be too complex and costly to introduce, and the benefits would not exceed the costs.

There are alternative ways of ensuring that British hauliers do not suffer from unfair competition. I am determined to ensure that they do not, and the key to that is considering the impact on road safety. We need to ensure that there are no incentives for non-UK hauliers to break the rules. That is why enforcement is so important and it is why we have stepped up significantly the level of enforcement against hauliers who break the rules—indeed, we have doubled it in the past year.

Chris Bryant (Rhondda) (Lab): One of the problems with the larger lorries already allowed on British roads is that they use not only the slow lane on motorways or dual carriageways, but often overtake, sometimes sandwiching smaller cars. Will the Secretary of State consider rolling out throughout the whole UK the pilot that has been introduced in one part of the country so that, as in other European countries, lorries may drive only in the slow lane?

Ruth Kelly: My hon. Friend makes an absolutely excellent point. I am determined to ensure that rather than automatically jumping to the conclusion that extra capacity is needed on British roads, we think first and foremost about the best use of our existing network. That might mean bringing the hard shoulder into use, and if we decide to do so, we should think about how that extra space is used. One possibility is that we reserve it for car-share lanes, but we could also think about whether crawler lanes might be appropriate for longer heavier vehicles. We will review, motorway by motorway, the use of extra capacity to ensure that it is used to best effect.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): On 19 November, the Under-Secretary of State for Transport, the hon. Member for Poplar and Canning Town (Jim Fitzpatrick), told me that this already overdue report would be published in three months. It is now six months later, and people are starting to wonder whether someone is sitting on it. The Conservative party has not come to a view on longer heavier vehicles, but the evidence in the report might help us to do so. Will the Secretary of State at least publish the evidence, even if she cannot reach her own conclusions?

Ruth Kelly: I have already made it clear that this is a complex issue. The report should be published in a matter of months, if not weeks, but it certainly should be published before the summer recess, when everyone in the House will have the opportunity to determine their view on longer heavier vehicles. I have already said that I would need a huge amount of persuasion that super-lorries are the answer to congestion on our roads, but I look forward to hearing any policy pronouncement of any kind from the Conservatives on congestion.

Rail Services (Edinburgh to North-West England)

2. **Mark Lazarowicz** (Edinburgh, North and Leith) (Lab/Co-op): If she will take steps to encourage the train operating company to improve the journey times and frequency of rail services from Edinburgh to north-west England. [190756]

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): Journey times will be accelerated on most trains between Edinburgh and Manchester, Warrington and Preston from the start of the December 2008 timetable. From the same date, the train operator for the Edinburgh to Manchester airport route intends to increase the number of services that it provides.

Mark Lazarowicz: It takes almost as long to go by train from Edinburgh to Manchester as it does to go from Edinburgh to London, even though the latter journey is twice the distance. Some welcome improvements have been made, but there is a real opportunity, even with existing rolling stock—and certainly with the new rolling stock that is coming in—substantially to improve journey times between Edinburgh and north-west England, which would benefit business and leisure passengers and help to shift air and road passengers on to the railways. I urge my hon. Friend to meet the rail companies to ensure that such improvement continues, with further improvements in the timetable next year.

Mr. Harris: My hon. Friend has a long track record of campaigning on these issues. He will know that I meet all the train operating companies regularly to discuss levels of service, including the journey times between particular stations. As I have already said, the journey times that concern my hon. Friend will improve from the end of this year. We are always in the market to achieve improvements to journey times, but there is a trade-off between the number of stations that any service can serve and end-to-end journey time. Once we have struck the correct balance, I am sure that services serving my hon. Friend's constituency will improve in the long and short term.

John Reid (Airdrie and Shotts) (Lab): May I associate myself with the tributes to Gwyneth Dunwoody? Those of us in the long line of former Transport Ministers who withered under her scrutiny will remember her fondly and miss her greatly.

I thank the Minister for the news of faster train journeys, but would he not agree that most passengers actually want a more regular pattern of service and trains that are punctual and reliable?

Mr. Harris: My right hon. Friend is absolutely correct. Under this Government, performance has improved by 10 per cent. over the past five years. We are committed also to improving rolling stock, with the introduction of 1,300 brand new carriages over the next five years. As he will be aware, today we have the youngest rolling stock of any European country.

M6 (New Junctions)

3. **Mr. Ben Wallace** (Lancaster and Wyre) (Con): What her policy is on the construction of new junctions on the M6. [199757]

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): The Government's policy on the construction of new junctions on the motorway network, including the M6, is set out in "Circular 2/07: Planning and the Strategic Road Network", which the Department published in March 2007. The policy states that there is a general presumption against additional access to motorways and other routes of strategic national importance.

Mr. Wallace: Because of the urban spread in my constituency around Preston and Blackpool, my local A roads are under tremendous traffic pressure. Lancashire county council's solutions for relieving that involve two options—a new junction on the M6 or a new one on the M55—so will the Minister consider reviewing that guidance?

Mr. Harris: Guidance is exactly that: guidance. Ministers have some discretion to go beyond that guidance when that seems necessary. For example, if it is necessary to create a new junction on a strategic road to accommodate a growth area or an attraction, that option is open to us. I would have expected the local authorities in the hon. Gentleman's constituency to work with the Highways Agency to come up with alternative solutions so that we did not need to create any extra junctions on any motorway. However, we analyse all situations case by case. If there is a case for creating an extra junction, I will be happy to consider it, but I would be reluctant to move from the stated policy as it is designed to ensure the free flow of traffic and maintain our high levels of road safety.

Andrew Miller (Ellesmere Port and Neston) (Lab): May I associate myself with the remarks about my fellow Cheshire Member, Gwyneth Dunwoody? She was a formidable lady, although, sadly, at the end of her life here I was in disagreement with her.

Will my hon. Friend the Minister think particularly about junctions at the northern end of the M6? However, before he gives that any priority, will he ensure that he cross-references his studies with his work on railways? I am convinced that significant gains could be made to the flow of freight by getting more freight on the railway on the southern side of the River Mersey. If we do that, there will be less need to change the structure of the M6.

Mr. Harris: My hon. Friend makes the particularly valid point that road and rail planning should go hand in hand. I want to get as much freight on to the railways as possible. We have to assume that roads will continue to carry the vast majority of freight in the long term. However, with that in mind, it is incumbent on local authorities and the Highways Agency to ensure that our infrastructure is fit for purpose.

Mark Pritchard (The Wrekin) (Con): The Minister will know that many of my constituents travelling south from Shropshire use either the M6 or the M6 toll road. Will he give my constituents an update on the extension of the M6 toll road connected to the M54 and, most importantly, give a commitment to them and me today that no toll will be introduced on the M54?

Mr. Harris: I can confirm that there are no plans to impose a toll on the M56.[1] I can also tell the hon. Gentleman that the plans to extend the toll road northwards are no longer going to be progressed. However, the whole policy on the strategic road network, and the question of how we make the most effective use of its capacity, are the subject of a study being undertaken by the Department. That study will consider not only road pricing, but active traffic management, which has been such a success on the M42.

Sir Patrick Cormack (South Staffordshire) (Con): Can the hon. Member for Stafford (Mr. Kidney) and I both now take it that the ridiculous idea of building a motorway parallel to the M6 through Staffordshire has been abandoned once and for all?

Mr. Harris: We have no plans at the moment to build parallel motorways to the M6 or any other motorways.

Local Transport Plans

4. **Mr. David Anderson** (Blaydon) (Lab): What guidance her Department has issued to local authorities on the development of local transport services through local transport plans. [199758]

The Minister of State, Department for Transport (Ms Rosie Winterton): The Department for Transport issued guidance to local authorities about local transport plans in December 2004. It also issued advice in 2007 about reviewing progress on delivery of transport plans.

Mr. Anderson: I thank the Minister for her response. May I say, on behalf of the people I represent, that they are very glad that, at long last, they are going to get back some local control over public transport services? Does my right hon. Friend agree that the Conservatives oppose these plans simply because they would still rather put private profit before public services?

Ms Winterton: My hon. Friend is quite right to express amazement at the fact that the Conservatives decided to vote against the Local Transport Bill on Second Reading. All Labour Members appreciate the need to improve our bus services, to increase the integration of public transport and to improve community transport. It is beyond belief that the Conservatives do not support those principles. I also believe that they are completely out of step with Conservative local councillors whom I meet around the country, who say that this is exactly

Mr. Speaker: Order. Perhaps we can have ministerial answers now. We can talk about ministerial responsibility.

Miss Anne McIntosh (Vale of York) (Con): May I join the Secretary of State in paying tribute to Gwyneth Dunwoody? A corner of this Chamber will be for ever Gwyneth's.

I invite the Minister to explain the role of regional development agencies in strategic transport planning, in particular for roads such as the A64 between York and Scarborough that have a strategic role but are inherently unsafe. Between us, we need to find the money to improve that road.

1. *[Official Report, 29 April 2008, Vol. 475, c. 4MC.]*

Road Traffic (Safety)

3.34 pm

James Brokenshire (Hornchurch) (Con): I beg to move,

That leave be given to bring in a Bill to make provision about the content of driving tests; to create offences relating to dangerous driving; and for connected purposes.

In introducing this Bill, I wish to make specific acknowledgment of the work of the children and young people's think tank "Kids Count", and of the "Drive to Survive" campaign. I also want to recognise the work of Inspector Toby Day of Leicestershire police and of the all-party parliamentary group on child and youth crime. I want to thank all of them for their assistance on the matters that I am bringing before the House this afternoon.

In 2006, the last year for which figures are available, 3,200 drivers, passengers and pedestrians lost their lives as a result of road accidents, but no figures, numbers and statistics can convey the underlying tragedy of each case—the loss of friends, family members and loved ones whose lives have been cut short, and the lifelong impact on those left behind. The headline figures mask some disturbing trends and patterns of behaviour. Although the total number of fatalities has decreased over the past five years, the number of fatalities among young drivers under 25 has gone up from 537 to 606—an increase of 13 per cent. The number of young drivers under the age of 25 convicted of driving while intoxicated due to drink or drugs also increased in that period.

There is also the serious issue of deaths arising from high-speed chases. In 2006-07, some 155 people were killed or seriously injured as a result of road traffic collisions on public roads during emergency responses and police pursuits. Some of the recent headlines say it all. A police officer was injured after his patrol car collided with a stolen caravan during a chase on the M6, a woman was killed and four people taken to hospital when a car collided with a Mercedes that was fleeing police in east London, and friends of a teenager who died in a car that crashed after it was involved in a police pursuit have been paying tribute to him ahead of his funeral. At the end of last year the Independent Police Complaints Commission published its two-year review of road traffic incidents involving police vehicles that resulted in a fatality or serious injury. It made 29 recommendations about how police practice could and should be changed.

More should be done to reduce the number of deaths and injuries arising from accidents involving young drivers and pursuits. That will partly involve prevention through demonstrating, and bringing home very clearly, the reality of being involved in a serious car accident. I was moved by a recent presentation organised by Drive Survive, a multi-agency partnership based in Cheshire. Partners involved in the project and the presentations that Drive Survive offer include the police, the fire brigade, the Highways Agency, the ambulance service and hospital accident and emergency services. By dramatically highlighting the consequences of inappropriate driving and vehicle control, Drive Survive seeks to educate young people aged between 16 and 25 of the risks involved in driving dangerously or recklessly, and to prevent serious injury or worse.

Having sat through part of the presentation, I can confirm that the content is deliberately graphic and hard-hitting. It shows real-life images of accident scenes and direct testimony from those who do an amazing job in responding to emergency call-outs. Most importantly, it includes personal accounts from families affected by the loss of a relative in a car crash. The project has received very positive feedback from local colleges and other stakeholders, who testify to the impact that it has had. I believe that such education, understanding and recognition of the consequences of dangerous driving could have a wider impact and could start to change attitudes, altering the approach of young, normally male, drivers who think that it is impressive or the right thing to do to try to show off to their mates about the limits of what their cars can do, or indeed of what they can do behind the wheel of a car.

My Bill would amend the Road Traffic Act 1988 by including a specific reference in the driving test to the impact of being involved in an accident involving a motor vehicle, and in relation to the powers of the Secretary of State and local authorities to provide road safety information and training. I believe that that small change to the law would assist, encourage and facilitate a national programme to temper the behaviour of young drivers through hard-hitting education and training programmes focused on the reality of driving dangerously. By providing such a real-life context as part of the theory exam in the current driving test, it will make the test more relevant and emphasise other existing safety aspects of the theory requirements.

This approach is intended to build on the current Arrive Alive road safety programme conducted by the Driving Standards Agency, and to extend the concepts of what happens when an accident occurs—the types of injuries sustained, the likelihood of survival, and so on—so that they form an important part of the preparation for learning to drive.

The second part of my proposals addresses the legal sanctions available in circumstances where there is a pursuit. To date the focus has been on dealing with the effects of pursuits, instead of the cause. Pursuits are inherently dangerous and are difficult to manage and contain operationally. If drivers did not make off from the police, there would be no reason to pursue them.

The instant that drivers decide to accelerate away from police vehicles to avoid capture, for whatever reason, they make the decision to enter an extremely high-risk arena where a number of lives, including their own, are put at risk. Many of them have driven vehicles at horrendous speeds along public roads for up to an hour before they are stopped, and are prepared to take any steps to evade arrest, yet even when they are caught, most walk away with little or no punishment.

A number of pursuits occur when offenders choose to make an escape having committed relatively minor offences. Research has shown that the main reason why offenders flee in a vehicle is that they are not deterred by the low level of punishment that they perceive will result from their actions. Some reports indicate that the prospect of a custodial sentence would cause offenders to abandon their vehicle at an early stage and make off on foot. Although current sentencing guidelines for the offence of dangerous driving allow for evading arrest

to be taken into account, this approach is not acting as a deterrent, and in my judgment is not working well in practice.

My Bill would therefore create a new offence aimed at someone refusing to stop when requested by a police officer and then engaging in sustained and extreme dangerous driving. It would achieve this by creating an aggravated driving offence punishable by an unlimited fine, mandatory disqualification and up to three years' imprisonment. A key part of the new offence is that it would require intent; in other words, where someone is asked to stop, knowingly fails to do so and then drives dangerously, an offence would be committed.

This approach has the support of the Association of Chief Police Officers and the Police Federation. Too many lives continue to be lost on our roads. We need to cut the annual death toll. The measures that I have outlined are practical, proportionate and deliverable. They can play an important part in changing the mindset behind the wheel, and in so doing, reduce the number of individual tragedies that so many of us see in our constituency surgeries each week. I commend them to the House.

Question put and agreed to.

Bill ordered to be brought in by James Brokenshire, Mike Penning, Mr. John Leech, Mr. Stewart Jackson, Mr. Lee Scott and David T.C. Davies.

ROAD TRAFFIC (SAFETY)

James Brokenshire accordingly presented a Bill to make provision about the content of driving tests; to create offences relating to dangerous driving; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 20 June, and to be printed [Bill 98].

Orders of the Day

Pensions Bill

As amended in the Public Bill Committee, to be considered.

New Clause 17

CROWN EMPLOYMENT

'(1) This Part has effect in relation to employment by or under the Crown as it has effect in relation to other employment.

(2) For the purposes of the application of the provisions of this Part in accordance with subsection (1)—

(a) references to a worker are to be construed as references to a person employed by or under the Crown;

(b) references to a worker's contract are to be construed as references to the terms of employment of a person employed by or under the Crown.

(3) This section does not impose criminal liability on the Crown.

(4) But on the application of the Pensions Regulator the High Court or the Court of Session may declare unlawful a failure by the Crown to comply with any of the duties mentioned in section 40(1).'. *[Mr. Mike O'Brien.]*

Brought up, and read the First time.

3.44 pm

The Minister for Pensions Reform (Mr. Mike O'Brien): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to discuss the following:

Government new clause 18—*Armed forces.*

Government new clause 19—*Police.*

Government amendments Nos. 35 and 36.

Mr. O'Brien: It is a pleasure to join hon. Members to debate the Bill on Report. The Bill has been marked by a considerable degree of consensus not only among parties in the House, but among those outside the House, who have contributed enormously.

This group of new clauses and amendments relates to the application of the employer duties established by this Bill. Three groups require special provision—the Crown, the armed forces and the police. New clause 17 brings the Crown sovereign and executive within the scope of the employer duty. As a result, workers employed by the Crown will have the same opportunities as other workers to save for retirement under the reforms. Of course, I reassure the House that, in accordance with long-established principles of constitutional law, the Crown will not be exposed to criminal sanctions. Instead, this amended provision enables the regulator to apply to the High Court or to the Court of Session for a failure by the Crown to comply with duties set out in clause 40(1) to be declared unlawful. That follows the approach adopted for most modern employment legislation.

As trailed in Committee, new clause 18 excludes the armed forces and the reserve forces from the reforms set out in the Bill. It also excludes cadet force adult volunteers from the scope of the reforms. Members of the armed forces have a special position in law. They are subject to service law rather than general employment law, except

[Mr. Mike O'Brien]

in specific circumstances relating to discrimination in relation to race and sex, but not to age or disability. For that reason, and in view of the 100 per cent. take-up of pension saving by the regular forces, the Government consider it appropriate to exclude the armed forces from the reforms. Members of the regular armed forces are automatically enrolled in non-contributory pension schemes, and the Ministry of Defence has no record of anyone opting out: there isn't a problem; so let's not mess with it. Of course, references to the armed forces in pensionable service include not only regular forces, but those undertaking certain forms of service while mobilised or undertaking full-time reserve service.

Mr. Nigel Waterson (Eastbourne) (Con): Will the Minister confirm that the existing system for members of the armed forces would deliver a pension at least as generous as that envisaged under the personal accounts system?

Mr. O'Brien: Obviously, how much someone gets depends on the length of time for which they contribute and the pot that they build up, so there is not a straight answer to that question. I will ask my officials to consider the balance, because many soldiers will serve for less time than many employees will have to build up a pension pot in regular, non-military employment. I will examine the figures carefully and write to the hon. Gentleman, who has asked a reasonable question.

Reservists may accrue benefit under the reserve forces pension scheme, if they enter full-time reserve service. That is also one of the options available to mobilised reservists. Another option is remaining with their existing pension scheme—their employer scheme—in which case the Ministry of Defence would pay the employer contribution. Separately, cadet force adult volunteers offer their time without receiving a wage or pension contributions. Although they may receive occasional remuneration for training, this clause makes it clear there will be no access to pension saving.

Finally, new clause 19 brings members of the constabulary and police cadet forces of Great Britain within the scope of the reforms. It is necessary, because some police officers are "office holders" and do not therefore routinely fall within the definition of "employee" or "worker". Accordingly, those members who are not employed under an employment or worker's contract are included by being treated as workers. We include constables and trainees appointed by the chief officer of police as "police cadets". Police officers in a Home Office or Scottish force become members of the police pension scheme. The great majority are members of the 1987 scheme, but since April 2006 entrants have become members of the new police pension scheme 2006. Both schemes are defined-benefit pension schemes.

The officers' contribution rate for each scheme is relatively high. Although we think that it provides good value for money, it can and does cause a very small number of officers to opt out, particularly during early years of service when earnings are lower. The new clause will ensure that any officer who opts out of the police pension scheme will receive the same protection as others in employment—that the employer retains the duty to seek to re-enrol non-participating officers at key intervals during their work with the police, to nudge job holders into reconsidering an earlier decision; I was about to say "employment" with the police, but of course the very point is that it is not employment.

Sir John Butterfill (Bournemouth, West) (Con): Will the hon. and learned Gentleman confirm that, as far as death-in-service benefits are concerned, there will not be change in any of those categories?

Mr. O'Brien: There is no plan for any change. I hesitate only for this reason: I have been in discussions with the Home Office about a particular change that will result in payments being made to the parents of police officers who die in service. I have had a particular case in my constituency, so I hesitate slightly on the issue. However, there is no intention that the rules and regulations that I have been discussing should change that provision. If it was changed, that would happen through police regulations, not as part of anything in the Bill.

John Penrose (Weston-super-Mare) (Con) *rose*

Sir John Butterfill *rose*

Mr. O'Brien: May I ask the hon. Member for Weston-super-Mare (John Penrose) to pause a moment? The hon. Member for Bournemouth, West (Sir John Butterfill) wants to come back on my point, and I am happy for him to do so.

Sir John Butterfill: I was thinking of each of the categories, including service personnel. Will there be no change?

Mr. O'Brien: There will not be change as part of these provisions in the Bill. Such issues would be dealt with separately by specific regulations or legislation relating to the armed forces or the police.

John Penrose: I have a question on a separate issue, although it is related to the points that the hon. and learned Gentleman has just made. He is describing particular sections of the public sector work force that will be excluded from the Bill's provisions. Yet further on in the Bill, as the Minister will obviously know, a procedure is laid out for occupational schemes to exempt themselves from applying personal accounts because they already have in place occupational schemes of satisfactory quality. Why have the Government decided to take a different route for these public sector employees by making them specifically exempt in the Bill, rather than just allowing them to follow that exemption procedure, as private sector firms will be required to do?

Mr. O'Brien: I would give a comprehensive answer to the hon. Gentleman, but that would take an awfully long time. I am afraid that there have been lengthy negotiations with the armed forces, for example, about whether they wanted to be included or not. The Ministry of Defence has had various discussions with us at different stages. Our original view was that it would be better for the armed forces to be in, but now we have taken the view that they want to be out. In respect of the long-term impact, I should say that all the armed forces sign up to the pension scheme anyway. That

scheme works very well and we do not want to mess with it. If the MOD wants this exemption, I am happy to go along with that. Broadly, I try to deal with the issues raised in relation to the Bill by looking at them on their merits. Over a period, we have seen that the views of some of the stakeholders have changed. That is the case with the armed forces, and I am happy with the position that we have now got to.

With the police, there was the issue about the definition and whether they were workers or not, and we have taken the view reflected in the new clause.

John Penrose: I thank the Minister for that reply. I suppose that the underlying concern behind my question is that many private sector firms are worried that the process for opting out is over-complicated, and some would like it to be simplified. I completely applaud the Minister's reasons for why one would want to exempt the groups that he has just described. However, if an exemption is given to public sector firms through a different mechanism, the private sector people concerned about that extra complexity will be worried that they are not being treated fairly, and that there is not a level playing field.

Mr. O'Brien: Early in the consideration of the Bill I picked up some concerns from employers about the complexity of the provision to exempt them from having to enrol in this form of personal accounts. We kept it very simple. Essentially, they must have a provision that matches personal accounts and makes a minimum 3 per cent. employer contribution, with a 4 per cent. contribution from the employee. The exemption is very straightforward, and they should be able to identify whether they may be exempt. Certainly, the pension providers who provide the pension to employers should be able to say immediately whether their scheme is exempt. It will not apply to some schemes because the contribution levels are too low, and we have been clear that we want to increase those contribution levels where that is the case.

By and large, I have not picked up any recent concerns. The CBI, the Federation of Small Businesses and others have been broadly supportive of the way in which we have undertaken this. The hon. Member for Weston-super-Mare seems to be flashing some document at me. If it is from an organisation, I have met most of the organisations concerned and we have had broad support for the Bill as a whole, although there are specific concerns. We have tried to keep the issue of exemption as simple and straightforward as possible. We are conscious that the Bill will apply to small-scale employers such as the chippie down the road or the hairdresser round the corner, who may employ just a couple of people, and we wanted to ensure that the provisions were not so complex that they would have to do an awful lot of reading or examination of the issues. Concerns have been expressed to me about one problem that we will no doubt come to later on—how earnings are calculated. That can get quite complicated, but we are looking into technology to try to deal with that for some of the smaller-scale employers.

These specific exemptions are included in the Bill primarily because they deal with public sector employees who have their own particular provisions. On that basis, they are justified and I hope that the House will support them.

Mike Penning (Hemel Hempstead) (Con): May I take the Minister back a few moments, to when we were discussing the armed forces? I fully appreciate that most members of the armed forces would not wish to opt out, least of all those who serve 22 years-plus. However, there is a group of people who leave the armed forces early and wish to transfer their rights into another scheme. For instance, when I left the armed forces—the Grenadier Guards—I transferred my rights into the fire service. I appreciate that the Minister may not be able to answer me now, but this is a very important issue for those of our armed forces who are not going to serve for 22 years but have a pension provision to take with them. Will any parts of the Bill affect their right to transfer into other schemes?

Mr. O'Brien: To some extent, but it would not affect the sort of situation that the hon. Gentleman identifies with people transferring from the armed forces into the fire service. Because there are restrictions on the amount that can be transferred into personal accounts, the person concerned would not be able simply to transfer in a certain amount. One of the approaches that we have taken is to say that there is no transfer in and no transfer out of personal accounts, so amounts are not transferred in in that way. Many employers who currently have pension schemes will continue with those schemes. The personal accounts scheme is there as a default scheme for employers who do not have an adequate occupational pension scheme. Our intention is that employers who already have good-quality occupational pension schemes should continue with those schemes.

Mike Penning *rose—*

Mr. O'Brien: I will give way, although I am anxious to make some progress.

Mike Penning: The point that I was trying to make is that there are tiny amounts frozen within the armed forces schemes, which are useless in the long term as regards when people will get their pensions, but would be useful if they could be transferred into the personal accounts scheme.

Mr. O'Brien: I have a considerable degree of sympathy with that point. As part of the process of developing a consensus, we arrived at the "no transfers in and no transfers out" rule. However, I have repeatedly been told that some employees, including members of the armed forces, have quite small pension pots and that leaving them there is a hassle, so getting them into personal accounts or another scheme would be a better way.

However, some of the providers of pensions, and particularly insurance-based products, have concerns about the provisions that allow transfers in, even of small pension pots. We have said that at the start, transfers will not be allowed into personal accounts. However, we will review the situation in 2015, with a view to ensuring that we look at the matter again. My personal view, which is not reflected in the Bill because it is not part of the consensus, and we have reached an agreement, is that it should be possible to transfer in small pension pots, because it will just be a hassle if that cannot happen. There is no such provision in this Bill, but there will be a review in due course, and at that point, I hope that the practice will be allowed.

4 pm

Mr. John Redwood (Wokingham) (Con): If the Crown were found by a court to have behaved unlawfully under new clause 17, what redress and disciplinary action could and should follow from such a finding?

Mr. O'Brien: The court would then have to determine what it was able to do, under the provisions relating to various immunities and so on, and what redress there would be. That would be a matter for the court to determine. Obviously, such redresses are limited.

I commend the new clause to the House.

Mr. Waterson: I begin by echoing the Minister's opening remarks. I thank all members of the Committee—some of whom have retained their enthusiasm for the Bill, while others clearly have not—the officials, Clerks and everyone else involved. I pay particular tribute to my hon. Friend the Member for South-West Bedfordshire (Andrew Selous), who sadly cannot be with us today because of ill health. He made a signal contribution in Committee, and as a former officer in the Territorial Army, he did so in particular on the provisions concerning the armed forces and reservists.

New clause 17 seems fairly clear to me; I suppose it might be called the "Backstairs Billy" new clause, dealing with those employed directly by the Queen or members of the royal family. Sadly, Backstairs Billy is no longer with us, so he will not be able to benefit from the provision. It is right that the Crown's direct employees are swept into this provision. My right hon. Friend the Member for Wokingham (Mr. Redwood) made a point about enforcement a moment ago; as I understand it, the best that the Pensions Regulator can do is apply to the courts for a declaration that the Crown has failed to comply with any of the duties set out in clause 40(1), which concerns the enrolling of employees into the system of personal accounts. There is no criminal liability at all. I believe that the matter is based on legislation concerning the working time directive. I guess that we will just have to rely on the sovereign doing the decent thing when such a declaration is made.

The important issue of reservists was raised in Committee by my hon. Friend the Member for South-West Bedfordshire, who felt quite strongly that the distinction between regulars and Territorials has been eroded in recent years. Many Territorials spend a great deal of time on active service in Iraq, Afghanistan or wherever, and therefore they should not be treated any differently from regular members of the armed forces. It was helpful to hear both what the Minister said and what he set out in the letter he wrote to the Committee in February, in which he made clear that reservists can accrue their own benefits under the reserve forces pension scheme.

The Territorial Army, in particular, is a component part of the reserve forces and there is pension provision for reservists who are mobilised or who enter into commitments that require regular attendance under the Reserve Forces Act 1996. However, I remain keen to hear from the Minister about the level of contribution, as well as about the level of likely pension benefit for regular members of the armed forces who have what I assume is, in all essentials, a non-contributory defined-benefit scheme. It is important to see not only what the likely benefits will be over a given period, but what contribution the taxpayer will make.

I am sure that the Minister would agree that, broadly speaking, the benefits obtainable under that scheme should be at least as good as those that would be available under personal accounts, albeit without the contribution from the employee, in this case a member of the armed forces. I suspect that if there is any inadequacy in that comparison our colleagues in the Lords will wish to come back to the issue at some stage. Broadly speaking, however, we have no difficulty at all with the new clauses or the amendments in the group and would be happy to see them in the Bill.

Mike Penning: I should like to delay the House briefly to comment on what the Minister said. I understand that he has reached a consensus on people opting in or out of the provisions in the Bill and that he feels it difficult to move from that until 2015. However, the armed forces are an exceptional group of people, the vast majority of whom do not serve their full 22 years—or these days up to 30 years. When welcoming members of the armed forces from my constituency back from Afghanistan, I met someone who has just agreed to do another five years after serving for 22 years and who even hopes to do another five after that, making 32 years' service in the armed forces. However, that is quite rare. The vast majority of men and women in our armed forces serve for between three and five years. The amount of money in the pension pots that they accrue is minuscule. The administrative costs on the state—in this case on the MOD—of running those schemes from within, rather than their being opted out of, into another Government scheme that could be administered separately, are huge as a proportion of the benefits of the scheme.

I would like the Minister to look into the issue again and to reconsider that exceptional group of people earlier than 2015, to see whether he could reach a consensus among the members of the other groups with which he has been dealing. I am sure that they would understand that our armed forces are particularly affected. There could be groups of people who have served for short periods in the armed forces—perhaps they served only in training, but were injured through no fault of their own and had to leave the armed forces. It seems ludicrous that there should be a tiny pot that will sit until they are 60 years old, but which could be brought into such schemes quite easily.

Mr. Mike O'Brien: First, to respond to the point that the hon. Member for Eastbourne (Mr. Waterson) made, the level of contribution will vary according to the rank and, I would imagine, the length of service of the various individuals.

Mike Penning *indicated assent.*

Mr. O'Brien: I am getting nods from those who have served in the armed forces and are better informed. However, I will write to the hon. Member for Eastbourne on levels of contribution.

The hon. Member for Hemel Hempstead (Mike Penning) made his point well and I have sympathy for him. That point came up during our evidence sessions in Committee

and we heard various views on it. The concern among some stakeholders is that there will be a transfer into personal accounts of a significant number of pension schemes, which some of those running such schemes are concerned might lead to what is called a levelling down of the quality of provision. To avoid that, we have said that that should not happen at the start. That provision will run on, and we will look into it when we hold the review.

The process will start in 2012 and the review will happen not long afterwards. In any event, there will be a three-year running-in phase. Reaching the compromise involves precisely the problem that the hon. Gentleman has identified; I do not dispute anything that he has said. Some people will end up with very small pension pots not being transferred in, although it would be better to do so. However, this is part of getting broad consensus and support and, although it is not what we might otherwise have wanted, it is a price worth paying to get everyone to sign up to agreeing that this is the right way to proceed. I understand the hon. Gentleman's point. Indeed, it was discussed in Committee. Having said that I sympathise with him even though I cannot deliver exactly what he wants, I hope that he will none the less offer his support to the new clause.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 18

ARMED FORCES

'(1) A person serving as a member of the naval, military or air forces of the Crown is not, by virtue of that service, a worker for the purposes of this Part.

(2) A member of any of the forces specified in subsection (3) who assists the activities of any of those forces is not, by virtue of anything done in assisting those activities, a worker for the purposes of this Part.

(3) The forces are

(a) the Combined Cadet Force;

(b) the Sea Cadet Corps;

(c) the Army Cadet Force;

(d) the Air Training Corps.' *[Mr. Mike O'Brien]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 19

POLICE

'(1) This Part has effect in relation to a person who

(a) holds the office of constable or an appointment as a police cadet, and

(b) does not hold that office or appointment under a contract of employment, as if the person were employed by the relevant police authority under a worker's contract.

(2) A police authority that maintains a police force is the relevant police authority

(a) in relation to a constable, if the constable is a member of that police force;

(b) in relation to a police cadet, if the cadet is undergoing training with a view to becoming a member of that police force.' *[Mr. Mike O'Brien]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 1

START DATE OF PERSONAL ACCOUNTS

'The pension scheme established by the Secretary of State under section 58 of this Act shall commence operation with effect from 1st April 2012.' *[Mr. Waterson.]*

Brought up, and read the First time.

Mr. Waterson: I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to discuss the following:

New clause 3—*Costs incurred by Pensions Regulator*-

'The set-up costs incurred by the Pensions Regulator in carrying out its duties under Chapter 1 of this Act shall be funded from the Consolidated Fund.'.

New clause 4—*Costs incurred by Personal Accounts Delivery Authority*-

'The set-up costs incurred by the Personal Accounts Delivery Authority in carrying out its duties under section 58 of this Act shall be recouped through charges to members over a period of five years from 1st April 2012.'.

New clause 5—*Financial assistance to Personal Accounts Delivery Authority*-

'Any financial assistance given to the Personal Accounts Delivery Authority by the Secretary of State must include conditions about repayment and interest at commercial rates.'.

Amendment No. 15, in clause 66, page 33, line 7, leave out paragraph (b).

Amendment No. 16, page 33, line 9, leave out subsection (4).

Amendment No. 9, in clause 69, page 34, line 11, at end insert—

'(3A) The Authority must within 12 months of the passing of this Act, and at such other time as the Secretary of State directs, publish a report analysing the potential impact on the financial position of a scheme under section 50(1) of different rates of

(a) take-up of,

(b) persistency in, and

(c) contributions to

the scheme, and setting out appropriate options for managing the financial risks associated with different outcomes.

(3B) In preparing the report under subsection (3A) the Authority must have regard to such independent actuarial advice as it considers appropriate.'.

Amendment No. 13, in clause 70, page 34, line 31, at end insert—

'and initially based on an annual management charge of no more than 0.3 per cent. per annum.'.

Amendment No. 27, in clause 72, page 35, line 13, leave out 'grants'.

Amendment No. 28, page 35, line 15, leave out from '(which' to end of line 16 and insert—

'shall include conditions about repayment and interest at commercial rates.'.

Amendment No. 14, page 35, line 16, at end insert—

'(3) For the avoidance of doubt, all the costs incurred by the Authority in establishing the pension scheme under section 58 of the Pensions Act 2008 (c.) shall be recouped through charges to members over a period of five years from 2012.'.

Amendment No. 10, in schedule 1, page 62, line 11, leave out 'grants'.

[Mr. Speaker]

Amendment No. 11, page 62, line 12, leave out from 'which' to end of line 13 and insert

'shall include conditions about repayment and interest at commercial rates.'.

Amendment No. 12, page 62, line 14, leave out from 'may' and insert 'is required to make'.

Mr. Waterson: It is a great pleasure to commend to the House new clause 1 and the associated new clauses and amendments in this group. This group falls neatly into two distinct categories, and it is important for hon. Members to understand that there are two major issues involved. One is the commencement of the personal accounts system. The second is what was referred to in Committee as the level playing field issue, namely the extent to which personal accounts will or will not compete on equal terms with existing alternative pension provisions.

For once, I can say with hand on heart that there is no shadow of a doubt about the Government's policy. It is that the new system should commence in 2012. Of course, even that is a couple of years late, because the Turner commission originally foreshadowed personal accounts as a new system to be set up in 2010. None the less, the Government have made it abundantly clear, as did the Minister in Committee, that 2012 was to be the start date, and that continues to be the Government's firm intention.

We might therefore wonder why a similarly worded amendment in Committee did not find favour with Ministers. New clause 1 is pretty simple in its drafting, and all that it seeks to do is to ensure that personal accounts established

"under section 58 of this Act shall commence operation with effect from 1st April 2012."

If it is to be that year, that seems to be the logical date to start. If we investigate a little more closely, however, we find that there is some doubt as to whether that date will be the due date.

We had a lengthy debate in Committee, following the interview given by the chief executive of the Personal Accounts Delivery Authority, Mr. Tim Jones, with Mr. Paul Lewis of "Money Box" in December. In that interview, Mr. Jones hinted for the first time at the possibility that personal accounts would not be ready in time. Paul Lewis asked him the rather direct question:

"This scheme is scheduled to start in April 2012, just over four years away. Is that a realistic target?"

Mr. Jones said:

"The honest answer is I do not know yet."

When put to him later that it might be another date in the future, he said:

"There is that possibility, yeah, and that's the purpose of bringing somebody like me from the private sector in to look at what is a realistic balance of the desire to get started as quickly as reasonably possible with the need to manage risks to make sure this starts with quality when it starts."

4.15 pm

On the Opposition side of the House, not least because Conservative Members have some slight ambitions that we might be in the driving seat in 2012, we accept, of course, that a bungled launch of personal accounts would not be ideal, but the prospect of the start date being postponed is almost as difficult to contemplate. The Secretary of State, who is sadly no longer in his place, made a rather good speech a while ago about the sort of planning blight that affects people's saving for their retirement; they may have read that something is going to happen in 2012, which might be taken as a reason for not doing something now. On any view, a gap of several years, which can never be redeemed, for some people who could and should be saving for their retirement, is unfortunate.

One particularly interesting thing that emerged from Committee debates was that a review was going on, as Mr. Jones accepted in the Radio 4 interview. Having been brought into the new job, he was carrying out a review, as we would expect, of how practical all this would be. There was some to-ing and fro-ing between the Minister and myself about whether Mr. Jones would produce a report at the end of the process. We know that PADA currently employs some 100 different consultants, presumably trying to get the right answers to these questions, but there seemed to be some doubt—at least in the Minister's mind—as to whether, by the end of these deliberations, Mr. Jones would actually produce a report on how likely it was that personal accounts would be up and running in 2012.

I say in passing that it was my first experience of a Public Bill Committee taking oral evidence, and I thought that it was an extremely helpful procedure—certainly in respect of this Bill. That view was held generally by members of the Committee of all political parties. When I asked Mr. Jones in the Public Bill Committee

"Will this new scheme be up and running in 2012, or is there a plan B?"

he replied:

"The policy intention"

which I assume is a polite way of expressing a distance between himself and Ministers,

"is that the personal accounts scheme will launch in 2012, and it is my job, and the delivery authority's job, to meet that intention. We have no evidence at this stage that that is unachievable." *[Official Report, Pensions Public Bill Committee*, 15 January 2008; c. 7, Q11.]

That is hardly the most ringing endorsement of how likely it is to be ready. We ended up having a Division in Committee simply because the Minister was unwilling to bring himself to agree to let us have a copy of any report that he received from Mr. Jones on the matter.

Having reflected on the issue since, I still take the view that it is inconceivable that Mr. Jones, in view of his meticulous nature and experience in these matters, will not produce a pretty hefty report for somebody—presumably his chairman and/or Ministers—at the end of the review process. We are simply saying, as part of the general air of amity and consensus that has been evident throughout most of the Bill's passage so far, that we should be privy to those conclusions. We all have a problem if there are real, practical difficulties—with IT or other systems or for any other reason—in delivering the project on time. None of us should underestimate the significance or the size of the challenge facing Mr. Jones and his team. I am quite sure that, because of his past experience, he is up to the job, but that is really why we wanted the matter out in the open on Report.

Mr. Redwood: Is my hon. Friend a little worried that if a Conservative Government were not elected until May 2010 and inherited a mess or confusion, it would be very difficult to introduce the scheme in time if we legislate in this way?

Mr. Waterson: My right hon. Friend has put his finger on the nub of the problem. It would be extremely unfair on an incoming Pensions Minister, whoever it might be, to find at the top of his in-tray or in his first red box a report, already some months or years old, saying "We're sorry, mate, this can't happen in 2012." It is overwhelmingly important to all of us for whom personal accounts are the only game in town to know almost as quickly as Ministers if there is a problem, and how it can be fixed.

The other new clauses and amendments in this group are largely self-explanatory, so I will not go through them in enormous detail. The central issue is that of the level playing field. It has always been an absolute principle—in fairness, for the Government as well—that apart from some seedcorn for PADA to set itself up and perform its initial task, the personal accounts system should wash its own face in financial terms. The costs should be recovered not from the taxpayer but from the scheme itself and its members, possibly over a period of years.

What worried us in Committee was loose wording in the Bill about grants, advances and loans from the Treasury to PADA and, perhaps, its successor body, and the lack of provision for a commercial rate of interest or terms for repayment. We firmly believe that a clear line must be drawn between the set-up costs envisaged not in this Bill but in its predecessor, the Pensions Act 2007. If I remember rightly, that Act provided for an initial £21 million for PADA to set itself up and get organised. If more funds are needed thereafter, either the issue must return to the House or the scheme must pay its own way when it is up and running.

Ministers are able to give evidence to Committees as well, which is great. In his evidence to our Committee, this Minister said:

"Indeed, it is the role of the members to pay for the operation of that pension scheme",

by which he meant personal accounts. He went on to say:

"Once we move into the new system, our aim is that it should operate on a self-funding basis."

When I mentioned the money voted under the 2007 Act, he said:

"We are not planning to increase it at the moment; it is about £21 million for 2007 08. We will look at what costs PADA will need in the future, and it has an ability to raise funds if it needs to do so." *[Official Report, Pensions Public Bill Committee,* 17 January 2008; c. 113-4, Q138-9.]

Now let us fast-forward to the Reuters report of 12 March about the spiralling costs of the project. That report states:

"The government's new 'personal accounts' regime will cost an estimated 2 million pounds to set up, a four-fold increase on an initial budget of 500 million pounds, two sources close to the situation told Reuters... the total cost of... PADA... has mounted as management has gone back to the drawing board."

I assume that that is a reference to Mr. Jones's review, which I mentioned a few moments ago. One of Reuters's sources is quoted as saying

"they've got dozens and dozens and dozens of expensive consultants working on nothing other than devising a plan and supporting the passage of a Bill, which is wrapped up in red tape and time-consuming government process.

In line with that, the costs are rising astronomically. Value for money is the big thing. It's scandalous."

It then talks about a management team led by chief executive Tim Jones. It says the team

"started re-planning the work in October when Jones took the reins."

The final comment from the sources that I wish to quote is as follows:

"Around 100 consultants are working on the project, earning anything between 800 and 2,500 pounds each per day".

If that is true, or even partially true, we need to know from the Minister—if not today, then soon—precisely how PADA's costs are developing. What are they projected to be? Have we passed the £21 million figure already? How much will this project cost before it hands over to the board and trustees who will run the operation?

Miss Julie Kirkbride (Bromsgrove) (Con): As my hon. Friend knows, I served on the Public Bill Committee, and I have also been present today, and I have not previously heard the figures he has just announced. I find them shocking and alarming. Given his knowledge of what has been going on, will he speculate on why the original costs envisaged have risen to such enormous sums? Is that just to do with management consultancy fees, or is something much more complicated leaving us in this position, which could undermine the whole purpose of the Bill?

Mr. Waterson: I am grateful to my hon. Friend, and I am delighted to see that she is present today following her sterling service in Committee. The short answer to her question is that I do not know. I hope that the Minister does, however, and that he will share that with the House. Once Report and Third Reading are out of the way, I hope to organise a meeting—which has been envisaged for some time—with Mr. Jones and his chairman, Paul Myners, and perhaps we can get to the bottom of some of this. However, if costs are running at such a level, it can mean only two things. The first of them is that the overall projected costs will be much higher than forecast. It also suggests—unless the consultants are, heaven forfend, not earning their keep—that there are practical problems to do with the time scale for delivery of personal accounts by 2012 about which we are currently ignorant, and I do not think we should remain so for much longer.

Let me return to the fundamental question. The situation is perfectly plain from what Ministers have said, and also from the impact assessment of the Bill, which states in paragraph 3.80 that

"in the long run, the personal accounts scheme is intended to be self-financing".

We all know what John Maynard Keynes said about the meaning of the "long run", but how long is this long run and how much will all this cost?

I commend this group of amendments to the House, because it tries to pin down the Government and PADA on recouping the costs of set-up over five years,

[Mr. Waterson]

in terms of grants not being made by the Treasury, and in terms of repayment over a set period and on the basis of a commercial rate of interest for any loans advanced to PADA by the Treasury. If the Minister is aware of any such proposals or plans, it will be helpful if he shares them with the House now.

Paul Rowen (Rochdale) (LD): I pay tribute to members of the Public Bill Committee—some of them are present—such as the Minister and, in particular, my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander), and to the Clerks for their assistance in the preparation of amendments.

The measures tabled by the hon. Member for Eastbourne (Mr. Waterson) fall into three categories: the timing of the introduction of personal accounts, reporting on that introduction, and costs—what he termed the level playing fields. No one can underestimate the complexity of the introduction of personal accounts. Even the largest occupational pension scheme is unlikely to have more than 10,000 members. However, we are talking about a scheme that could have up to 5 million members and, as the Minister said, that could include the local hairdresser and their staff as well as large companies, so this is a mammoth undertaking. The Government have committed themselves to a commencement date in 2012. It is right that there should be a lead-in period and that an organisation such as PADA has the task of getting things under way.

4.30 pm

We require an answer from the Minister on where we are with the development of the process and we need him to assure us that there will be regular reporting back. Amendment No. 9 would require the production, within 12 months, of a report analysing the financial position, take-up and different options and costs. When introducing something so complex, it is right and proper that we have an undertaking from the Minister that we will be given a regular report on how the scheme is developing.

We need a response to the point made by the hon. Member for Eastbourne about the Reuters report on costs. When Mr. Jones came to the evidence sessions, we were not given an indication that the costs had escalated so much. It is worrying if costs have rocketed to such an extent at this early stage, so I hope that the Minister will assure us that there will be regular reporting back, as envisaged under amendment No. 9, and that any escalation of costs will be properly reported. I do not underestimate the complexity of the task, but I am concerned that Reuters is reporting such an escalation of costs when we have not even finished considering the Bill.

On the other proposals tabled by the hon. Member for Eastbourne, I should point out the importance of a level playing field. We all made it abundantly clear in Committee that personal accounts are not to be in competition with existing pension schemes; they are primarily designed for a large section of the community who are not saving for their pension and who will end up in a poor financial position when they are pensioners.

We thus have a duty and a responsibility to ensure that money contributed by employees and employers, or through a tax rebate from the taxpayer, will not be eaten up in consultants' costs. Although I agree that we should keep an eye on costs, I cannot agree with the hon. Gentleman's proposal that they should be set at 0.3 per cent. right from the start. That should be the long-term objective, but it is probably right and understandable that in the initial years, when the scheme is growing, costs will be greater. For the same reason, I cannot support him when he says that we should restrict the trust's ability to borrow money. If the long-term objective is for the scheme to be self-funding, money will have to be borrowed in the initial stages and then recouped as the fund grows. If that is not done, the people who are contributing at the beginning when the scheme is set up will pay a much higher proportion in respect of what they are putting into the pot than those who are involved later on, which is why it is inflexible to set an upper limit. That might well be a long-term objective, but it will not be achievable to start with. Restricting the ability to borrow money—albeit that it will be expected to be paid back—is not a sensible option.

Mr. Waterson: Presumably the hon. Gentleman accepts the principle that loans should be repayable over an agreed period and subject to commercial rates of interest.

Paul Rowen: I agree entirely, but I have a problem with the provision for repayment within five years, when people might be saving into a personal account for 20 or 30 years, because that would up the cost. We need flexibility, at least in the initial stages.

Mr. Waterson: Does the hon. Gentleman agree, therefore, that the PADA consultation document about the possible different charging structures for personal accounts might well be affected significantly by the cost overrun that we are talking about, because it could affect the pros and cons of an initial charge, an annual management charge, or whatever other option is considered?

Paul Rowen: I agree. It is important that the Minister answers the point about cost overrun and addresses how it will be met. My point was made in response to the totality of the amendments and the fact that the Bill allows grants or loans to be made—or at least provides for some flexibility within the consultation that is taking place. Rather than Parliament imposing a structure on the industry, which is far more expert on such issues than we are, it is important that the industry is allowed to suggest the most cost-effective approach. I accept some of the amendments—the hon. Member for Eastbourne is right to want to ensure that we have a proper understanding of the start date and the costs—but I do not support their overall thrust, which would be too restrictive.

John Penrose: The hon. Gentleman says that it might be appropriate to allow grants or loans to be made, but those two things are very different. He has explained his position on loans clearly, but the implication of grants is that the money given does not have to be repaid. That might cross a boundary in terms of providing unfair

subsidy in comparison with other providers of pensions. Did he mean to use both those words, or was it a slip of the tongue?

Paul Rowen: I was about to come to the distinction between grants and loans. There is only one area in which a grant may be appropriate. We had some discussion in Committee about the provision of information and advice, but such advice would be generic, not specific to particular saving. There is an argument for saying that the Government should encourage the provision of generic information and advice, and it might be appropriate for a grant to be made to set that up. It would not be set up to compete with existing provision, nor would it provide information that would allow someone to make a choice between an existing private scheme and personal accounts.

Mr. Mike O'Brien: The hon. Gentleman is right. I would also add that because of the nature of personal accounts PADA will give some advice to the Pensions Regulator on how the compliance regime will be set up. Such advice is not something that other, commercial pension schemes would be required to provide.

Paul Rowen: I am grateful to the Minister for that intervention and his point is right. We are setting up a whole new structure that does not have to be in competition with what already exists. It is clearly new, and some aspects will be specific to what personal accounts are trying to do, in which case it is appropriate to have grants.

I hope that the Minister can answer the concerns raised by the hon. Member for Eastbourne and me about costs and how we will ensure that the date is set. I hope that he can give us some assurances, or a breakdown of how the costs will be recouped as PADA develops its work. Once the consultation is finished, I hope that he will tell us how the chosen model will be used to deliver the funds that the trust will need to deliver the service.

Mr. Mike O'Brien: Some of the issues under discussion are complex and important, so I am afraid that it will take me some time to go through them.

On the start date, our intention has always been that the reports should be introduced in 2012. That has not changed, but, quite naturally, Tim Jones wanted to assure himself that the plans that he inherited as chief executive were deliverable. He has now completed his review. I am afraid that it was not the sort of hefty report that the hon. Member for Eastbourne (Mr. Waterson) may expect, but Tim Jones met me and produced his report bang on time. He now has a credible set of plans that are consistent with starting to deliver the scheme from 2012.

If the Liberal Democrat spokesmen—both the hon. Member for Rochdale (Paul Rowen) and the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander)—want to meet Tim Jones, he would be delighted to do so. The hon. Member for Eastbourne is probably aware that the hon. Member for Wantage (Mr. Vaizey) has already met Tim Jones to discuss some of the cost issues and some other issues, including those of commercial confidentiality as contracts of a substantial value will be offered to set up the scheme. It is therefore important that the scheme's commercial confidentiality, and therefore its viability, is maintained. For that reason, with due undertakings from the hon. Members concerned, I am sure that Tim Jones will be able to discuss some of the issues in detail, provided that that detail does not cross into the public arena, where it might prejudice the various contracts.

We are still four years away from the go-live date for a complex programme that delivers ground-breaking reforms. It would be ludicrous to stand here and say that there are not uncertainties, risks or events around the corner that might change how we see things. We must not lose sight of the fact that it is not just Tim Jones, the Pensions Regulator and the Government who need to deliver to make some of the reforms a success. For instance, the date for Royal Assent for the Bill is, to use a Donald Rumsfeldism, an example of a "known unknown". We do not know when the Bill might be delivered. We have made good time in scrutinising it in Committee, but I cannot be sure, even with the best will of the House, of the exact date of Royal Assent. That means that I cannot be sure of the exact date that PADA will get the legal authority that it needs to begin to implement the personal accounts scheme. I anticipate that that will not have much impact on the delivery of the IT or the systems supporting the personal accounts scheme, but we will need to understand the impact on a range of supporting activity, including when we can deliver the information needed by employers and pension schemes so that they have time to prepare.

There are other unavoidable uncertainties, to use a different phrase. The pension accounts scheme will be unlike any other scheme in that it will be the largest occupational scheme in the UK, with 4 million to 7 million active members, and it will interact with nearly 1 million employers. It will be specifically targeted at a part of the market that, by and large, existing providers find uneconomic to serve. No other scheme has restrictions like a contributions cap, and it will be required to admit anyone eligible to join, irrespective of whether the revenue that they might bring in will cover the cost of their account. So although some of the infrastructure needed will already exist in the market, some of it will need to be developed.

4.45 pm

We have made assumptions about how long the procurement and build processes will take, and they are good and robust assumptions, but we will not know exactly what is involved until PADA has engaged with potential private sector suppliers and found out what they can do and how they will deliver what we need.

We must also build into our plans the needs of employers, the pensions industry and individuals to ensure that they understand the reforms and can take the necessary steps to be ready for go-live. We have already said that we will bring employers into the reforms in stages and phase in the rate of contributions that they are required to make. We will need to get those aspects of implementation right and ensure that the right employers have the right information at the right time to meet their new duties. We need to avoid a big bang implementation so that the pensions industry, including the personal accounts scheme, and the supporting infrastructure such as advice services for employers and individuals can take on their new roles and responsibilities in a measured and controlled way.

It would be wrong for me to predict exactly what will happen on an exact date in 2012, but I am confident that that is a realistic start date for the reforms, provided that we get the staging and implementation right. That has been the basis of my conversations with Tim Jones, and I am happy for the hon. Member for Eastbourne to have conversations with him about his plans and the outcome of his review. As I understand it, much of that review is on charts and so on, so there is paperwork. If the hon. Gentleman wishes, he can look at the charts, which show the timing involved and various other things. I had a glance at them, but I rely more on the discussions with Tim Jones than on all those charts, which he drew up for his own purposes.

Jim Cousins (Newcastle upon Tyne, Central) (Lab): I very much appreciate the points that my hon. Friend the Minister is making, but they leave me with the feeling that the start date of 1 April 2012 for the personal accounts is now surrounded by a certain amount of doubt on practical grounds. Can he assure me that the year of 2012 will not be affected? He will obviously see the implications of that year, which we might come to later.

Mr. O'Brien: I do not know quite where my hon. Friend got the date of 1 April from, but 2012 has always been the year in which we have envisaged the scheme starting, and we continue to do so. That is the plan and the proposal, and it is what Tim Jones has been signed up to deliver and designed plans to implement. I acknowledge the hon. Member for Eastbourne's point that the project is very big and has all sorts of implications, and in reply may I say that the plan is to start to deliver in the course of 2012. Let us see, when we get a little closer, what precise month or day in 2012 it will be.

It has always been envisaged that this will not be a big bang, and that the scheme will be phased in over a three-year period, with employers starting by making 1 per cent. contributions, then making 2 per cent. contributions in the following year and then 3 per cent. contributions. The scheme will not suddenly appear on one day in 2012 and all be in place. It will be a phased-in project. The question is when we are going to start the reforms, and the answer is 2012. That is what we envisage, but I accept some of the hon. Gentleman's points. There will always be issues that we must examine, not least when the Bill finally becomes law, and all of them will have to be factored into the management of any project date. As far as we are concerned, though, Tim Jones has done as we asked and drawn up plans for delivery in 2012. That is when we envisage that the proposals will come into force.

The second element of this group of amendments and new clauses relates to the funding arrangements for PADA, but first I shall say something about the Reuters story, which appears to derive from something said by a person claiming to have worked as a consultant at PADA for a time. The £500 million figure seems to be based on the Pensions Commission's assumption in respect of the loan needed to set up the scheme, an estimate that preceded two White Papers on pension reform, the Pensions Act 2007 and this Bill. We now know much more about the scheme, but we cannot say exactly how much it will cost until its full design, as well as the procurement of the services underpinning it, has been completed. Moreover, we cannot even begin those processes until this Bill has received Royal Assent.

This legislation authorises PADA to do the job for which the hon. Member for Eastbourne wants me to provide figures as to cost but, until PADA has started talking to the people who will provide its IT and other infrastructural requirements, it will be very difficult to know the costs involved. In any event, the size of the contracts means that anyone who had a detailed breakdown of the cost figures would be at a considerable commercial advantage. Because of that, I am happy for the hon. Gentleman to talk to Tim Jones, as long as the conversation is in appropriate confidence. We do not want to read about it in the papers afterwards, but I am sure that we can trust him in that regard.

Mark Durkan (Foyle) (SDLP): My hon. and learned Friend is right to say that it would be wrong to introduce the changes in a big bang on one day, as that would be like asking for a terminal 5 debut for something that is very important to a lot of people. However, some of us are worried that all the other costs being talked about might prevent him from delivering on his promise to consider certain other matters, such as the small number of schemes that are known to fall between the Pension Protection Fund and the financial assistance scheme. Will he assure me that the costs that we have been discussing will not have implications for any decisions made about those few schemes?

Mr. O'Brien: I know that my hon. Friend has concerns about those few schemes, involving a limited number of people, which fall between the FAS and PPF schemes because of the dates involved. I hope that we can move to deal with them in the other place, and I am still in discussion with colleagues to that end. I encourage him to retain some hope, but I cannot give him any guarantee. I want to make it explicit that I have still to talk to colleagues about some of these matters, although I assure him that this Bill will not affect the outcome of those talks.

John Penrose: I understand what the Minister has said about commercial confidentiality preventing him from saying too much about costs, but may I press him a little further on the matter? If PADA has done enough detailed work to know that the timings involved can be achieved, at least in theory, it must also have made some estimates of the costs involved. I appreciate that there could be commercial ramifications if we were to go into the detail of those costs; but will he offer the House some reassurances that the total costs being considered are not wildly different from the numbers that have been projected? It is important that the House understands that, because if the numbers are twice or three times as high as those in the projections, to choose a deliberately extreme example, the implications for the long-term overall costs of the scheme will be negative and very serious. Will the Minister at least give us the basic assurance that there are no show-stoppingly large and unexpected figures in the plans that he has seen so far?

Mr. O'Brien: The hon. Gentleman is right that there are time scales, and it looks as though they can be delivered on, all other things being equal, by 2012. There are also estimates about various contracts. Again, for the reasons that he gave, I do not want to go into that.

The hon. Member for Eastbourne is wrong when it comes to the figure of £500 million, which came from

the Pensions Commission years ago. That was just an estimate that it made. We have not, at this stage, put forward another, separate figure, but the figure cited is not the figure that we are aware of; however, I cannot go any further than that at this stage, as regards broad figures.

John Penrose: I suppose that the bottom line is that everyone will want reassurance that the Minister has not seen anything to lead him to believe that in the long term we will not be able to reach the target number of basis points of the long-term cost, which the hon. Member for Rochdale (Paul Rowen) mentioned earlier. Has the Minister seen anything that leads him to believe that that is not possible in the long term?

Mr. O'Brien: No, I have not seen anything that has led me to think that the charging levels are not achievable. I think that that is what he is asking about, and I have given him the answer as straight as I can.

Sir John Butterfill: Will the Minister give way?

Mr. O'Brien: Yes, just once more, and then I will make progress.

Sir John Butterfill: While we are on the subject of costs, may I ask about the transition from PADA to the trustee body, which is not named as yet? What does the Minister think the trigger will be for the transition, and does it have an impact on cost?

Mr. O'Brien: If the hon. Gentleman is asking at what point we will make the transition from PADA to the Personal Accounts Board—the delivery authority for the pension scheme—it is envisaged that we will come to that point in 2012. That is when the Personal Accounts Board—the trustee corporation, in effect—will take over and start to deliver a pension scheme. The aim of PADA is to create the mechanism that will deliver the scheme. The Personal Accounts Board, which will control the trustee corporation, will then provide a personal accounts pension scheme. It is envisaged that that will come into effect in 2012. Does that deal with his point?

Sir John Butterfill: Sort of, but my question is: when will we know that we have reached that point? What is the trigger for us saying, "We are now there and can move from one phase to another"?

Mr. O'Brien: There will be an overlap. There will not be a sudden cut-off of PADA and then creation of the Personal Accounts Board. There will be a period when the board runs alongside PADA in a shadow process. When PADA goes live—when it starts taking in money and building up a pension scheme—that is when we will know that the handover has in effect taken place. PADA may have to continue to exist for a short period thereafter before being wound up, so that we can ensure that the processes are properly carried out; there may be some advice given to it, and there may be services that it is providing. However, it is envisaged that PADA will start to wind up around 2012. I do not have an end date for it, but it will not go on long after that. It will then hand over completely to the Personal Accounts Board and the trustee corporation, which will run the pension scheme.

Let me deal with some of the issues in relation to funding. The unique nature of personal accounts will present a challenge in developing a funding strategy. Before any decisions can be taken, the authority must first complete the design of the scheme and commercial negotiations with private contractors. It cannot do this until after Royal Assent. The measures in the Bill provide it with a degree of flexibility in developing funding options. That is vital in ensuring that we do not rule out options that could later prove to be in the best interests of members.

However, we have been absolutely clear that any funding strategy must meet a core set of aims. We have always said that we would bring employers into the reforms in stages and that we will phase in the rate of contribution that they are required to make. We will need to get those aspects of implementation right, as well as ensure that the right employers have the appropriate information.

That is the basis on which we are proceeding, and we intend to ensure that that is how we deliver. The unique nature of personal accounts is the key. We want to ensure that the strategy delivers low charges to members, and that it is based on our intention that the scheme will be self-financing and delivered at no cost to the taxpayer in the long run. We want to ensure that the scheme is commercially viable, consistent with European law and not unfairly advantaged.

5 pm

The hon. Member for Eastbourne tabled a series of amendments that seek assurances and answers to specific questions about funding. As I have explained and for the reasons that I have given, the authority is not yet in a position to provide all the detailed answers. Our intention is that the costs of setting up and operating the scheme would ultimately be recouped from revenues from membership charges. However, during the period of set-up and in the early years of operation, membership charges will not cover all costs. The Bill therefore contains provisions to allow the authority and trustee corporation to bridge the gap through borrowing, and for the Secretary of State to provide financial assistance through grants, loans, guarantees or indemnities. This does not mean that any of these specific provisions will be used, but it does mean that the authority's ability to maximise value in its commercial negotiations will be strengthened.

Borrowing from the private or the public sector could be one option to achieve our intention for the scheme to be self-financing. However, that would be prevented by amendment No. 15, which is why I cannot accept it. New clause 5 and amendments Nos. 11 and 28 would require any loans from the Government to the authority or the trustee corporation to be made on a commercial basis. If there is any funding from the public sector, it is intended that that would not provide an unfair advantage and would comply fully with European state aid rules. This is a guiding principle of the funding strategy.

Amendment No. 16 appears to be designed to ensure that the independence of the trustee corporation—the Personal Accounts Board—is not compromised by the requirement to gain the Secretary of State's consent for any borrowing or investment. The Bill clearly establishes the trustee corporation as independent of Government.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to discuss amendment No. 38, in clause 3, page 2, line 37, at end insert

"(8) The Secretary of State must publish an annual report on the impact of means-tested benefits on automatically enrolled members of the scheme established under section 58.

(9) Any report published under subsection (8) shall include details on the number of pensioners facing marginal deduction rates of 40 per cent. and above.".

Mr. Waterson: On the face of it, new clause 2 looks fairly straightforward and inoffensive. It merely says that the Secretary of State should publish projections of the numbers of people likely to be subject to means-tested benefits, including housing benefit, which is particularly important, and to be in so-called at-risk groups following the introduction of personal accounts. It touches on one of the big concerns about personal accounts; the other one is often referred to as levelling down. Those are the two big question marks hanging over the system. To be blunt, in the past we have made it clear as an Opposition that if we cannot square the circle on means-testing, that could affect the likely success of the whole system. There was a time when that was not the consensus view, but I am delighted that it now seems to be so. This has to be addressed, not necessarily during the Bill's passage through this House, but through a process that has already started, which I very much welcome. That is what new clause 2 does. The Liberals' amendment No. 38—I am sure that they will speak about it themselves—would require an annual report on the impact of means-testing.

This is, as I have said, a very big issue. In this country, rightly or wrongly—that is not the purpose of this debate—we have gone down a path whereby means-testing has grown very fast. Nearly half of pensioners retiring now do so subject to means-tested benefits. People might well be auto-enrolled who will not be receiving specific advice, because the nature of the Turner settlement means that they will receive so-called generic advice. They might be specifically advised not to auto-enrol into personal accounts, and may save a not insignificant pensions pot as a result, but then end up no better off—or even worse off.

The issue is not an easy one, and I am the last person to suggest that it is. Far cleverer people than I are wrestling with it, such as those in the Pensions Policy Institute, and Professor John Hills, among other luminaries. The issue is difficult, but that does not mean it is intractable. It is pretty clear that just about everyone who could be considered a serious stakeholder in the process now agrees with that proposition. I was looking at the briefing prepared for this debate by the Equality and Human Rights Commission, which emphasises that it is a strong supporter of the personal accounts system and the principle of auto-enrolment, but goes on to say:

"However, we have raised concerns that there may be some individuals for whom saving will not pay, as saving in PAs ...will serve to merely replace means-tested benefits (such as Pension Credit, Housing Benefit or Council Tax Benefit)".

It continues:

"We have previously called for the Government to commit to a public report on the 'pays to save' issue, including modelling the number of individuals likely to be at risk, an assessment of the tradeoffs between different proposals for reform and public consultation with key stakeholders."

It also says:

"We were therefore extremely encouraged by the Minister's assurance during committee stage to work with the Opposition and various stakeholders to consider possible solutions".

That view is echoed by other stakeholders, such as Age Concern, which says:

"The Government has made some important moves since introducing the Bill to underline its commitment on this issue, most importantly an announcement that it will review the interaction between means tested benefits and personal accounts."

Rather kindly, it also goes on to say:

"We also welcome the positive response to this approach from the opposition spokespeople."

Presumably, that includes me. It continues:

"This process has now started and we welcome the opportunity to contribute."

I might be forgiven for slightly correcting recent history. Although I stress that I welcome what is now happening, and I shall touch on it in a bit more detail, there was a time not that long ago, under the previous Secretary of State, where Opposition Members were painted as the bad guys, who were rocking the boat and letting the side down by suggesting that there was a major problem. In fact, Ministers and some of the outside organisations have made a major shift, and it is now quite difficult to find anyone who does not accept that there is a major problem that needs to be addressed.

That is not to say that there may not be a solution at the end of the process, which I shall describe in a little detail. Various possible solutions have been punted around, but this is not the occasion to go into them in any detail. Attempts to look at trivial commutation, income disregard and a variety of other possibilities that might have an effect on the problem have all been considered. However, the fact remains that almost all the options that have been floated so far carry their own problems, which need to be gone into in detail.

Miss Kirkbride: I am glad that my hon. Friend has put on record the fact that our party was the first to talk about the issue, and it is good that there is now more widespread agreement that it needs to be considered. It is also worth putting on the record the fact that we already receive representations from constituents with personal pensions, who were therefore probably higher up the income chain in their working lives to be able to save for them, who feel extremely aggrieved that, say, their neighbour or someone else they know is accessing benefits from which they are excluded because of that income. Now that we are going further down the chain of income, that problem will become much more acute and affect people with much more modest savings, incomes and pensions. We do not want to undermine the idea that everyone should save for a pension by arousing widespread resentment, so I welcome the greater interest that the Government are showing in the matter.

Mr. Waterson: I am grateful to my hon. Friend, who makes a fair point. Almost by definition, the 6 million, 7 million, 8 million, 9 million, 10 million or however many people who, it is hoped, will be attracted into personal accounts will be those who are currently outside existing pension provision. Many may simply be seen as unattractive propositions by the pensions industry and will be in a marginal situation as to whether the scheme will be good or bad for them.

My hon. Friend's key point, to which I was coming, was about confidence. At one time, the argument was advanced that there would not be a problem until 2020 or even later, when it would become apparent to people, after they had saved for some years under personal accounts following the assumed start date of 2012, that they were not receiving the returns that they had been led to expect. It has been clear to our party, and it is now clear to everyone, that in the run-up to 2012, and not later, journalists and others, whether we like it or not, will be writing a story to the effect that some people in similar situations will be benefiting and others will not be. If, as journalists say, that story has legs, it could cause untold damage to confidence in the system, not least as a tool for the unscrupulous employer who wants to persuade people not to auto-enrol in the first place.

Now is a good moment to pay full tribute to the Pensions Policy Institute, which has done so much work on that and the other big issue, the so-called levelling down, to which we shall come. The PPI set the foundations of the work that will now be carried forward by identifying the at-risk groups of people—whether low, medium or high risk—under the proposals. The PPI came up with the expression "the funnel of doubt" to refer to the likely level of means-testing even after the reforms.

There is no doubt at all that the level of means-testing will fall somewhat when the reforms are introduced. However, there is still a difference between the Government and the PPI and other experts on what that level will be. As John Hills and others have picked up, it is particularly difficult for people at the beginning of a career or a lifetime of work to predict where they will end up, with respect to a broken work record, marital break-up or whatever else. It is important that we should consider carefully the likely effects of the interaction between means-tested benefits and personal accounts.

No matter how much work has been done by outside bodies, particularly the PPI, all are now at the point at which they can make progress only by having access to the sort of model that the Department for Work and Pensions uses—the Pensim2 model, as it is called. I am particularly pleased that, as a separate and parallel process to the passage of the legislation, we are now all engaged in an attempt to establish the size of the problem, within certain parameters, and to run a slide rule over the suggested solutions. The Minister has been extremely helpful in allowing people access to Pensim2, and in putting together a series of meetings, seminars and all those wonderful things that come to us who are involved in the pensions world. The initial phase has involved ensuring that we are all signed up to the basic assumptions that go into any proposition that is run through the model.

5.30 pm

There has already been one big step forward, for which I claim no credit whatever because it was nothing to do with me. There was a problem, as despite its no doubt excellent other characteristics, the Pensim2 model did not take any account of housing benefit. I am told that that is no longer the case, and that it does now incorporate housing benefit. Why does that matter? It matters enormously because one of the major factors in the at-risk groups identified by the PPI is the question whether people rent their home in retirement. That makes a massive difference to many of those people.

There is a whole range of issues to be addressed. Assumptions are made about take-up rates, the likely success of personal accounts and the whole question of behavioural reactions to the new policy. This is not an easy task, and we have always said that we did not necessarily expect it to be resolved within the lifetime of this legislation. We did expect, however, that the process should start off in a serious fashion, and in a way that we could sign up to during the passage of the Bill. So far, so good. There is clearly a lot of work still to be done, however, and we might not agree on all the parameters and the options and how they should be looked at.

I hope that the Minister will say a few words on this issue in a moment, but I think that I am right in saying that the ultimate aim is to produce a document—perhaps a report that will be available to all and sundry—at the end of the process, possibly in the autumn, which will try to nail some of the uncertainties that are in the system at the moment. Perhaps it will admit defeat on the known unknowns, to go back to Rumsfeld, but it should at least set out some of the options more clearly and possibly eliminate some of them, if that will be helpful. This will not be a problem for this Government, but it will be one for future Governments of whatever political colour, and it is important that we tackle it now.

Jim Cousins: I am not trying to tempt the hon. Gentleman on to some rather difficult rocks here, but is it not possible that, unless we get this right, many people will seek to take a double advantage of the new system by using the trivial commutation rules? That could well involve the people who have very small pension pots because they have very small incomes, and a lot of unscrupulous people could target those people precisely to get them trivially to commute their small pension pots. We need to be clear about this point if we are to achieve integrity in the new system.

Mr. Waterson: That is an important issue that we need to guard against. Furthermore, it is clear from the work carried out by the PPI that there is a whole tranche of people—we do not know how many there are—who would be better off taking a lump sum and spending it as quickly as possible. That rather goes against the public policy aim that we all hold, which is that people should save for their retirement and have that money available for when they retire. The hon. Gentleman makes an important point, but that is just one of many issues that we need to grapple with.

I said earlier that there was now a kind of reverse consensus on this issue. It is a big issue that needs to be addressed and we have all joined up in addressing it. I was therefore just a trifle taken aback the other day when I saw the reported remarks of the new chairman of the Personal Accounts Delivery Authority, Paul Myners. In a speech to the National Association of Pension Funds conference in Edinburgh, he was reported to have compared this situation to the introduction of mandatory seat belts in cars. He is reported to have said:

> "There are a small number of people whose injuries are increased and even some people have died because they were wearing seatbelts".

[Mr. Mike O'Brien]

every job holder. That is because the decision to remain enrolled will be straightforward for most people. The employer contribution means that most people will benefit and enjoy a more prosperous retirement. Good information is important and the DWP and other organisations, such as Citizens Advice, the Pensions Advisory Service and the Financial Services Authority, already provide some elements of advice.

We will ensure that every automatically enrolled individual has access to the range of information that they need to understand the process of automatic enrolment, the pensions scheme that they will be enrolled into, their expectations for a state pension and the implications for later life. As Members will be aware, there is at present no legal requirement for individuals to receive any one-to-one advice before they are automatically enrolled on an occupation pension scheme. Giving people a new legal entitlement to one-to-one advice could give them a misleading impression that automatic enrolment is either a risky and complex process for which they must have that advice, or could lead to their making erroneous decisions. We therefore take the view that the best approach is to ensure that people know the basic information about automatic enrolment and what it means for them.

If it is a private sector pension and the person is enrolling into personal accounts, the pension providers will have advice about the implications of their product that they will give to those who are automatically enrolled into the scheme. In many cases, such advice is given now. We will be dealing with many people on low incomes, and although I entirely accept the views of the hon. Member for Bournemouth, West (Sir John Butterfill)—who knows much more detail about our parliamentary pension scheme than I do—advice and information is already being given out by some of the schemes. I do not want to create a system whereby we have to load on a lot of advice for personal accounts in particular, because the cost will end up being paid by people who are enrolled into personal accounts. If we load up the cost, it will end up being a charge on the members of the scheme.

We need to provide generic advice, which is already available. Otto Thoresen has already published a report in which he referred to the provision of generic advice for those who were entering personal accounts. He rightly made the point that that is not just a problem for personal accounts but that it has a broader base. We are looking at the Thoresen review's details on generic advice so that we can identify ways in which we can take forward the provision of the sort of advice that people on particularly low incomes will need.

John Penrose: Will the Minister give way?

Mr. O'Brien: If the hon. Gentleman will forgive me, I have given way rather a lot and have been on my feet for a while. I know that people want to move on to other issues.

We are pleased that Thoresen's money guidance will build on provision from the Pensions Advisory Service and other organisations. We agree with him that auto-enrolment and personal accounts do not create a new need for a different kind of information or guidance. I do not agree that there is a need to supplement all that with one-to-one advice. *[Interruption.]* I hear some chuntering, so I will give way to avoid that if nothing else.

6.15 pm

John Penrose: I thank the Minister, and I apologise for chuntering at him. The reason why I was muttering was that Otto Thoresen has said that his report does not cover the kind of generic advice on personal accounts that the Minister is describing. He came before the all-party Work and Pensions Committee a few weeks ago, and I asked him that question. He said that it does not cover that. The Government might need to re-examine the issue with some care. Ministers have been saying such things for some time. They came to the Select Committee and said, "We will see the results of the Thoresen review, which will tell us how to provide generic financial advice."

The Minister will know that the promise that is being made to provide such advice to the range of people who will be enrolled in the new personal accounts system is potentially huge. I do not think that it has been done on such a scale anywhere else in the world. The Thoresen review does not provide any help on how it will be done, so it is rather difficult to pray in aid that review when saying how the Government propose to square the circle.

Mr. O'Brien: I hope that the hon. Gentleman will forgive me, but I am not sure that there is a great deal of difference between us. My point was that Thoresen shows in his report that personal accounts do not present entirely new issues. As far as Thoresen is concerned, the need for generic advice in certain circumstances when people are auto-enrolled into pension schemes—that is happening today—is not substantially changed by personal accounts, and so new issues are not brought up. There are issues of scale, but they are not new when it comes to the details of individuals who sign up or do not sign up.

I can pray in aid the report in the sense that Thoresen has identified some ways in which money guidance can be piloted and considered, and we are examining those proposals at the moment. That might—I deliberately use the word "might"—provide some element of guidance on personal accounts and a range of other issues such as when individuals, who are often on low incomes, have to enter into substantial financial dealings, including mortgages and a pension scheme.

I am not sure that there is such a difference between the hon. Gentleman and me as he seemed to think. Thoresen's references to personal accounts, even though they were brief, did not identify specific points or go into any detail. He basically said that the problems that we will have are much the same as those that we are having on a range of other issues. Providing generic advice is therefore one way to help people to make some of the important decisions that they have to make.

I hope that on the basis of the points that I have made, the hon. Member for Eastbourne will feel able to withdraw the new clause. I thank him again for the way in which he introduced his discussions on pay-as-you-save.

Mr. Waterson: The Minister has rightly surmised that I do not intend to press new clause 2 to a vote.

I want to say a couple of things. First, despite my huge respect for Lord Turner, I do not think that the house insurance analogy holds water. We are saying that people will save for their retirement and then not get something to which they would have been entitled. With respect, that is not quite the same as saying, "I haven't been burgled, so can I have my money back?" to an insurance company. That is the challenge.

As I have made clear, we are embarking on a process. We are all going on a journey together and we will see where we will end up. We could well end up in a situation like the scene at the end of "Planet of the Apes", where they come back to where they started, see the statue of liberty and discover that they have not been anywhere. Who knows? We will certainly give it our best shot, and I am sure that the Minister and his officials will, too. We have to see how the process pans out.

We will certainly keep a close eye on how the process works. We reserve the right to bail out at any point if we are not happy with the way in which it is developing, but we want to see it go forward, as do lots of other people. We are, in a rather twee way, included in the Minister's definition of stakeholders, but I suppose that there are other stakeholders out there who are every bit as important and whose involvement is also extremely welcome. On that basis, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 6

EXISTING PENSION PROVISION

'In accordance with its functions under section 69 of this Act, the Personal Accounts Delivery Authority must, to the best of its ability, minimise any adverse effects from its activities on existing, good quality occupational and personal pension schemes.' *[Mr. Waterson.]*

Brought up, and read the First time.

Mr. Waterson: I beg to move, That the clause be read a Second time.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to discuss the following amendments:

No. 29, in clause 3, page 2, line 28, leave out subsection (5) and insert

'( ) Subsection (2) does not apply if there are prescribed arrangements under which the jobholder is entitled to become an active member, with effect from the automatic enrolment date, of a qualifying scheme which is a personal pension scheme of a prescribed description.

( ) An order will be made under this section to prescribe the terms under which it is applicable, and the basis on which its application may be withdrawn with respect to specific scheme providers or employers.'.

No. 20, in clause 70, page 34, line 25, after 'in', insert 'existing'.

No. 21, page 34, line 25, leave out 'qualifying' and insert 'occupational and personal pension'.

No. 17, page 34, line 26, at end insert

'among those on low incomes and who are not currently saving enough for retirement.'.

No. 22, page 34, line 26, at end insert

', and the Authority shall at no time seek to provide financial products beyond the scope of personal accounts;'.

No. 23, page 34, line 29, after 'on', insert 'existing'.

No. 24, page 34, line 29, leave out 'qualifying' and insert 'occupational and personal'.

No. 18, page 34, line 38, at end insert—

'(g) the best interests of prospective members in the period prior to 2012 are served;

(h) the level of savings shall be increased as well as the number of existing savers, and that in general better retirement incomes are achieved.'.

No. 19, page 34, line 41, at end insert—

'(4) The Secretary of State shall collect and publish appropriate data annually, and will consult with the industry, to measure the extent to which the Authority has achieved these principles in carrying out its function.

(5) The Secretary of State shall by regulation identify the data and targets to be sued for this purpose.'.

Mr. Waterson: This is another group of amendments that is rather like one of those cars that can be bought at certain scrap yards that have the front of one car and the back of another. The amendments refer to two distinct issues, so I shall separate them immediately. New clause 6 and all but one of the amendments are concerned with levelling down, which is the other massive issue that lurks throughout the Bill. I shall come separately to amendment No. 29, which is on another matter that was important in Committee: workplace pensions and group personal pensions.

What do we mean by levelling down? We mean a scenario whereby, with the advent of personal accounts, finance directors advise their board that participation in their own defined-benefit pension scheme could double almost overnight, with the cost implications that that would carry. Companies that had not already closed their existing defined-benefit schemes to new or even existing members, assuming that there were any such companies by that stage, would then take the opportunity to say, "Well, we are closing our scheme now, but there is a perfectly good new scheme called personal accounts, backed by the Government, that we would point you in the direction of."

If I have learned anything doing this job as shadow Pensions Minister, it is that there is an active desire on the part of large tranches of the population not to know anything about pensions, or to find out what level of contribution they should be paying and what pension such a contribution would produce in later life. There is almost an unwillingness to engage in the issues. At almost every seminar to which I am kindly invited, some academic seems to get up and say that he or she has done a study and come to much the same conclusion—that the vast majority of people in this country do not really engage in the pensions issue. Almost any effort from any quarter to try to improve that situation has to be welcomed. However, when the moment comes, many employees may simply not inquire whether it would be sensible to move from a DB scheme run by their employer, in which the level of employer contribution may be much higher than is envisaged under personal accounts, and what difference it would make to their pension.

This is not, by any stretch of the imagination, an attempt to reopen the Turner settlement, which was based on a series of compromises and took into account

[Mr. Waterson]

different views, including those of the CBI and all sorts of others. However, let us remember that an overall contribution level of 8 per cent. will not deliver a very comfortable retirement. It is a massive step forward for people who have no provision at all at the moment and should have, but there is concern that the mere arrival of personal accounts will have an effect on existing, more generous pension provision.

The point of new clause 6 is straightforward: to say that there should be a duty on PADA to minimise the effects of the introduction of personal accounts on existing pension provision. I cannot really see why the Government should not accept a new clause along those lines with alacrity, because it has been pretty clear since the Turner report that we are all on the same wavelength and believe that we should focus on the so-called target group set out by Turner, which is predominantly people who have no existing pension provision. It will be the ultimate tragedy and irony at the same time if, after this process, we end up increasing the number of savers but not the amount of savings, and if all we do is recycle roughly the same amount of savings in the pensions system, or even worse. I shall come to that possible scenario in a moment.

Our approach in Committee, and to some of these amendments, has been shot through with attempts of all sorts to erect a kind of Berlin wall between personal accounts and existing pension provision, whether by banning transfers in and out or by banning contributions above a certain level. It is still a matter of regret that the figure of £3,600 a year, which is firmly on the record as being the Government's position on the maximum annual contribution, is not in the Bill, but so be it. We have tried to put it in the Bill and, in true form, have failed dismally at every attempt. In other ways, too, we have tried to ensure that there will be no interference with existing provision by the new personal accounts system.

We must turn again to our old friend the Pensions Policy Institute, which has done impressive work on levelling down. If I remember rightly, it was funded by the Nuffield Foundation. As the PPI put it:

"Levelling-down refers to the risk that, in response to the Government's proposals, employers may decide to close existing occupational pension schemes that offer more generous pension benefits to their employees and instead enrol employees into the new personal accounts."

It went on to say:

"Levelling-down is an important policy issue."

I entirely agree with that. It is one of the two most important policy issues surrounding the Bill. As the PPI said:

"There is a lot of uncertainty about how employers will respond to the reforms".

It modelled various effects: those of no reform, of employers continuing to offer pensions on their existing terms, of what it calls "cost control", and of the modelled employer response. Those models produced wildly different projections of what could happen. The PPI made the point that without any reforms at all

"there could be a decrease in annual total pension contributions from around £40 billion in 2006 to around £30 billion by 2050."

So on one level, doing nothing is not really a sensible option.

The PPI also looked at the very optimistic scenario of pension contributions increasing by about £10 billion annually. It then considered what it called a

"very pessimistic and extreme scenario"

that could involve the shrinking of the market below its current level, even with personal accounts being taken into account. That is an extremely sobering scenario, but, as the PPI continued:

"In reality, employers are likely to respond in a variety of different ways."

It referred to work done by Deloitte and Touche in 2006 showing a possible total annual pension contributions increase of £10 billion compared with a position without the reforms. However, the worrying part is that the PPI then stated:

"But this initial increase could wane over time as employers respond to the reforms by closing existing schemes to new members."

To adopt the expression used by the Minister in the previous debate, I do not think that there will be some big bang, with levelling down happening between one day and the next. Much more likely is that there will be a gradual process of attrition, as people move from job to job and find that pension schemes are closed to new members.

6.30 pm

I cannot say what will happen, and neither can the Minister or the PPI. In its written evidence to the Committee, the institute said:

"Overall, the jury is still out as to whether the Government's pension policy will deliver both more people saving and more saving and better retirement incomes. However, the interaction of the reforms with means-tested benefits and the risks of employers 'levelling down' their pension contributions both pose real challenges to the success of the reforms."

That expresses better than even I can the concern lying behind new clause 6 and the other amendments. No one can predict how employers will behave, so any measure that will minimise the effects of levelling down—including the duty in new clause 6 that would require the PADA itself to minimise that effect—is to be welcomed.

A related but separate issue is covered by amendment No. 29. Much concern has been expressed about workplace pension plans and group pension plans. If a solution is not found to the problem posed by GPPs, the process of levelling down could be turbocharged. The industry consensus is that we need that solution now, not in 2012. The National Association of Pension Funds said that the EU's directives on distance marketing and unfair commercial practices may prevent auto-enrolment being applied to workplace personal pensions.

"We believe that the UK Government should continue to seek clarification from the EU on whether automatic enrolment can apply to WPPs in the UK under the proposed reforms. However, if agreement cannot be achieved, the NAPF believes that a solution can be found that would allow auto-enrolment in to WPPs in a manageable and affordable way, by establishing WPPs under master trusts."

The Association of British Insurers shares the concern about the present uncertainty, although its alternative solution is to institute streamlined joining for those in

GPPs. Some 2.5 million people are in those pensions, making up some 40 per cent. of all employer provision, and the ABI states:

"We are particularly keen to ensure that these schemes can be preserved within the new system as they tend to offer better arrangements to employees, and continuation will save employers from a costly and complicated review of pensions provision."

Given the current scale of the GPP market "the potential damage to pension savings is very high".

The association concludes:

"Failure to secure a safe future for GPPs will prompt widespread levelling-down of pensions, something the Government is so keen to avoid. The average employer contribution to a GPP is 6 per cent. If this was reduced to the Personal Accounts 3 per cent. level, some £88 million of contributions would be lost by employees."

That is incredibly important, as losing the more generous provision would give real impetus to the levelling-down process. The ABI goes on to say:

"A solution must be found now—not in 2012."

2012 is still four years away, and uncertainty in the GPP market now means that financial advisers "may hold back from recommending new schemes. The impact of this is very real, especially for middle-age savers—for a 40 year old man, such a break in saving could reduce retirement income by up to one-fifth."

Similar concerns have been expressed by the CBI and by Norwich Union, while the Equality and Human Rights Commission said:

"We are concerned about Clause 345. We understand that the Government is not entirely satisfied that auto enrolment is currently possible into commercially based personal pensions under European directives. The Government has recognised the concern that we and others have and we urge them to continue their discussions with Europe or investigate alternative solutions such as master trusts to ensure the vital principle of auto enrolment is not breached."

It is clear that the Government should pursue a twin-track approach on this matter. They should continue to have discussions inside the EU to see what can be done. Resolving matters such as this usually takes some time, but the Government also need a plan B in case the talks do not work out. We need a workable, exemption to automatic enrolment in GPPs, so that we can get the policy aims back on track—that is, to deter levelling down of existing provision, and to encourage people to continue in the schemes and to join them in the foreseeable future.

There is a real worry in the industry, and an uncertainty that cannot be allowed to continue. The concern is that a gap in pension provision could have a real effect on the retirement income of many people. I hope that the Minister will tell us what progress has been made with the EU, and what his fallback position is if the talks do not work out.

The problem of levelling down is a huge one, and I commend the new clauses and amendments to the House.

Paul Rowen: I shall be brief, as the hon. Member for Eastbourne (Mr. Waterson) has covered most of the relevant points. He made the problems to do with levelling down very clear, showing that employee contributions of 6 per cent. could fall to 3 per cent. The Bill is aimed at ensuring that people who currently are not saving for their pensions begin to do so, and we do not want employers to reduce the level of their contributions.

The number of people in the private sector with open defined-benefit schemes has fallen from 5 million in 1995 to 900,000 now, and that is a serious problem. The hon. Member for Eastbourne quoted what the ABI said about the 2.5 million people currently in GPP schemes. The ABI also showed that a person of 24 in a GPP scheme earning £15,000

"who retires at State Pension Age would receive an annual pension income of £10,000, compared to around £6,500"

if he or she had a personal account. If that were to happen, it would completely defeat the purpose of the Bill.

The Minister told me last night that he would speak today about the two EU directives that the hon. Member for Eastbourne mentioned. It is clearly important for the industry that we get a solution to the problems that they pose. If we can ensure that we are levelling up rather than levelling down, we will have achieved our purpose, and we need an assurance from the Minister to that effect. He must also make it clear that the problem of auto-enrolment is being dealt with, as the current interpretation of existing EU directives could have a devastating effect on the industry.

Mike Penning: May I say what a brilliant speech my hon. Friend the Member for Eastbourne (Mr. Waterson) made? That is not to say that he has not made brilliant speeches before. He managed to pull together a great many amendments in one speech. He said at the start of his remarks that he felt as though he were going to a scrap yard, getting several pieces of a car and putting them back together. In north London, that is called a cut-and-shut. I will deal with the cut, if that is okay.

My hon. Friend and the hon. Member for Rochdale (Paul Rowen), the Liberal spokesman, talked about levelling down. It is imperative that that does not take place. If the Bill is to introduce new people to pensions that will get them off means-tested benefits, it is crucial that we have a level playing field. Now that we are talking about levels, it sounds as though we have moved from the car breaker's yard to a building site. As I say, a level playing field is crucial. We must give no one an opportunity to cut their responsibilities and make people who are already in pension schemes slip backwards, or to encourage those people to move into the personal account schemes that we are talking about. That is imperative; if we do not ensure that, it will defeat the whole object of the Bill and we will go backwards, not forwards.

Mr. Mike O'Brien *indicated assent.*

Mike Penning: I notice that the Minister is nodding, so perhaps I have said something that we agree on. That is unusual for me.

There are shady business men dealing with pensions all over the show. There must not be a back door; there must be no opportunity for them to slide backwards. If there is no independent way to make sure that that does not happen, it is important that the people in charge of schemes make sure that it does not happen. The Conservative and Liberal Democrat Front Benchers have spoken of the evidence that outside organisations with concerns have provided. We must put a stop to the problem, and that is why I support new clause 6. The Minister may well give us very good reasons why we

[Mike Penning]

should not add the new clause to the Bill, but if we do not, will he give the House, the country and, more importantly, future pensioners assurances that there will be protection for those already in a scheme?

I am told that I pick on Tesco too often, so I shall refer not to the Tesco pension scheme, which the Minister mentioned, but to another one, on to which people are automatically enrolled; they are on very low earnings, and may be working part-time. One can easily see how that sort of scheme, which has very low premiums going into it, could easily be drawn backwards and be subject to the levelling down to which my hon. Friend the Member for Eastbourne referred, making it simpler for employers to let someone else take the responsibility. That would be disastrous for the Bill, and for the many people whom we are trying to encourage to have faith in pensions. We have to be honest with ourselves; we know from our constituencies that there is not huge faith in pensions. We know all too well how many people who come to our surgeries are concerned about the issue. That is true not just in my constituency, which has been affected by the Dexion situation and occupational pension scheme issues. Pension schemes in general are not the flavour of the month.

The purpose of the provisions is to encourage more people to come into the pensions arena and to have confidence in pensions. If we are to do that, we need new clause 6, or something very similar that will allow people to believe that those who are already in low-income and low-premium schemes will be protected. At the same time, the personal accounts scheme that we are talking about should have the benefit of keeping people out of means-tested benefits. I accept that the Minister is in a very difficult position, as he is trying to bring that about with the consensus that he has managed to get. That would all be lost if we ignored the concerns that have been raised. I will not read out the comments of all those who have lobbied us on the issue; some of them have already been read out. There is a genuine argument to be made, and there is genuine concern that it is all too easy to slip backwards, instead of going forwards, which is what we all want to happen as a result of the Bill.

John Penrose: I want to join the consensus among Members on both sides of the House about the critical importance of preventing levelling down, and therefore of accepting new clause 6 and its associated amendments.

6.45 pm

It is worth pausing for a second to understand precisely what we mean by levelling down, as we have been using the term to cover a variety of things. It is worth remembering that, for several years, employer contributions to pension schemes have fallen, not because of the Government's plans for personal accounts, but because of other external factors, partly economic and partly to do with changes in pensions and tax laws. As a result, occupational schemes are already suffering from a degree of levelling down. It is crucial that we do not accelerate the decline and push contributions even further down to the residual, basic level that will be established by the personal accounts. It is crucial that the issue is not left to chance, and that we do not just trust to hope on that point.

Let us imagine the scene in any company's boardroom when the topic of the establishment of personal accounts arises. Companies with occupational schemes could do one of four things in the face of the personal accounts legislation. They could decide not only to make their existing occupational scheme available to everybody in the firm, as the rules require them to do, but to increase the contributions for each of those people. That would be a marvellous solution; I sincerely doubt that many people will opt to do that, but it is a theoretical possibility.

Companies could also opt to keep contributions at the same level, but to broaden coverage to everybody in the firm. That would obviously increase the total cost of the company's pensions contribution, potentially very substantially. I do not know whether that would count as remaining the same; I suspect that we should count it as levelling up, because it would extend existing high-quality coverage to more people. I suspect that everyone, in all parts of the House, would welcome that outcome hugely.

As a third option, a company could decide to maintain its overall pension contribution at current levels, in pound terms, while spreading that benefit among a wider range of people—that is, while extending the scheme to cover everybody in the firm. That would not reduce the total pension contribution made by the company, but it would reduce the amount received by each employee. I do not know whether we are counting that as levelling down. Clearly, on a macro-economic scale, it is not levelling down, but would be maintaining pension contributions at existing levels. I suspect that many of us would not regard that as a bad result; it would extend the coverage of occupational pensions significantly, while keeping them at a high level of quality.

The fourth option is the one that we are all worried about: a company may decide not to keep its existing level of contributions constant, but absolutely to reduce its contributions, while extending the coverage of the scheme to all employees. We need to be clear that that is the worst possible scenario. I suggest to the Minister—I shall be interested to hear his views—that any of the other three options would be at least acceptable, if not an outright victory, and would allow us to consider that we had avoided levelling down. I hope that he will oblige us by explaining precisely what he would, and would not, regard as acceptable.

There is an argument that the design of personal accounts is, in itself, a good weapon against levelling down. Personal accounts are the budget airline solution to pension coverage; the legislation deliberately sets out to create an ultra-simple, ultra-cheap, no-bells-and-whistles, no-frills product that is not terribly flexible—a good, basic, plain vanilla product that will suit a large number of people who are not currently covered. It can be argued that that in itself will distinguish personal accounts from existing occupational schemes, because those occupational schemes tend to be higher-cost, to require higher contributions and to be a great deal more flexible. They also have a fair number of additional features that personal accounts will not have.

Mike Penning: My hon. Friend touched on an enormously important point when he used a simple analogy to explain the dangers of the scheme. Continuing the budget airline scenario, if he had said to British

Airways 10 years ago, "Don't worry, your market is safe because there is no competition, and by the way, there is a budget airline that is going to do Paris for £15 and Barcelona for £14". BA would have laughed at him. What happened, as we know, is that budget airlines have been a huge success and millions of people who were flying with the big airlines and paying a fortune have gone over to those airlines. That is my fear in the pensions context.

John Penrose: My hon. Friend anticipates the point that I was coming to. There is an argument that because personal accounts are an ultra-cheap, ultra-simple alternative, they will not compete with existing occupational schemes because they are designed in a different way and they do not provide the additional flexibility and levels of outcome that occupational schemes provide. However, that assumption has not, to my knowledge, been tested anywhere. As my hon. Friend points out by using the airline analogy, it is possible that there will be a knock-on effect, as budget airlines had on full service airlines.

My concern, and the point to which I would like the Minister to respond, is this: are we trusting to luck and hoping that the difference in design will do the trick, or do we have concrete evidence to guarantee that it will do the trick? If it does not, and we do not have that concrete evidence, trusting to the differences in design will not be enough to ensure that there is no levelling down. We will need more. If that is not new clause 6 and its associated amendments, then what is it? We must have solid guarantees or solid evidence that the differences in design will make a material difference. I hope the Minister will be able to offer us those assurances.

Mr. Mike O'Brien: Opposition Members have tabled a number of amendments for today's debate and I fully understand the concerns expressed in them. I hope I can reassure them that the Bill as drafted will achieve the outcome that they are seeking. We share the goal of more people saving for retirement, and more people contributing for longer and contributing more for longer.

Mr. Mark Hendrick (Preston) (Lab/Co-op): My hon. and learned Friend speaks of more people contributing often people from very poor backgrounds. He knows that some people have been contributing to pension funds for many years, but their pension fund may go bust and they may fall ill with a terminal illness. That is a serious matter, which new clause 22 deals with. I am concerned that we might not reach that proposal in the course of the debate. What is his opinion on the situation that I described?

Mr. O'Brien: I do not know whether we will be able to debate that new clause, given the issues before us, but I assure my hon. Friend that I am very conscious of the concerns that he expresses about people who find that they have a terminal illness and are unable to make a claim on the Pension Protection Fund if their pension scheme has failed and they are under the prescribed age. I propose to suggest an amendment in due course, to be tabled in another place, in order to ensure that those who are affected in that way can get some sort of help. The aim would be that provided they could show that they meet certain conditions, they would get some significant payment to help them through the difficulties that they faced.

We all want to achieve the aim of getting more people saving, but we need to address the issues arising from the combination of individual inertia and commercial viability, which have resulted in large numbers of moderate to low earners currently not saving enough for their retirement. The Bill provides for the establishment of what has been described as a budget airline type of pension scheme. I am not sure whether I want to follow that analogy too far—*[Interruption.]* The hon. Member for Hemel Hempstead (Mike Penning) suggests that all the budget airlines have been successful, but Freddie Laker might have disagreed.

We want to provide a basic scheme that will be of sufficient quality to enable people to save for their future and provide them with a reasonable income. The key problem is what happens in relation to the current better employers' schemes—not all of them are better—where the employer may be making a bigger contribution and may find that with personal accounts, the minimum contribution will cost him less. The employee may even be making a bigger contribution to an existing scheme and may find a smaller contribution to a personal account temporarily advantageous to him and his family.

How are we to prevent levelling down? The straight answer is that we cannot prevent it. We can reduce the likelihood that it will happen and take reasonable steps to mitigate the factors that might cause it. We have already discussed one of the ways of doing that: restricting transfers in and out of personal accounts. Someone with a current pension scheme will not be able to transfer in at the start of personal accounts in order to level down. Also, we are not looking to have people transferring out of personal accounts. Preventing people messing about and transferring in and out is a mechanism to reduce the likelihood of levelling down.

Also, there is a maximum contribution annually that people can make—£3,600. Many people will want to make a higher contribution, but we have indicated that on 2005 figures that is the level of annual contribution that we want. We have carried out surveys of employers to ask what they are likely to do if they have the option of continuing with their current scheme or moving to personal accounts. Surveys suggest that most employers would stick with what they have. No doubt some employers will see an advantage in levelling down, and I cannot give the guarantee that the hon. Member for Weston-super-Mare (John Penrose) seeks from me, that it will not happen. However, the scheme designs that we have put in place will reduce the likelihood of its happening and hopefully mitigate the possibility of its doing so on a significant scale.

The other way in which we have tried to deal with the matter is keeping the scheme simple. The hon. Member for Weston-super-Mare said that it was important to keep these things simple, and I agree entirely. So does Paul Myners, the chairman of the Personal Accounts Delivery Authority. In his evidence to the Committee, he said:

"Keeping it simple is critical to the successful delivery of personal accounts. Every further bell or whistle that is added to the scheme will have to be paid out of people's retirement income." *[Official Report, Pensions Public Bill Committee,* 15 January 2008; c. 8, Q33.*]*

That is exactly right. It is a view that is broadly shared. It is also one of the ways in which we can reduce levelling down. People have requirements from their

Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Flello, Mr. Robert
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Jim
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oliver, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Turner, Dr. Desmond
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Mr. Dave Watts and Siobhain McDonagh

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Christopher
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. John Baron and
Mr. Nick Hurd

Question accordingly agreed to.

Bill read a Second time.

Ordered,

That

(1) Clauses 3, 5, 6, 15, 21, 49, 90 and 117 and new Clauses amending section 74 of the Finance Act 2003 be committed to a Committee of the whole House;

(2) the remainder of the Bill be committed to a Public Bill Committee; and

(3) when the provisions of the Bill considered by the Committee of the whole House and the Public Bill Committee have been reported to the House, the Bill be proceeded with as if it had been reported as a whole to the House from the Public Bill Committee. *[Jane Kennedy.]*

Committee tomorrow.

COMMITTEE

FINANCE BILL

Ordered,

That the Finance Bill Committee shall have leave to sit twice on the first day on which it meets. *[Liz Blackman.]*

approach was a real asset not only to the House but to the wider transport community, for which she did so much hugely valuable work.

My question for the Secretary of State is: if the Competition Commission recommends the break-up of BAA's monopoly over airports in the south-east, will she promise to implement that recommendation?

Ruth Kelly: I think that the hon. Lady will realise that the Government have a history of respecting the conclusions of the independent Competition Commission. It is of course the expert in that matter and it is right that it should have the time and space to consider the issues carefully. It is right, too, that we should think in government about how to raise standards of service for passengers. That is why this morning I commissioned a review led by an independent professor, Professor Martin Cave, to advise the Government on what the appropriate economic regulatory regime ought to be for the future.

Mrs. Villiers: We still cannot get a straight answer from the Government on the future of the monopoly enjoyed by their friends at BAA. Anyone who has been through the notorious Heathrow hassle or experienced the T5 debacle knows that BAA too often gives a dismal standard of service to its customers, yet the regulator recently awarded it with double-digit price increases. Is it not time to call time on the BAA monopoly on airports in the south-east, toughen up a toothless regulatory regime and put the interests of passengers first?

Ruth Kelly: I suggest that the hon. Lady actually reads the Competition Commission's report. I spent several hours this morning going through the 160-odd pages of the report. Surely she will have noticed that it says clearly on page 12:

"Lack of capacity, particularly runway capacity, at the south-east airports...appears to be a main reason for the current poor standards of service at the airports and lack of resilience at times of disruption."

Surely it is now time for the hon. Lady, rather than criticising the Government, to wake up to the facts of the situation and reconsider her opposition to expansion at Heathrow subject to the local environmental conditions—a policy that has everything to do with short-term political opportunism and nothing to do with Britain's long-term prosperity.

T5. [199783] **Mr. David Anderson** (Blaydon) (Lab): The Secretary of State is very aware of the problems around the western bypass in Gateshead. Can she give me an update on progress on that matter?

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): My hon. Friend has campaigned on that issue for a long time. I share his concern that we have to see some progress on that project. However, he knows that widening that section of the A1 is likely to be complex and costly and will take time to deliver. However, the Highways Agency is aware of my concern to make progress. I am happy to discuss the matter with my hon. Friend in the near future. He will also know that the Highways Agency is investigating the possibility in the meantime of low-cost measures to improve the operation of the A1, including options for improving accident and incident management and speeding up the clearance of accidents.

T3. [199781] **Dr. Evan Harris** (Oxford, West and Abingdon) (LD): The Secretary of State has required First Great Western to implement a remedial plan; otherwise its franchise will be taken away. Will she tell me, on behalf of the long-suffering passengers from Oxford and Abingdon and throughout the region, when that remedial plan will be evaluated? When can we expect to see significant improvements or a change of franchisee?

Mr. Tom Harris: The remedial plan, which has now been contractualised in the First Great Western franchise, will be monitored on an ongoing basis. As far as the latter part of the hon. Gentleman's question is concerned, I expect and hope that we will see significant improvements in First Great Western's performance in the next few months.

T6. [199785] **Mr. Robert Flello** (Stoke-on-Trent, South) (Lab): The boiler suits are lined up, the paintbrushes are ready, the paint pots are waiting. Will my hon. Friend join me at Longton railway bridge to do Network Rail's job for it, or does he have some good news for me at last?

Mr. Tom Harris: It may well be that following the next reshuffle, I will have some spare time on my hands, in which case I would be more than happy to take up my hon. Friend's offer. In the meantime, however, I am more than happy once again to write to Network Rail to ask it whether it will prioritise that job. I have to point out that as a Minister, I cannot instruct Network Rail to do so, but I can ask whether it has any plans to do so.

Norman Baker (Lewes) (LD): On behalf of my Liberal Democrat colleagues, may I, too, say how sad we were to learn of Gwyneth Dunwoody's death? She was an independent spirit, and we on these Benches had a lot of time for her.

On aviation—I note in passing that the Tory Members of the Transport Committee voted against breaking up BAA—the Minister will be aware that the average carbon emissions from air travel per passenger mile are considerably higher than they are by rail. Yet a parliamentary answer that I received yesterday showed that the cost of travelling by air had decreased by 50 per cent. over the past 10 years, whereas the cost of travelling by rail had increased by 6 per cent. What will the Secretary of State do to try to ensure that the cost of travelling bears more relation to the carbon emissions?

Ruth Kelly: I know how deeply the hon. Gentleman cares about carbon emissions and the difference in the amount of carbon emitted by different means of travel. I know, too, that he is in favour of high-speed rail, but the fact of the matter is that we cannot jump to conclusions on any of these issues. The speed of the railway service is intimately connected with the amount of carbon produced. A high-speed rail line, for example, emits approximately double the carbon of a lower-speed rail service. We are going to need in this country both aviation, which will serve the interests not just of London but of the wider UK economy, and a decent rail service, at prices that people can afford.

I looked at rail fares recently and discovered that 80 per cent. of journeys between London and Manchester could be taken at a price that I think was less than £35. There is clearly a huge difference between turning up and asking for a premium rate fare and booking in advance. I encourage the hon. Gentleman to keep these things in perspective and recognise the fact that it is this Government who are taking the tough decisions on aviation and who are determined to make the necessary investment in rail too.

T7. [199786] **Lynda Waltho** (Stourbridge) (Lab): My right hon. Friend will know that the extension of the highly successful, reliable and climate-friendly Midland Metro from Birmingham to Brierly Hill in the black country is long overdue. I believe that we are due a ministerial visit next month to look at the route. My sons have gone from toddlers to teenagers waiting for this project. Will the Minister give the go-ahead before they make me a grandmother?

The Minister of State, Department for Transport (Ms Rosie Winterton): Naturally, I am beside myself with excitement about my visit to my hon. Friend's constituency, which I believe is in approximately six weeks. I am counting the days. She will know that the regional funding allocation process through which the extension would go has not at this point prioritised the extension of the Metro. Those involved are looking at these issues on each occasion that they examine the priorities, and I very much look forward to learning more about the extension when I come to visit her constituency.

T4. [199782] **Mr. Laurence Robertson** (Tewkesbury) (Con): Bus services in rural areas are more expensive to run. Sometimes the buses are not necessarily full, but they are very important services. Do the Government take into account the fact that they are more expensive to run when calculating the grants that they give, for example for subsidised bus passes? The situation is important in my constituency in Tewkesbury, where some services are being cut because the councils claim that they are not getting enough money to run them.

Ms Rosie Winterton: The hon. Gentleman may be aware that this Government introduced the rural bus subsidy grant, which has played an important part in sustaining rural bus services. Again I must return to the Local Transport Bill, which will give local councils greater powers to work with operators to run services. It will also introduce improvements in community transport, and that is particularly relevant to rural areas. I therefore urge the hon. Gentleman to encourage his Front-Bench colleagues to support the Bill as, until now, they have failed to do so.

T8. [199787] **David Wright** (Telford) (Lab): The Department for Transport estimates that there are around 1.2 million vehicles without a valid MOT certificate. Is it not time to bring in a system of reminders for people, so that we can ensure that we improve the quality of vehicles on our roads?

The Parliamentary Under-Secretary of State for Transport (Jim Fitzpatrick): My hon. Friend raises a very relevant point. On top of the 1 million vehicles without an MOT certificate, I understand that the certificates for some 4 million vehicles are renewed up to four weeks after they should be. A problem clearly exists, therefore, although owners can use a peel-off part of the certificate to remind themselves about when renewal falls due. Many garages and MOT testers send out renewal reminders, but we have asked the Driver and Vehicle Licensing Agency to look at other methods that we can use. Obviously, as there are 31 million vehicles in this country, it would be very expensive to send out reminders to all owners, but we are looking for better ways to remind people about when their MOT is due.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): A shop steward in the PCS union has sent me an e-mail to inform me that the Maritime and Coastguard Agency's own figures show that coastguards saved 48,000 lives last year. That equates to many billions of pounds saved for the economy, so what are the Government doing to help resolve the current dispute with our coastguards?

Jim Fitzpatrick: The dispute with the coastguards is obviously regrettable. Safety is of paramount importance, and the Government are doing everything possible to make sure that emergency services are provided while MCA members take strike action. They believe that that is the best way to prosecute their pay claim, but we consider that the settlement that they received last year and this year was appropriate and in line with Government recommendations. We are offering talks on a multi-year pay deal for the future, but at present we are making sure that the contingency plans needed for the safety of mariners are in place.

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): The case for the reopening of the Woodhead line across the Pennines has been made many times in this Chamber, as it would enhance the north's economic development. Will my hon. Friend the Minister of State update the House on the discussions between the Government and representatives of the National Grid and Network Rail about the preservation of the third Woodhead tunnel—called the "53 tunnel" because it was built in 1953—for future use?

Ms Rosie Winterton: As promised, I met representatives of both Network Rail and National Grid last Friday. We discussed the issues arising from the Adjournment debate to which my hon. Friend and many other hon. Members contributed. Both companies agreed to study the feasibility of ensuring, when the Woodhead tunnels are sealed, that access for the purposes of ongoing inspection is retained. In addition, I discussed Network Rail's utilisation strategy for the future use of the rail network by both freight and passenger services. The company agreed to take into account any representations about the future use of the Woodhead tunnel for freight.

However, as a non-departmental public body, the trustee corporation's financial arrangements would be taken into account in the Department's budget. It is therefore right that this should be subject to scrutiny by the Secretary of State to ensure that the wider interests of the taxpayer are taken into account.

The hon. Member for Rochdale had a brief exchange with me on the subject of grants. There are some areas of the authority's work that he is right to say envisage giving advice to Government and others, and providing services which, because of the sheer scale of the undertaking, would be unlike those that other commercial bodies have to operate. Grants from Government to the trustee corporation may be necessary in the future—for example, if the Government asked the trustee corporation to provide advice or information to help them and Parliament to assess the success of our overall public policy ambitions. As this would not directly benefit scheme members, it would be unfair to expect them to meet the cost. I therefore cannot accept amendments Nos. 27, 10 or 12.

At this point I would like to reassure Members that the costs that the regulator incurs in establishing the compliance regime will be borne by the Government. That will be done through existing powers, achieving the same aim as new clause 3. I have made it clear that low charges will be at the heart of the personal accounts scheme. However, difficult trade-offs will need to be made between the initial level and structure of charges and how quickly the scheme becomes self-financing. That is one of the issues that PADA is exploring in its public consultation on the best charging structure for the personal accounts scheme.

New clause 4 and amendments Nos. 13 and 14 demonstrate why we should wait for PADA's advice before taking decisions in this area. New Clause 4 and amendment No. 14 would require the scheme to repay the costs of establishing the personal accounts scheme within five years. That would be likely to lead to unreasonably high charges for the first cohort of members, impacting adversely on their savings and potentially leading to high levels of opt-out at the time when we most need to establish the confidence of savers. I am not saying that it is a wrecking amendment, but it is not far off it.

Amendment No. 13 would initially cap charges at an annual management charge of 0.3 per cent. It therefore pre-empts PADA's charges consultation and risks inappropriately extending the time that it will take for the scheme to become self-financing. I am not prepared to pre-empt decisions on the funding strategy in this way and therefore cannot accept the amendment.

Finally, the hon. Member for Rochdale asked for various reports. Amendment No. 9 would require the authority to report on the financial management of the scheme within 12 months of Royal Assent. The financial position of PADA and the corporate trustee as non-departmental public bodies will be reported to Parliament on an annual basis. Further, as a trust-based pension scheme, the trustee corporation will be required to provide annual statements to its members. I see no reason to add to those reporting requirements, which would involve additional bureaucracy.

I reassure hon. Members that the authority will continue analysing the assumptions and risks around take-up, persistency and contributions as part of its work to develop the funding strategy. However, I will not commit the authority to making public its latest assumptions on funding when it is likely to be in the midst of sensitive commercial negotiations.

Developing the funding strategy for personal accounts is already a complex and challenging piece of work. I welcome the support expressed by Opposition Members for the project, but I cannot provide them with the guarantees that they want in relation to 2012. I have always said that we envisage that the scheme will start to deliver in 2012, but this is a big project and I cannot guarantee that it will happen. There are tight time scales, and some of the things are not in the control of either the Government or PADA, so we must be realistic.

We have employed a high quality chief executive and a high quality chairman, who can deliver in the commercial sector. They have both shown that they have the skills, and they are recruiting good quality staff; we need to let them get on with the job. They have given us their proposals to deliver in the broad terms of the Government's policy on 2012, which is what I want to allow them to do. I have acknowledged that they may have to take all sorts of issues into account, if certain matters do not work out precisely as envisaged in the plans, which is always the case with a project on this scale.

We have got a policy aim—there is nothing dubious about describing it as a policy aim—and we have got a plan for delivering it in 2012. The plans are tight, but they are deliverable. We should let PADA get on and deliver the project. If the hon. Gentleman wants to discuss how that will be done—the costings and so forth—I have already offered the facility of meeting Tim Jones in order to do so.

Mr. Waterson: I am not minded to press the new clause to a vote, but that does not mean to say that I am wholly satisfied by what the Minister has said. In an attempt to be reassuring, he kept telling the House that the introduction of personal accounts is not going to be a big bang. I am delighted to hear that, but as has been said, we do not want a terminal 5 moment, either. Terminal 5 was a massive project of its sort, and it was not a big bang—it was phased in, but phase 1 turned into an unmitigated disaster.

That is the kind of issue that I am trying to get at in this debate—the nature of the review and its conclusions. I shall certainly take the opportunity to see Tim Jones and get to the bottom of where he thinks things now stand, and yes, of course, if I am told things in commercial confidence I shall not tell anybody else. However, we need to find out precisely what is happening in practical terms.

The Minister said—I wrote it down—that Tim Jones had delivered his report on time. Is the report in such a condition that it can be placed in the Library or made available in what lawyers call a "redacted version", so that we can at least see the highlights? The issue is not as simple as whether we will get from now to 2012 in one piece, as it were. Presumably, there is a series of triggers, or things that have to happen by a certain date between now and then, hence the charts to which the Minister referred. Once those deadlines start not to be met, the whole thing begins to slide off schedule. That is the key, and without wishing today to detain the House for any great time on the issue, I should say that that is the sort of thing that we will look for.

The hon. Member for Newcastle upon Tyne, Central (Jim Cousins) reminded us that the measures are part of the Turner package. According to Turner, they were to have been delivered two years earlier, in 2010. We have had this debate on other parts of the Turner package, such as on decoupling, and I hope that we shall come to the issue of restoring the earnings link, which is another key part of the package. Such things, including increasing the state pension age, all go together and we let the timings of the essential ingredients of the Turner package start to drift apart at our peril.

I was surprised that the Minister put a lot of emphasis on Royal Assent. Technically, of course, lots of things can happen only when the Bill gets Royal Assent. I do not want to be churlish, but the Bill has been a long time out of Committee and only now are we having Report stage and Third Reading; moving a bit faster was in the Government's gift. However, leaving that aside, I should say that the Minister talked about contracts of substantial value being put out for tender. I accept that. However, unless he is making out that the Reuters report is a complete fabrication, it should be clear that lots of people—allegedly 100 consultants—are already working night and day to do something. They are not waiting for Royal Assent, and nor will their bills. What are they doing in the absence of Royal Assent, and how much is it costing? One or two distinguished members of the Select Committee on Work and Pensions are here; it is not for me to say, but perhaps the Committee thinks it is important to look into the potential costs overrun and how the project is being managed.

That brings me to the Donald Rumsfeld "known unknowns" point. We do not expect Mr. Jones, and certainly not the Minister, to walk on water. We expect Mr. Jones and his team to deal with the known unknowns, and I presume that the things that he knows are outside his control are clearly flagged up in the report. Even on the Conservative Benches, we do not expect him to be aware of the unknown unknowns, about which the Minister was also concerned. No one expects the Minister to guarantee absolutely April 2012 as the start date—all sorts of things could have happened by then, not least to the economy as a whole.

However, to come to the costs overrun point, it would be worrying enough if the Minister had said to the House, "We can't tell at this stage what the cost overruns are or are likely to be," but as I understood it—I accept that I paraphrase—he said, "We can't say in any event whether there are cost overruns because we do not know what the cost should be." It seems even more worrying that at the moment we have no idea about what the costs will be, apart from a vague figure plucked out of the Turner process. However, it is clear that costs are being incurred, Royal Assent or no Royal Assent, and we need a clearer notion of what rate and level they have already reached.

Mr. Mike O'Brien: The costs that are being incurred are those that were envisaged under the Pensions Act 2007 in terms of providing advice, creating the initial framework and doing the consultations to which the hon. Gentleman has referred. However, the actual procurement operation will need to wait until the Bill gets through.

5.15 pm

Mr. Waterson: I am grateful to the Minister. I assume that it follows that the £21 million that was allocated in the 2007 Act is yet to be spent and that there is still some money in the kitty; otherwise, somebody would presumably have told us.

It is clear that costs are being incurred, and at quite a high rate. I cannot vouch for the Reuters story, but Reuters sturdily stands by it and by its sources. Of course, I intend to meet Mr. Jones and hear what he has to say. It would still be helpful, though, if the Minister could produce a copy of the report that he has received, stripped of the commercially confidential issues, so that the House as a whole can get a feel for how this project is likely to develop, or indeed how it has developed so far. As I said, that may be a matter for the Select Committee.

Mr. O'Brien: Given that I am not able to deliver exactly what the hon. Gentleman is asking for but am anxious to be helpful, I wonder whether I could ask Tim Jones to provide a written report for the House indicating where he has got to and how he envisages moving forward. It would obviously be stripped of commercial issues but it would at least allow the House to feel that it is better informed and to see some of the detail of how he plans to take this project forward.

Mr. Waterson: I am grateful to the Minister for that helpful response. If that can be done without producing something that is not very useful, then so be it; I think that it would be worth while in any event.

Terminal 5 was an instance of a massive project that had lots of clever people and lots of money thrown at it—it even had some 3,000 people brought in as extras, as it were, to try to test the system before it went online—but it still failed on day one, day two, day three and so on, and it was being phased in. I have never managed a project of this size or anything remotely like it—nor, I suspect, has the Minister—but Mr. Jones has, although there has never been a project quite like it. We all need to know about this; again, perhaps it is something that the Select Committee might want to take an interest in. I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 2

MEANS TESTING

'(1) On or before 1st April 2009, the Secretary of State shall publish his projections of the numbers of people likely to be subject to means-tested benefits (including housing benefit) and in "at risk" groups following the introduction of personal accounts.

(2) If the projected figure published in accordance with subsection (1) exceeds 10 per cent. of the pensioner population, the implementation of the scheme under section 58 of this Act shall be postponed for at least 12 months after the date of publication.

(3) The Secretary of State shall publish any proposals for reform to address the findings in subsection (1) above concurrently with the publication of the projections thereunder.'—*[Mr. Waterson.]*

Brought up, and read the First time.

Mr. Waterson: I beg to move, That the clause be read a Second time.

Kate Hoey (Vauxhall) (Lab): It is always good to hear politicians admit that they were wrong, and the Conservative party has admitted that it was wrong to take the link away initially. If there were a Conservative Government in the next two years, would they be committed to restoring the link immediately?

Mr. Waterson: We are, of course, not committed to restoring it immediately, because we are currently in opposition. We hope that, by the time of the next election, the Government will have come clean about when they are going to restore it. I cannot say what will be in our next manifesto; all I can do is refer the hon. Lady to our last manifesto, in which we did promise to restore it. The message is clear. If people had voted in a Conservative Government at the last election, we would already be implementing the measure. Incidentally, I did not admit that we were wrong to break the link; I just said that I would not go into the history.

7.15 pm

Mr. David Drew (Stroud) (Lab/Co-op): I thank the hon. Gentleman for being so generous. Given that the Conservatives made such a commitment in their last manifesto, they have obviously done calculations on the anticipated cost. One has to roll that forward, and it would be useful to know what.

Madam Deputy Speaker: Order. I remind hon. Members that we are discussing new clause 7.

Mr. Waterson: I am delighted by all this close interest in our next election manifesto. When the time comes, the hon. Lady and hon. Gentleman will be among the first to know.

I, however, am talking about this Government and the Turner package. The more we read and reread the final report of the Pensions Commission—one has nothing better to do, I suppose—the more it is clear that all these things hang together, including, as I said earlier, increasing the state pension age. One can see the arguments for that in isolation. However, these matters were not proposed in isolation. They formed a carefully organised package of measures, including restoring the state pension's link with average earnings.

What makes it easier for Ministers is that we have already legislated on the issue. The great thing about this job is that another pensions Bill is always just around the corner. Section 5 of the Pensions Act 2007 sets out the mechanism to restore the link and how that could be calculated. No further legislation is required and no Government time in the House need be allocated. That being the case, why have the Government been so coy about making the announcement? One has to wonder whether they propose to go into the next election campaign without making it. To follow up the point made by the hon. Member for Vauxhall (Kate Hoey), whatever may or may not be in our manifesto, I have a sneaking suspicion that, one way or the other, the issue will be in the Government's next election manifesto.

Given that pensioner poverty is on the front pages and an issue in our advice surgeries and mail bags to such an extent—because of the other issues crowding in on the already stretched budgets of pensioners—why do the Government not say something now? That is the point of new clauses 7 and 16, which are almost identical in what they are trying to achieve.

Help the Aged's briefing on the debate says:

"Help the Aged therefore supports the amendments brought forward by Kate Hoey MP to bring forward the planned date of relinking pensions to earnings."

There is no credit for us, but there we are. There is a general feeling that the issue needs to be tackled, and tackled soon so that people at least know where they stand. The National Pensioners Convention has made the point that, sadly, some 3 million pensioners will have passed away by 2015. Even if the Government are not going to restore the link tomorrow or the day after, giving people the certainty of knowing when they intend to do it would be welcome.

Sir John Butterfill: If one were feeling very cynical, one might think that the link with earnings, as opposed to prices, rather depends for its efficacy in delivery on whether prices are going up faster than earnings or vice versa. Perhaps the Government cannot make up their mind about which will go up faster and are hedging their bets.

Mr. Waterson: As my hon. Friend says, one would have to be cynical to take that view. I could not possibly comment, save to point out the historical fact that one of the myths surrounding the earnings link is that pensioners were worse off for ever after 1980 because their pensions were not going up in line with earnings, whereas there were years when prices were roaring ahead, until we got them under control.

If there is a legitimate reason for holding up this announcement, it can be only because of the Government's worries about the economic and fiscal future over the coming months and years. They have done their sums on what all this would cost; those figures are in the public domain and have been for some time. If Ministers now feel that it will not be affordable because of other problems in the economy, they should come clean, as well as telling us why they will not make the announcement at this precise moment.

There is so much consensus on this issue that there is almost identical drafting between our new clause 7 and new clause 16, which was tabled by the hon. Member for Newcastle upon Tyne, Central (Jim Cousins), among others. On reflection, I am more attracted to his new clause than my own. It was my intention, subject to what else might be said in the debate, to withdraw new clause 7, but to seek, if possible, to press new clause 16 to a Division. I will be interested to hear whether the hon. Gentleman is sufficiently reassured by the honeyed words of the Minister not to wish to press new clause 16, but even if he were, perhaps I may say at this stage that I would intend to seek permission to do so myself.

Paul Rowen: 1 August this year represents the centenary of the introduction of the state pension. I can think of nothing better that this Government could give people than for a Minister to be able to announce, when we go to the TUC national pensioners convention in Newcastle in June, that the Government are restoring the earnings link.

That would only be a first stage in restoring the value of the pension to where it should be. However one looks at it—I quoted these figures in the debate on the National Insurance Contributions Bill last December—the value

of the pension as a percentage of earnings has declined. In 1950 the pension was worth 18.4 per cent. of average earnings; today it is worth 15.9 per cent. When we look around Europe, as the hon. Member for Eastbourne (Mr. Waterson) said, we see that we are the poor relation. Why should we be compared with the likes of Cyprus and Latvia? We consider ourselves to be the fourth largest economy in the world, yet we are unable to give our pensioners a decent state pension. Our state pension is worth only 45 per cent. of pre-retirement earnings compared with 57 per cent. in Germany, 75 per cent. in Poland and 105 per cent. in the Netherlands.

It is high time that the Government restored the link and got the value of the pension back to what it should be. I know that the Minister will reiterate, because we hear it whenever we raise this issue, "Well, there's pension credit," but as he knows, 40 per cent. of all eligible pensioners do not claim that. It is also far more expensive to administer. It is much easier to give people what they are entitled to, and have earned, without making them go through what many of them perceive to be a demeaning process of being means-tested to get what they have worked for all their lives.

We should be doing this. We have had a commitment from the Government, but it is open-ended. We want to set a date. As the hon. Member for Eastbourne said, this provision was agreed in last year's Pensions Bill. The Minister will ask how it is to be paid for. National insurance contributions are in credit at the moment, and there is absolutely no reason why that surplus money cannot be used to restore the link. It can happen now, and I want the Government and the Minister to give a clear indication that it will. If we vote on nothing else tonight, we should divide the House on this new clause to see whether the Government's commitments and promises are more than warm words. I give notice that if neither new clause 7 nor new clause 16 is pressed to a vote, we will want to press our new clause 21, because we believe that the Government have had enough time to deliver on this commitment, and we want to see it implemented now.

As I said, this would only be the first stage. We want a citizens pension. Instead of setting the bar at which pensioners can have an income at £30 below the poverty line, as is currently the case, that bar should be set at the poverty line. The Government have made a commitment on child poverty. It is a testing target, but in the last two Budgets they came forward with proposals showing that they are delivering. Why can the Minister not deliver on this promise? These people have worked all their lives for us; many of them fought during the second world war to ensure that we could be here now. They deserve that right. It is wrong to say that another 3 million of them are going to die before the promise is kept. It must be kept now, as is appropriate in the state pension's centenary year. The Minister could not deliver a better speech at the TUC national pensioners convention in the constituency of the hon. Member for Newcastle upon Tyne, Central (Jim Cousins) than to say, "We've delivered on our promises."

Jim Cousins: Let me begin by saying that nothing is more glorious to God than a sinner that repents, even if, as in this case, the sinner is a Conservative. If we have achieved consensus on this issue, now is a good moment to put that into effect.

I pay great tribute to my right hon. Friend the Member for Barrow and Furness (Mr. Hutton), because in many respects the package consisting of this Pensions Bill and the Pensions Bill that preceded it last year is very much his package, implementing the findings of the Turner commission. I have no doubt that he saw the restoration of the earnings link as being a vital part of that package. In his opening statement on these issues, he referred to the long-term damage caused by the eroding effects of our present system of indexation of pensions. The restoration of the earnings link is an absolutely essential component of the credibility of the Government's new pensions proposals in the Bill regarding personal pension accounts. The credibility of personal pension accounts depends on the restoration of the earnings link so that people are assured that they are not paying money into a scheme whose ultimate effect will be simply to save the Government money, in the form of the benefits that they would otherwise have received.

Another important part of the package is that by restoring the earnings link we build a bridge between tomorrow's pensioners, who we hope will benefit from the introduction of personal pension accounts, and today's pensioners, who in every other respect do not benefit from the proposals in the Bill. The restoration of the earnings link must not be delayed. It is essential for the delivery of the Government's pension reform package, and it must not be subject to the daily volatilities of the political and economic environment in which we all operate.

7.30 pm

The hon. Member for Eastbourne (Mr. Waterson) mentioned that for the Government the reintroduction of the link to earnings would be subject to affordability and the fiscal position. The current situation is a little different from the one that we were in last year. There is more uncertainty about the fiscal position of the Government, and when we see their accounts at the end of the financial year, we will see, rather remarkably, that they have observed their fiscal rules simply because a large number of people who were entitled to means-tested benefits did not claim them, thus saving the Government money. That is a difficult situation for any Government.

The point must be made that the longer the restoration of the link with earnings is delayed, the more today's pensioners will end up in relative hardship and depending on the complex rules of pension credit. Indeed, the provision in the previous Pensions Act that pension credit should increase in line with earnings, even when the basic rate of state pension does not, has now become a machine that remorselessly, year by year, draws larger numbers into a state of dependency on means-tested benefits. Once they get there, there is no possibility of retrieving the situation. Parliament should not allow that to continue.

Of course, we ought to seek simplification of tax and pension credits. We may well have an opportunity to consider some of those issues quite soon, which would be welcome. But in the meantime, we have to protect people from being drawn into dependency on means-tested benefits where that is not necessary. Let us recognise that the people who do not claim the means-tested benefits to which they are entitled are often old people—often women—who live on their own in social isolation. It is entirely wrong that we should not move to protect such people.

Mr. Waterson: I beg to move. That the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to discuss the following amendments: No. 25, in clause 70, page 34, line 34, after 'the', insert 'needs and'.

No. 26, in page 34, line 36, at end insert

', provided this can be done at no disproportionate cost to the scheme overall.'.

No. 39, in page 34, line 38, at end insert—

'(g) the UN Principles for Responsible Investment should be adhered to'.

Mr. Waterson: We now have a complete change of topic. New clause 12 arises from a good debate we had in Committee about investment principles as they apply to PADA—and to the board and trustees in due course. It seems that everyone is talking about ethical investments to which there seems to be a range of different approaches, of which this new clause is only one. It merely seeks to apply to the authority the

"United Nations principles for responsible investment ("UN PRI") and adherence to those principles will be part of the contractual arrangements with fund managers in respect of"

the variety of matters listed.

The hon. Member for Carmarthen, West and South Pembrokeshire (Nick Ainger) pointed out in Committee that the Co-op ethical fund had had one of the best performances of any all-shares funds in recent times, so it is not as if we are suggesting a measure that is likely to fetter the ability of the personal accounts system to provide a decent return for those saving into it. In fact, in many respects, the opposite is the case. I am delighted that our proposals have received support from a range of different organisations, including FairPensions: The campaign for responsible investment. It makes the point that responsible investment does not necessarily mean disinvesting from so-called unethical industries, but that it does mean taking steps such as to

"proactively engage with companies on environmental, social and governance (ESG) issues"

and

"working with them to future-proof their profits by limiting the potential of…poor governance, lax safety standards or climate change".

One of the attractions of the UN principles as opposed to other codes that are sometimes cited in this context is that they are not prescriptive but provide what is called a voluntary and aspirational code of best practice.

FairPensions goes on to say that this House

"should affirm its commitment to safeguarding investments, and to responsible business practices, by amending"

the Bill in the way suggested. It says in conclusion:

"By committing to the UN Principles of Responsible Investment, Parliament will provide a clear mandate to the Personal Accounts Delivery Authority and its fund managers to engage with companies on environmental, social or governance issues."

The Government's attitude in Committee was very much that they did not want to bind the hands of PADA—or the trustees in due course. I find that surprising, because the question of ethical investment was foreshadowed even in the impact assessment produced alongside the Bill. We are not trying to be prescriptive: we are Conservatives, so we understand the need for business not to be fettered by unnecessary red tape or bureaucracy. However, surely PADA and its successor could reasonably be expected to reflect current best practice—the Pension Protection Fund is already signed up to the UN principles, as are various comparable bodies around the world. The new clause would, however, still leave some flexibility to those running the personal accounts system.

Two approaches are possible. We know—because that is the way life is—that the default fund will far and away be the biggest fund, as people will not make a conscious decision to invest in a particular type of fund and therefore by default will end up in that default fund. One option is to apply the UN principles right across the board, and particularly to the default fund. Another option would be a specific fund based on those, or comparable, principles. It seemed to be accepted without debate in Committee that there would be a fund—possibly out of only five or six altogether under personal accounts—that would be subject to sharia law. There is a lot of sense in that; it is important that we make that kind of provision. However, why should we not also have a fund based on ethical principles—perhaps Christian principles? Within a limited number of funds—I think the number should be limited for all the practical reasons debated in Committee—there should be that element of choice.

Following our Committee deliberations, the Minister was good enough to write to Mr. Tim Jones, PADA chief executive—who has featured quite a lot in our debates today—and raise with him the issues discussed in Committee. The Minister shared with us the reply he received on 5 March from Mr. Jones, in which he says:

"I take very seriously the strength of feeling expressed in relation to investments within personal accounts and, in particular, responsible investment."

He goes on to point out that it is ultimately

"the responsibility of the trustees"

and he then says:

"Consistent with the level of interest and strength of feeling shown by the Committee in this area I intend to address the issue of responsible investment in PADA's public investment consultation which, is due to take place later this year and which aims to capture the views of the personal accounts scheme target audience."

Mr. Jones concludes by saying that he hopes that what he says has "provided…sufficient reassurance". The answer is that it does not. I am delighted that there will be a consultation on this, but I would have thought the appropriate way to proceed would be to consult on the way to deliver these kinds of ethical investment principles in practice under PADA—and the board. All we are asking to do is to put in the legislation the fact that the authority must have regard to the UN principles for responsible investment. That is not an unreasonable thing to require. When personal accounts are up and running, the funds will be a substantial part of investment in this country. That will be the case for the default fund in particular, for reasons that I have mentioned. Therefore, it is important that a message is sent out that the authority will have regard to those ethical investment principles.

If Ministers take the opposite view, it is odd that, as I have mentioned, the Pension Protection Fund is already signed up to the principles. Why would PADA not be so

signed up? It is perfectly legitimate for Mr. Jones and his colleagues to consult on the way in which this matter is delivered—I have given a couple of possibilities—but not on the overwhelming principle. It is perfectly reasonable for this House to say that the principles should apply and to leave the detailed work to the authority.

Amendments Nos. 25 and 26 approach things from a slightly different angle. By proposing to include the word "needs" and the question of "disproportionate cost", as we tried to do in Committee, the amendments make the point that even where people have their own preferences as to how their money should be invested, both their preferences and their needs should be taken into account. That is because people sometimes make slightly bizarre investment decisions, often for the best possible ethical reasons, when they would be better advised doing something slightly different, or at least spreading the risk in a different way.

As amendment No. 26 sets out, when it comes to offering choice we must address a real issue about disproportionate cost. If any message came across loud and clear from the evidence of Mr. Myners and Mr. Jones to the Committee, it was their obsession with keeping things as simple as possible for personal accounts in order to try to drive down those running costs and administrative costs as far as possible, so that the accounts can deliver a reasonably cheap, easily accessible and easily understood form of investment for retirement. We are not looking at anything remotely like the Swedish model, which I believe has about 200 to 300 different funds, and I commend new clause 12, and amendments Nos. 25 and 26, to the House. If the Liberal Democrats do not take offence, I shall not deal with their amendment No. 39, as I am sure they will do it justice.

8.30 pm

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): The hon. Member for Eastbourne (Mr. Waterson) outlined a number of issues. Although the subject was well debated in Committee, there is a reason to return to it now, so I shall thus discuss new clause 12 and amendment No. 39.

Taken at face value, it is easy to misunderstand what the UN principles for responsible investment involve. That is why I concur with a comment made by the hon. Gentleman; although Tim Jones's letter in response to the Minister's drawing to PADA's attention the Committee's debate certainly suggested that PADA was interested and would wish to consult on the proposal, it is important to recognise that the UN principles for responsible investment are not a set of strongly binding prescriptive principles that must be followed in every detail or else. Rather, they are about having in place the correct toolkit to examine the range of responsible investment issues.

Rather than saying precisely how the toolkit should be used, the principles provide a range of tools for use, and there would, of course, then be an obligation on PADA and, therefore, potentially on the variety of funds themselves, to take the principles into account in making investment decisions. If such a toolkit was not in place, fund managers, for example, would not be able to work effectively with investee companies or to command public confidence that due diligence was being practised.

There is significant public concern about this, and the Minister has rightly recognised that in relation to the availability of a sharia law-compliant fund. There was a great deal of public concern in respect of the use of environmental green funds and about the operation of other funds of responsible investment. One of the interesting facts to emerge from the briefing and other material that has been provided for this debate—other analyses also confirm this—is that developing a capability to monitor and manage environmental, social and governance issues, all of which are covered under the UN principles, can also increase both returns and financial security.

That business case has already persuaded asset owners and managers with approximately $10 trillion of assets under management to become signatories to the UN principles for responsible investment. Included in that are state funds in France, Norway, New Zealand, Canada and Ireland. As the hon. Member for Eastbourne said, the signatories also include our own Pension Protection Fund, some UK pension funds and a number of major UK asset managers too. That set of principles has not emerged from nowhere, nor is it so outlandish that it could not be adopted. In fact, the principles have been widely adopted by other organisations in the UK and across the world.

Of course the issue of cost in following the UN principles of responsible investment has rightly been a concern for PADA throughout the deliberations on this Bill. The evidence that we have is that the cost to fund managers is relatively insignificant, consisting of the costs of employing a small number of staff to examine the environmental, social and governance issues that might arise. Many fund managers already employ staff in that capacity. Other costs might include subscribing to environmental, social and governance research services, and the UN PRI itself asks for a voluntary contribution, although it is perhaps worth noting that the majority of signatories do not pay. Therefore, the costs to beneficiaries of personal accounts would be relatively small and, given the examples that we have of investments in such areas achieving good returns, could be outweighed by the gains.

In many areas, in both the public and private sectors, the UK is seen as a world leader in responsible investment. I am sure that is why the Pension Protection Fund, among others, has signed up to the principles. Many would consider it to be very strange if a flagship scheme established by legislation—as we hope personal accounts will be—did not sign up to the principles. I look forward to hearing from the Minister why it is that he is not willing to push the issue a bit harder with PADA at this stage.

Mr. Mike O'Brien: I hear the points made by both Opposition spokesmen. It is important that we give full and fair consideration to the UN principles, and that is why I wrote to the chief executive of PADA to ensure that the board did so. I received a positive response. Tim Jones, the chief executive, confirmed that the issue of responsible investment will be explicitly addressed in the investment consultation that the authority will undertake later this year. I am not sure why Opposition Members do not want the consultation to take place before that happens. It would be a better way to approach the issue.

We want to have a discussion on the UN principles, and what better way than to create a consultation process in which the broad principles of the pension

[Mr. Mike O'Brien]

fund proposal and the creation of personal accounts can be discussed openly and fully? The UN principles could then be the focus of that debate. That would be a positive response.

I am especially interested in the views of the hon. Member for Eastbourne (Mr. Waterson) on this matter. One of the key issues that we have considered on personal accounts is the need to ensure that they complement rather than compete with current provision. We also want to ensure that personal accounts do not have advantages over and above other schemes, which is one reason why I was sceptical about some of the proposals made in relation to pay-as-you-save.

However, nor do we want to create a situation in which there are disadvantages. Would the application of the UN principles be a disadvantage? It would be interesting to find out whether the Conservatives regard them as an advantage in some way. If the principles would oblige this particular pension scheme to apply the principles, would they oblige all other pension schemes to comply with them? We have taken the view that the principles are very worth while, but it should be a matter for the trustees to consider, for each individual pension scheme, whether they wish to apply them.

The Conservatives seem to be suggesting that we should oblige a particular pension scheme to take on those principles—in fact that we should oblige not only the pension scheme to take them on, but PADA, which is a delivery authority that does not run a pension scheme but merely sets one up. I am perplexed about what the Conservative party's policy now is. If we are to oblige this particular pension scheme to have this provision, why not all public sector pension schemes—why not all private sector pension schemes? Is that now Conservative party policy? I would be interested to know.

My view remains that which we set out in Committee. The principles are good and valuable, and we want to see pension schemes take account of them when the trustees regard that as appropriate. We will not force pension scheme trustees to adopt them. We are happy to say to those who are setting up personal account schemes that they should consider the principles. Indeed, we have had a positive response from people who have said that they will consult on the inclusion of the principles in their pension schemes.

We have played a positive role in promoting that approach. We have always held the view that the trustee should decide the principles on which a scheme operates and invests. That has always been part of our law. There are some constraints on trustees, but we have essentially said that the interests of the members are best protected by giving obligations to the trustee, which they have to enforce, that are limited to ensuring that the trustee looks after the best interests of the members.

It now seems that some people are suggesting that we must go further—not with the consent of the trustees, but otherwise. We need to be a little cautious before we do that. As a result of the Committee debates, I contacted Tim Jones, the chief executive. We have had his response and we need to recognise that we have created PADA in order to ensure that it consults properly with the public in the setting up of one of the biggest pension schemes, if not the biggest, ever created in this country. The aim is that there should be widespread public consultation for the precise reason why up to 9 million people, many of whom are not currently saving, will be signing up to the scheme. If the scheme is to be treated in an entirely different way from any other scheme so that the trustees cannot make decisions about what investment principles they will operate under, that is quite a significant step.

In a sense, I am with the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander) in saying that the principles are good and that I hope that in due course the trustees will have regard to them. I can see that argument. We would not have written to the chief executive of PADA if we had not taken the view that it was important that that should be so.

There is a need for the trustees' independence and expertise in making such decisions to be recognised, too. That is the basis on which pensions have been protected in this country for a long time, and I do not think that we should tamper with it for the purpose of making a change that is, at best, symbolic, given that we already have a clear concession from the chief executive that the matter will be consulted on.

New clause 12 and amendment No. 39 presume that socially responsible investment approaches would be in the best interests of members. However, signing up to the UN principles would require active management of funds, which is more expensive than passive management of funds. It must be for the trustee to decide whether the additional costs are in the members' best interests. Otherwise, we will effectively be telling the trustees that they must manage their funds in a particular way and ensure that the principles that the UN has put forward are complied with. Let us be clear about this: we will be saying that if there is any extra cost in doing so, it will fall upon the people who contribute to the pension scheme.

8.45 pm

After consultation with members of the public, the trustees may decide that they want to do that. Many of us in the House might well say that that is a laudable thing for them to decide, provided that they have consulted with the scheme's members, and provided that if PADA has taken a view that it is advisable for the principles to be had regard to, it has itself consulted stakeholders and the public in setting up the scheme.

We are being asked to ignore all that and take a step that we have not taken elsewhere. We are being asked to take a step that goes well beyond and has potential cost implications for some of the poorest contributors that there are likely to be to pension schemes. I do not know whether either Opposition Front-Bench team has made an assessment of the potential costs for such low-paid people. I suspect that they have not, and that they are prepared to impose additional costs on members and potential members of the personal accounts scheme without even considering the implications and without talking to them or consulting them. They should proceed with a great deal of care.

It would be wrong to argue that the scheme should be used to set an example to other companies or pension schemes, as suggested by some Members in Committee. The scheme's only purpose is to represent the best

interests of its members within the existing legal framework. It is not the right instrument to express Parliament's general views on investment. We are creating a pension scheme for low and moderate income people. We may have all sorts of views about what we see as a desirable investment policy, but do we really want to impose those views on people on low incomes, whereas we are not imposing them on people in other pension schemes who are much more able to afford to pay for the principles?

Paul Rowen: I think that the Minister is misinterpreting our position, which is that there has to be a choice. Whether it's a sharia-based fund or one that signs up to the United Nations principles, the person who invests the money should be allowed to make the choice. We do not want to impose anything on anybody. We want the Government to ensure that such a choice is made available.

Mr. O'Brien: It should be a matter for the trustees of the pension scheme to examine the various options that they wish to make available to its members. As Paul Myners, the chairman of PADA, quite clearly said in his evidence to the Committee, each additional whistle that is attached to the scheme will have a cost for the members. Keeping it simple is the key to effective delivery of personal accounts. If we do not do that, and if we do not create a scheme that people can know all about without having to make a detailed examination of the principles that will be applied in this scheme but not in others, we will create a whole series of problems for ourselves.

The law already requires the trustees of all occupational pension schemes to state the extent to which social, environmental and ethical considerations have been taken into account in their statement of investment principles. They have to do that now. The legal requirements will apply to the trustee of the personal accounts scheme just as they will in any other scheme.

It is possible today for the trustees of various schemes to choose to adhere to the UN principles in the statement of investment principles that they set out. We would applaud them for doing so, but the Liberal Democrats and the Conservatives appear to be advocating that a significant further step should be taken. Effectively, it would rewrite much of trust law. We all agree that the UN principles are good ones, but the Opposition parties seem to believe that the proposed scheme must be required, by law, to adhere to them, even though no other comparable scheme has to do so. I say to the hon. Member for Rochdale (Paul Rowen) that in every other scheme, it is left to the trustees to decide what is contained in the statement of investment.

Paul Rowen: The Minister once again misinterprets the UN principles. They are a toolkit—that is, a set of values to which trustees should have regard—and not a prescription for investment. The two things are very different.

Mr. O'Brien: I accept that; it is why I was able to write to Tim Jones and ask him whether he would accept that the toolkit was something that he should bear in mind when he carried out the consultation later this year. However, if the hon. Gentleman believes that the principles do not have implications, I have to tell him that they do, and that those implications could incur costs that would have to be met by people on low and moderate incomes signing up to join personal accounts.

Opposition Front Benchers do not seem to have thought through what they are trying to achieve with their proposals. Those proposals appear worthy and easy to implement. They seem nice and liberal, if I may use that word.

Mr. Waterson: No!

Mr. O'Brien: I apologise to the hon. Gentleman for suggesting that he might have liberal inclinations on anything. The amendments would appeal to *Guardian* readers.

Mr. Waterson: Never!

Mr. O'Brien: I am sorry for suggesting that the hon. Gentleman might be trying to appeal to such people, but the proposals would look good in a *Guardian* article. On inspection, it is clear that they would oblige people on low incomes to comply with something that people with higher incomes and better pension schemes would not have to comply with. Opposition Members need to think carefully, as what might look good in *The Guardian* for one day could have significant implications for pension scheme members for a long time to come.

Amendments Nos. 25 and 26 would amend the PADA principles in the Bill to require it to consider the needs of members. Moreover, when carrying out its work on investment, PADA would also have to consider whether members' preferences would result in disproportionate costs. Those are interesting ideas. In preparing its recommendations, the delivery authority will be required to consider the full range of guiding principles set out in what is now clause 70. That clause is at the core of the Bill, because it sets out what we are trying to achieve. It carefully sets out the balancing obligations to which PADA must have regard when we set up and run personal accounts.

We have always been clear that although PADA will be obliged to meet those obligations, when the Personal Accounts Board and the trustee corporation are actually running a pension scheme, the trustees will have to take a view on what principles they believe that they need to comply with in order to protect the members of that pension scheme. That is why we took the view that although PADA will be obliged to comply with the principles in clause 70, we will not impose broad-based principles on the trustees without their consent.

Clause 70 means that the trustees will take into account the investment preferences of potential members when PADA sets up the scheme, but they will have to balance that consideration with other principles, including that of encouraging participation, minimising the charge to members and respecting diversity; there was broad support for those principles when we discussed them in Committee.

I understand the sentiments behind amendments Nos. 25 and 26, but they are substantively already reflected in the current principles. We do not have to adopt the UN principles to include the principles that are set out in clause 70. The principles that we have already included are designed to be considered together.

[Mr. Mike O'Brien]

I was more than a little concerned by some of my hon. Friend's comments about pension credit. We have written on four or five occasions over the course of the last year to people who we think might be entitled to pension credit in order to try to get them to make those claims. We are working enormously hard to increase the numbers of people who are on pension credit. It is a Government priority to ensure that we deal with issues around fuel poverty, particularly for pensioners, and around broader pensioner poverty, too.

Lynne Jones *rose*

Mr. O'Brien: I will give way one last time.

Lynne Jones: I agree with my hon. and learned Friend that the Government have done a great deal for today's pensioners. Of course, it is too late for them to save for their retirement, so my concern is that we are not doing enough to incentivise future pensioners sufficiently to save. The Minister is absolutely right that it is all about priorities. Last year, for example, the Government chose to spend £1 billion on reducing inheritance tax to benefit some of the more affluent members of our society, so is it not time that the Government gave priority to this now? We could find money from other areas—for example, from the huge proportion of money going in tax relief to higher-rate taxpayers on their contributions to pension schemes.

Mr. O'Brien: As my hon. Friend knows well, we made additional provision for pensioners in the recent Budget in the form of winter fuel payments. That not insignificant contribution will go to every pensioner household in the country with someone over 60. We recognised that pensioners faced increased bills and we made provision for it. Our priorities for helping pensioners are therefore very clear from the last few months.

What we are undertaking, as part of a broad-based social reform, is the biggest thing that has happened in pensions since the creation of the state pension system 100 years ago.

Mr. Deputy Speaker (Sir Michael Lord): Order. I understand that it is very tempting for the Minister to speak to Members, but let me gently remind him that he should address the Chair.

Mr. O'Brien: My apologies, Mr. Deputy Speaker.

We are putting in place the biggest package of pension reforms undertaken in 100 years. All the measures that we have taken and all the alterations that we are making in state provision relating to, for instance, equality for women and carers, the Pension Protection Fund and the Pensions Regulator constitute a major package of change. A keystone of that package is the restoration of the earnings link. We have made the importance of that clear in legislation: we have taken the unprecedented step of establishing in law that the Chancellor is obliged to do it. We have also specified 2012 as the year in which we seek to do it.

I accept that there is a caveat relating to affordability. My hon. Friend the Member for Newcastle upon Tyne, Central is aware of the issues that the Chancellor will need to consider. I know from my hon. Friend's background on the Treasury Committee that he has had to examine the detail of those issues, and he knows as well as others that they must be considered in the round. It is easy to be flippant about what could be done if something or other were the case, but the position must be seen as a whole.

There will be winners and losers—there are ways in which the taxpayer will have to fund the change—and we need to act with a degree of care. However, I repeat the point made by my hon. Friend with which I began my speech by endorsing: the restoration of the link is a crucial part of this package. I ask my hon. Friend to let us introduce the package as a whole, because it provides a long-term guarantee that pensioners will be given a better deal, provided not by them but by this Government and what they have done.

Mr. Waterson: I am slightly at a loss. There seems to be a huge degree of unanimity in the House about what should be happening, but we do not seem to be making any progress. The Minister ended where he began, by saying that the Government would make the change in 2012 or 2015, when it was affordable. As I understand it, he has said nothing new. If he thinks he has said something that we have not heard before, I shall be happy to give way to him so that he can explain to me what it is.

The Minister talked of the need for flexibility. That is the point. The Government have insisted on flexibility, for better or worse, but I did not observe any more in what he said tonight than in what he has said before.

Mr. Mike O'Brien: If the hon. Gentleman is seeking a change in the date, he is right to say that I have not announced anything specific or new. What I have done, in responding to the points made by my hon. Friend the Member for Newcastle upon Tyne, Central, is set the key nature of the restoration of the link in the context of our overall package of proposals. It is essential to our policy delivery, and to the action that we wish to take to help older people. It is not an optional extra; it is not something that we might do if the circumstances were just right. It is something that we must do. If we do not do it, the Bill, and many of the provisions in the 2007 Act, will not have the foundation that is necessary for them to deliver for older people.

Mr. Waterson: I am grateful for that clarification. I now need further clarification, on affordability. If, in 2012 or 2015, the Chancellor decides that the change is not affordable, will it happen? Yes or no? Again, I do not think that the Chancellor is saying anything different from what has been said in the past, namely that if it is not affordable it will not happen—or am I, again, missing something?

Mr. Mike O'Brien: It is in the statute.

Mr. Waterson: It may be in the statute, in which case I am delighted, but my understanding is that there is still a "get out of jail free" card in the shape of affordability.

I have a hunch, which relates to something said by the hon. Member for Newcastle upon Tyne, Central (Jim Cousins). The economic climate is rather less encouraging than it was a few months ago. Will that

have an effect on the dates of 2012 and 2015, or are they written in stone? Is there no possibility that the Government will back away from acting within that time scale, whatever the economic situation?

8.15 pm

Mr. Mike O'Brien: The Government have a clear commitment to the policy that I have set out. There is no "get out of jail free" card. We have put in place a package of measures that requires that this measure be put in place. We are not going to jeopardise everything that we have put in place in order not to make this change; that is complete nonsense. The change is a key component of our reforms, it is something that we will deliver, it is something of which Labour will be proud, and it is something that the hon. Gentleman's party would never have done unless we had committed ourselves to doing it first.

Mr. Waterson: I do not want to reopen old wounds, but had we won the last election we would already be implementing this promise. That is history, however. I am trying to narrow any differences between us, because it seems to me that there are no real differences of principle. In their own ways, the two major parties have reached similar conclusions. All we are talking about is the time scale.

I happen to believe that the Government have tested to destruction the ability of means-testing to deliver help to those who need it most. Those who require any persuasion of that should bear in mind the number of people—up to 1.7 million—who are not claiming the pension credit to which they are entitled. Lest anyone have any illusions, when pension credit was first introduced, the Treasury's assumption was that 1.4 million people would never claim it. It always assumed that it would have the money in its back pocket whatever happened, because at least 1.4 million would never claim it.

I do, however, agree with the Minister when he describes this measure as part of a package. As I said earlier—as, I think, did the hon. Member for Newcastle upon Tyne, Central—this is all part of the Turner package. We have legislated for the future raising of the state pension age. We are dealing with personal accounts. It is all part of the same package. We are not asking the Minister to do something that he is not proposing to do; far from it. We are merely asking him to tell us when he is going to do what he proposes within this time scale.

Lynne Jones: According to my recollection of the Turner proposals, Lord Turner presented three scenarios, 2010, 2011 and 2012, and demonstrated that any of them could have been afforded by different kinds of manipulation of the system. Potentially, however, the Government are to postpone implementation of the Turner package until 2015, three years after the last date that he gave.

Mr. Waterson: The hon. Lady is right to remind me that there was a series of different scenarios. Indeed, someone—it may have been the hon. Member for Newcastle upon Tyne, Central—pointed out that the beginning of the next Parliament is a fairly movable feast. At one time it looked as though it might have happened by now, but that was not to be.

I am not saying that the Government are bad people, or that pension credit is a bad thing. I am sure that pension credit has helped many people, but, equally, there are many people whom it has not reached and will never reach, and whom it should be reaching. The only reliable way of getting help to those who need it most is to boost the basic state pension. Apart from being the right thing to do, as we concluded before the last election and as the Government have obviously concluded, it is the best way of getting help to people who do not want to fill up forms and who do not think that they are entitled to it.

Take-up of some means-tested benefits has actually been falling. Council tax benefit is an example. Many ladies in my constituency—widows—do not apply for it, believing that because they own their homes they could not possibly be entitled to it, although for that reason they are living in a kind of genteel poverty.

We all agree that this should happen, and we all agree about the parameters of the time scale, but why will the Government not narrow the time scale and tell us now rather than later, especially at a time when pensioner poverty is a political priority for everyone?

I intend to ask leave of the House to withdraw new clause 7, but I am still keen to support new clause 16, tabled by the hon. Member for Newcastle upon Tyne, Central and others, and urge my colleagues to do the same. I very much hope that the hon. Gentleman will press his new clause to a Division at the appropriate time in our deliberations. If he does not, I have every intention of trying to catch your eye to do so myself, Mr. Deputy Speaker.

I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

Jim Cousins: If I may, Mr. Deputy Speaker, I would very much like to have the opportunity to explain whether I shall call for a Division on new clause 16.

Mr. Deputy Speaker: Now is not the appropriate time to do that; we have dealt with the lead new clause in the current group. The hon. Gentleman might have an opportunity later to do what he asks for, but we now need to move on to the next group of amendments.

New Clause 12

INVESTMENT PRINCIPLES

"The Authority must have regard to the United Nations principles for responsible investment ("UN PRI") and adherence to those principles will be part of the contractual arrangements with fund managers in respect of—

(a) addressing environmental, social and corporate governance issues in investment policy statements;

(b) assessing the capabilities of internal and external investment managers to incorporate such issues;

(c) asking investment managers to report on their engagement with such issues;

(d) including UN PRI requirements in requests for proposals;

(e) aligning investment mandates, monitoring procedures and performance indicators with the UN PRI."—*[Mr. Waterson.]*

Brought up, and read the First time.

Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Taylor, Ms Dari
Taylor, David
Thornberry, Emily
Timms, rh Mr. Stephen
Touhig, rh Mr. Don
Truswell, Mr. Paul
Turner, Dr. Desmond
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mr. Michael Foster and Alison Seabeck

Question accordingly negatived.

MR. DEPUTY SPEAKER *then put forthwith the Questions necessary for the disposal of the business to be concluded at that hour.*

New Clause 16

EARNINGS LINK

"The Secretary of State shall announce to Parliament his intention, as to the timing of the implementation of section 5 of the Pensions Act 2007, no later than the publication of the Pre-Budget Report for the financial year 2009-10." *[Jim Cousins.]*

Brought up, and read the First time.

Question put, That the clause be added to the Bill.

The House divided: Ayes 195, Noes 269.

Division No. 146] **[9.16 pm**

AYES

Abbott, Ms Diane
Afriyie, Adam
Alexander, Danny
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baron, Mr. John
Beith, rh Mr. Alan
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burgon, Colin
Burns, Mr. Simon
Burt, Lorely
Butterfill, Sir John
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Caton, Mr. Martin
Clark, Ms Katy
Clarke, rh Mr. Kenneth
Connarty, Michael
Corbyn, Jeremy
Cormack, Sir Patrick
Cousins, Jim
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Drew, Mr. David
Duddridge, James
Dunne, Mr. Philip
Eliwood, Mr. Tobias
Fabricant, Michael
Field, Mr. Mark
Fisher, Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Gale, Mr. Roger
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hammond, Mr. Philip
Hancock, Mr. Mike
Harper, Mr. Mark
Harvey, Nick
Havard, Mr. Dai
Heald, Mr. Oliver
Heath, Mr. David
Hemming, John
Herbert, Nick
Hoban, Mr. Mark
Hoey, Kate
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Howarth, David
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jackson, Mr. Stewart
Jones, Lynne
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lamb, Norman
Lancaster, Mr. Mark
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Marshall-Andrews, Mr. Robert
McCrea, Dr. William
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Meacher, rh Mr. Michael
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Austin
Moore, Mr. Michael
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Newmark, Mr. Brooks
Opik, Lembit
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Pritchard, Mark
Randall, Mr. John
Reid, Mr. Alan
Rennie, Willie
Riordan, Mrs. Linda
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Simpson, Alan
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Wareing, Mr. Robert N.
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Wiggin, Bill
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Wishart, Pete
Wood, Mike
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Kelvin Hopkins and David Taylor

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cooper, Rosie
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Michael Jabez *(Hastings and Rye)*
Gardiner, Barry
George, rh Mr. Bruce
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Harman, rh Ms Harriet
Healey, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Robertson, John
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Taylor, Ms Dari
Thornberry, Emily
Timms, rh Mr. Stephen
Touhig, rh Mr. Don
Turner, Dr. Desmond
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mr. Michael Foster and Alison Seabeck

Question accordingly negatived.

Clause 60

CONSULTATION OF MEMBERS AND EMPLOYERS

Amendment made: No. 34, page 31, line 9, leave out ', but only in respect of reasonable expenses'. *[Mr. Mike O'Brien.]*

After Clause 78

Amendment made: No. 35, page 39, line 40, leave out Clause 79. *[Mr. Mike O'Brien.]*

After Clause 81

Amendment made: No. 36, page 40, line 31, leave out Clause 82. *[Mr. Mike O'Brien.]*

Order for Third Reading read. [Queen's Consent, on behalf of the Crown, signified.]

9.29 pm

The Secretary of State for Work and Pensions (James Purnell): I beg to move, That the Bill be now read the Third time.

I say that with a certain amount of déjà vu, because I said exactly those words almost a year ago. I also said then that we were implementing the most ambitious reform of our pension system in modern times, and with the Bill then—now the Pensions Act 2007—and the Bill that we are debating tonight, that is exactly what we are doing. That déjà vu also applies to the many hon. Members in the Chamber who have followed the Bill right the way through and given such great service on the Committee. No one has as much a sense of déjà vu as the hon. Member for Eastbourne (Mr. Waterson). I believe that this is his fourth Pensions Bill. I do not know what he did in a previous life to deserve this fate, but, I am sure, that serving on four Pensions Bills is enough to have expunged whatever was wrong with his karma.

I also want to pay tribute to my colleague, the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Warwick and Leamington (Mr. Plaskitt), who has taken through many of the clauses of the Bill. In particular, I want to pay tribute to the Minister for Pensions Reform, my hon. and learned Friend the Member for North Warwickshire (Mr. O'Brien), who has a wide range of admirers and who has commanded support and compliments for the effective and consensual way in which he has taken the Bill forward, building on the achievements of his predecessor but two—my right hon. Friend the Member for East Ham (Mr. Timms)—and correcting the many mistakes of his immediate predecessor, whose advice he has been wise to avoid all the way through.

So, why is this reform needed? It is needed because of the changes to pensions over the last 20 or 30 years, and it has been built on the recommendations of the Turner commission. I am sure that everyone in the House would like to pay tribute to the commission for its work. It has laid the foundations for the Bill that is reaching completion in this House this evening. Many commissions see their work languish on a shelf. Indeed, some people predicted that that might happen in this case. Tonight, however, we are now putting in place the second stage of the legislation for these reforms. Last year's Pensions Act was the first side of that coin. It made pensions simpler, fairer and more generous, and it built a more solid platform on which people could save. This Bill will make it easier for people to save on the basis of that platform. It also puts in place what I believe will be seen as a genuinely historic change: the right for everyone to have an occupational pension scheme.

Why did the Pensions Commission make its recommendations? It did so for two reasons. It recognised the progress that had been made since 1997, stating that

"average pension income today compares well with that of previous generations".

And so it does. The National Audit Office has also recognised the "real and substantial progress" that has been made towards helping the poorest pensioners. We are proud of having taken more than 2 million pensioners out of absolute poverty and 1 million out of relative poverty, and to have achieved a situation in which pensioners are now no more likely to be poor than anyone else in the population. That is a remarkable achievement, when we consider that everyone else can rely on their wages going up.

The Pensions Commission also said that there was a compelling case for further reform, for two clear reasons. The first was what it called the fool's paradise of "irrational exuberance", in which the exceptional equity returns of the 1980s and 1990s—when people saw their investments increasing at a very great rate—allowed many schemes to

"ignore the rapid rise in the underlying cost of their pensions promises".

People were making promises, but they were not putting away enough money to fund them. The Pensions Commission said:

"When the fool's paradise came to an end... companies adjusted rapidly... A reduction in the generosity of the DB pensions promises which existed in the mid-1990s was inevitable."

That is the first reason why change was necessary. We needed to address that fool's paradise.

The second reason, which has not received so much comment, is that final salary schemes, even at their best, only ever benefited a minority. It was always the case that the majority of people did not benefit from them, and tonight's historic change corrects that.

Mike Penning: One group of people who were not living in a fool's paradise consisted of the 125,000 pensioners who had their pensions stolen from their occupational pension schemes. Seven hundred of them are from my own constituency. I am pleased that after five years, the Government eventually came forward and gave them 90 per cent. of the pension to which they were entitled, but I have two questions for the Minister about part 4 of the Bill. First, can he confirm that the pensioners who were without their pension for nearly five years will not be taxed on the lump sum? Some of my constituents, such as Mr. Peter Humphries, will be charged 40 per cent. of their lump sum, although he had to go to work to pay for his family's upkeep when his pension failed to come through for five years. Secondly, have the Government seen sense enough to wrap the financial assistance scheme up with the Pension Protection Fund? It seems ludicrous to have the two; what plans does the Secretary of State have for the FAS?

James Purnell: I am happy to give the hon. Gentleman both the assurances that he seeks. The first was given at oral questions recently. On the second, he will be glad to know that we are consulting on allowing the PPF to be more closely involved in developing the new FAS operations. Subject to the outcomes of that consultation, we are hopeful that the PPF will be able to take a formal operational role in the extended FAS scheme. I hope that that addresses the hon. Gentleman's concern.

Mr. Drew: The Secretary of State will not be surprised to hear that I am going to raise a point about new clause 23, which we were unable to debate today. It relates to the remaining group of pensioners who have lost their pension but are covered neither by the FAS nor by the PPF. It is known as the "Desmond problem", which my hon. Friend the Member for Foyle (Mark Durkan) has regularly explained. Will my right hon. Friend give us an assurance that the issue will be looked into again in the other place? I understand that there are difficulties, but if we could get an assurance that that will be further considered there, we would be happy with the rest of the Bill.

James Purnell: I can assure my hon. Friend that we are looking into that, and I believe it was mentioned earlier in the debate. We would be happy to meet him, or indeed any other Member interested in the issue, if that would be helpful.

Mike Penning *rose*

James Purnell: I will give way one final time, but I want to make some progress.

Mike Penning: I have been in my place since Prayers to ask this question, so I hope that the Secretary of State will bear with me if I press him again. I asked whether my constituents and other FAS members would be taxed on the lump sum. The Secretary of State alluded to the fact that the matter had been addressed at oral questions. Since then, however, we have discovered that some are going to be taxed on the lump sum because it is coming through in the form of a lump sum, and because they had to work to keep going during the five-year wait for compensation. Will the Secretary of State confirm that my constituents will not be taxed on the lump sum for which they have waited for five years, and which is the pension that they were entitled to in the first place?

James Purnell: I believe that we have addressed that issue: those people will be taxed in exactly the same way as if the situation had not occurred and they had been paid regularly—but we shall be happy to write to the hon. Gentleman to set that out.

Tonight's changes address the two key problems—that only a minority had access to a private pension, and that even those were unaffordable, so radical reforms were needed. In addition to paying tribute to the Pensions Commission, we should pay tribute to the stakeholders who have carried the Bill all the way through, and have been prepared to make trade-offs to ensure that that happens. The consumer representatives and the unions have accepted that the state pension age will be higher; the employers and the Association of British Insurers have accepted that there will be compulsory contributions from employers and the new low-cost personal accounts scheme. Because people have been prepared to make those trade-offs, the consensus has been solid throughout the Bill's passage. It means that, tonight, the combination of giving everyone access to personal accounts or to a private pension, combined with automatic involvement, will enable us to turn on its head the inertia that currently stops so many people from saving.

In conclusion—we have little time, and I want to ensure that everyone who wants to speak can do so—we need to keep the word "consensus" at the forefront of our minds. Consensus is important not just as a political device, but in order to help people to save. If people are thinking about putting money away for 20, 30 or 40 years, they will be more likely to do it if they are confident that there is a consensus between political parties, which will ensure stability in the framework.

In thinking about that, it is interesting to look back to a previous debate on the Social Security Pensions Bill 1975, which I read about this afternoon. I do not think that the hon. Member for Eastbourne had much to do with that particular Bill, although I am sure he will know how Barbara Castle felt when she said in opening her speech that it was the third time in just over five years that the Secretary of State for Health and Social Security, as she was then, had brought a pensions Bill before the House. If she is looking down on the hon. Member for Eastbourne now, I am sure that she will feel much sympathy for him.

The interesting thing about that debate is that Barbara Castle said very clearly that she wanted to build her reforms on the basis of consensus. She said that she intended them to command general acceptance, and hoped they had succeeded in that regard. Later the Conservative spokesman—Lord Fowler, as he is now—said that his party believed consensus was possible. I think that on Third Reading there was no Division. Both sides hoped that the Bill would command a consensus that would continue, yet within years that consensus had fallen apart.

The key thing that we should tell ourselves tonight is that by legislating we are not completing the reforms, but merely establishing the start of the process. If we believe, as I think Members in all parts of the House believe, that this is an important reform which is in the interests of millions of people—particularly low and moderate earners—I think we should say tonight that we are not satisfied for the consensus to be merely legislative, and that we will work together over the next few years to ensure that the hopes we have for the Bill will be realised in practice. We need to continue to make trade-offs, and to work together to improve the chance of millions of people to have decent incomes in retirement.

9.41 pm

Chris Grayling (Epsom and Ewell) (Con): I echo the thanks and congratulations that have been extended to all who have been involved in the Bill's passage. I congratulate the Minister of State, for it is always a challenging task to steer these measures through; my hon. Friend the Member for Eastbourne (Mr. Waterson), who is a seasoned performer, but no less effective as a result of the number of occasions on which he has dealt with pensions matters from the Dispatch Box; the hon.

[Chris Grayling]

Member for Rochdale (Paul Rowen); and all those who served on the Committee, who have dealt with the detail of the debate in a good and constructive manner.

We have just heard the Secretary of State describe the Government's reform plans in glowing terms, but it is important for us to remember that we have been here before. Tonight I have been reading the report of a debate on the introduction of stakeholder pensions which took place in the House in 1999, led by the then Secretary of State, who is now the Chancellor of the Exchequer. The Government said that 4 million to 5 million people would benefit from stakeholder pensions, and described them as an appropriate vehicle for people on low earnings which had been almost universally welcomed. So we are not exactly at first base when it comes to major pension reforms, and this time it is important for us to get it right.

We are not without reservations about the detail of the Bill, and we feel that work remains to be done on the reforms, although it is true that few Bills generate such a general desire for them to succeed. We want this Bill to succeed, because it is in the interests of the nation to have a pensions system that works, but, as I have said, we have been here before. On 11 May 1999, the present Chancellor of the Exchequer said:

> "I am confident that, by the end of this Parliament, pension provision and structure will be set on a firm footing that will serve this country well for generations to come."

That did not actually happen. Now, the second time around, it really does need to work. Like the Secretary of State's favourite football team, the Bill demonstrates plenty of promise, but in the end, lacks the depth to deliver the results. We have had widespread discussions with different stakeholder groups, and, as the right hon. Gentleman said, the Government have received plenty of helpful advice from within the House and elsewhere. However, there has been little change in the detail, and little in the way of actual response to the concerns that have been raised.

Means-testing has been a big issue—and again, we have been here before. In 1999, the present Chancellor of the Exchequer said:

> "The Government are aware that, because of the present capital and income rules, many pensioners who have modest savings or a modest income stream are adversely affected by the benefits system. We said in the Green Paper that we are determined to tackle that". [*Official Report*, 11 May 1999; Vol. 331, c. 132.]

Here we are, nine years later, discussing the same issues—in this of all weeks, when the Government are having problems in dealing with the issue of financial support for people on low incomes.

We have argued throughout that the issue of means-testing is potentially fatal to these reforms. I am grateful to the Secretary of State's predecessor, the Minister of State, for initiating the debate on the subject, but I have to say that we expected more by now. We set out specific issues to be processed in Pensim2, but we have not yet received a detailed response. We have seen no detailed information about the sensitivities surrounding take-up if the means-testing issue is not addressed, but we have had private warnings from some of the groups involved that Ministers are not taking the issue as seriously as they expected. It is extremely important for this review to be more than just a way of postponing bad news until a later date. It must not be a case of "What happens now?" We need a detailed document in the autumn, a debate in this House and an open and grown-up discussion about what can be done and when, and we need to accept that the cost of getting this right might not exceed the cost of getting it wrong; the cost of not getting this right in years to come might be a much bigger bill for the taxpayer and a much lower take-up of personal accounts, and it might undermine the reforms.

We are equally disappointed that the Government have not yet fully addressed other key issues, such as auto-enrolment into GPPs. We do not want that. We have heard in the debate about the dilution of existing provision. It is extremely important to preserve existing provision—the Bill must add to, rather than undermine, what is already there. As the Bill leaves this House, Ministers still have little answer to some of these basic questions. It is extremely important that they be addressed. I hope that they will be addressed as the Bill progresses through the other place, and that their lordships will have the opportunity to put these questions time and again, and if necessary to change the Bill to ensure that they are answered.

We have other key questions relating to the cost of the scheme. It will not work if the costs are too high. We talked earlier about rumours in circulation about what the costs are; it is extremely important that Ministers lay those to rest.

It is also important for us to hear more from the Government over the next few weeks about what they will do to address the concerns of small employers in particular. Ministers will be aware that a number of pressure groups are asking for more information about what the Government intend to do, and it is important that we hear from them about that.

I have said that we want to get things right—indeed, I said on Second Reading that we want this to work properly—and that is why we have attempted to engage in constructive debate. We want to get things right not least because there is now a good chance that it will fall to us to implement the reforms. Given Labour's trials and tribulations, it appears ever more likely that that will be the case. Indeed, the Secretary of State is already positioning himself to become the next Leader of the Opposition. The Conservatives are making sure that we are ready to take over Government, should the circumstance arise in 2010. We are still not convinced that the Government have got everything about these reforms right. If they do not address the issues as the Bill continues its progress through Parliament, we are ready and prepared to make the necessary changes in 2010 after the next election, in order to ensure that when the reforms come through in 2012 they deliver a system that really will, as the Chancellor said nine years ago, last a generation and do us proud for the future.

9.47 pm

Paul Rowen: I join with the Secretary of State in thanking the Minister for Pensions Reform; I thank him for the courteous way in which he has dealt with our inquiries, and for writing to us on certain issues that we have raised. I also thank the hon. Member for Eastbourne (Mr. Waterson) for his comments—he is on his fourth Pensions Bill; it is my first, and we shall have to wait and see whether it is my last—and all the other Committee members and Committee staff.

As the Secretary of State said, this is the final part of the implementation of the recommendations of the Turner report. Therefore, it is important to look at the two sets of measures together. This is a complicated Bill; there is a lot in it, and there is a lot of work still to do. As an Opposition, we have tried from the start to maintain the consensus, but to raise issues where we feel that there is a need for more information, more work or greater transparency.

As the Minister for Pensions Reform knows, we still have several concerns and want work to be done on certain areas. Mention has been made of means-testing; I referred earlier to the Government's difficulties with the 10p tax rate, and we do not want that to be repeated in terms of means-testing. This is a groundbreaking reform that will ensure that many low and middle-income people save properly for their pension. It would be tragic if they were to get their pension and then lose it because the benefits system was not flexible enough. Again, we wait to see what the outcome of the review will be, and we hope that the Government will address this matter. I know that my colleagues in the other place will also be looking at this, and will perhaps be subjecting the matter to further scrutiny.

We have raised the issue of generic advice and our concerns about the level of it. The Thoresen review has dealt with some of those matters, but we nevertheless again give notice that we have issues and concerns. We are disappointed that the Minister is only now having a consultation about the open-market option, because we share the view of much of the pensions industry that that should, and could, by now be in the Bill, and that it would have been a useful tool that could have benefited many people.

We are disappointed with the fact that although the Minister can filibuster about the United Nations ethical principles, the Government have done little to implement them. This is not just for readers of *The Guardian*; this is about ensuring that investing ethically benefits pensioners as well as those who receive the investment. Nevertheless, the Bill is important and will benefit many people. If it ensures that pensioners have a decent income, that is to be welcomed.

Finally, I am disappointed that the Government have failed, in the centenary of the introduction of the old-age pension, to say categorically that they will reintroduce, from next year or whenever, the link with earnings. The hon. Member for Epsom and Ewell (Chris Grayling) quoted the Chancellor's statement that many pensioners who are entitled to pension credits do not claim them. We want pensioners to have a guaranteed income, and all the issues about means-testing would be much better for that. Nevertheless, I welcome the Bill, which is a step in the right direction. I look forward to my noble Friends in the other place tabling amendments that we can perhaps consider on another date.

9.51 pm

Mike Penning: It is an adage that if you sit here long enough, you will get your time. I am about to get more time than the Front-Bench spokespeople, which is fantastic news. As I mentioned, I came in for Prayers this morning. I have sat here throughout not only because this is a very important debate, but because the financial assistance scheme was not covered on Report and so I could not talk about it much then—I now have ample opportunity to do so.

I have made many speeches in this House before this Secretary of State and Minister of State—the Minister for Pensions Reform—as well as before previous Ministers of State, calling for justice for the 125,000 pensioners whose pensions were stolen from them when their occupational schemes were wound up. I shall repeat again that more than 700 such people come from my constituency. I was ever so pleased when, after five years of campaigning by many hon. Members across this House, we thought we had reached the conclusion and we thought that those people would receive their compensation. We all fought for 90 per cent., and that is what they will get through the financial assistance scheme.

I told my pensioners at our public meeting in my constituency on the Saturday when many members of the team who have been working with the Government Front-Bench team on the issue were present—people such as Peter and Jacquie Humphrey, Dave Allen and Ros Altmann—that we must examine the small print. I am worried not by the Front-Bench team who are present, but by their paymasters in the Treasury, who have always worried me and who have frankly been holding this back for many years.

I am pleased that the Secretary of State has promised to write to me about the two points I raised in my intervention. Perhaps he would be kind enough to write to me about a couple of others, too. The first relates to pensioners who should have been getting their pension but who had to receive benefits because the FAS has not paid out. Will the Government guarantee—will the Secretary of State guarantee this to me in writing, if necessary—that benefits paid to pensioners in schemes while they have been waiting will not be claimed back? It seems obvious that they would not be, but successive Governments have often claimed back moneys paid in benefits when people have received compensation. That often happens in respect of injury compensation where people have been on income support. *[Interruption.]* I am sorry that Members on the Government Front Bench are not willing to listen to a debate in which some of us have participated for seven hoars, but if they could bear with us for a few more minutes, they would then be able to go off to the bar and have a laugh. This is a serious matter. Many people are worried about whether they will have to pay back the benefits. There is a track record of that happening, and I seek assurances from the Government that that will not happen to these pensioners.

The other issue—I am grateful that the Secretary of State agreed to meet with me about it—is the situation of those who have lost their loved ones while waiting for the compensation to come through. My constituent Dave Cheshire died about two and half years ago and his widow, Marlene Cheshire, does not know what will happen. If the claimants had still been alive, they would receive the full compensation package, but their widows may be in a difficult situation. When the Secretary of State was the Minister of State, he met a delegation of widows from all over the country and he promised to look at the situation then, but it is still a big issue now and of grave concern.

The other, linked issue is that of claimants who have lost their income while they have been waiting for compensation because they have been unable to work due to sickness. I wrote to the Secretary of State about that recently, because some of my constituents are

[Mike Penning].

worried about how much money they will get from the scheme. They want to know whether they can enter the scheme early because they are disabled. It is a technical point, but it is important. If they are not available for work because they are disabled, can they enter the scheme early or do they have to wait for the full version?

I apologise for bringing those points up at such a late stage, but they are vitally important for the pensioners who are likely to get money from the FAS. They need to know the details so that they can plan their future.

All of the great work that has been done on the Bill and the consensus that the Government have reached with the Conservatives and the Liberal Democrats is important, but it will be a waste of time unless the public have trust in pensions. The Secretary of State mentioned 12 million people who could join the scheme, but they will not go anywhere near it if they do not have any trust in it. I have been canvassing in the London elections and it is an issue on the doorstep. People are concerned about their futures and whether they can trust anybody with their pension schemes, especially with the banks and the current credit squeeze.

Many people who lost trust in traditional pension schemes, especially when the occupational schemes started to be wound up, looked to investment in property. A crisis is happening there, alongside the crisis of confidence in the pension scheme. In the eloquent words of Ros Altmann, who was a Government adviser before she helped the occupational pension scheme groups, we have a pension crisis today that could well become a pensioner crisis tomorrow, unless we address the issue of confidence in the pension system.

It is up to the Government to be the driving force. They have been the driving force on this issue, but—as Conservative Front Benchers have said today—we have heard it all before from both Labour and Conservative Governments. They have claimed that whatever they are proposing is the panacea to the pension problem and will mean that more people will have a decent pension. However, even if this scheme works, we will not solve the problem unless we address the issue of means-testing.

Earlier on, we heard of the millions of people whom the actuaries assumed would not take up the means-tested benefits. The Minister of State said that he had written numerous times to those who had been pinpointed as the sort of people who should be getting pension credit. After writing a third or fourth time, the Government should take the hint: those people will never apply for pension credit. They see it as a handout and as taboo, and they would be ashamed to claim it. There is no other reason why they should fail to claim it, if the Government have written to them—*[Interruption.]* Ministers are googling away on the Government Front Bench, but if they had listened to the debate they would have heard about the thousands of pensioners who do not take up the pension credit because they see it as a stigma to do so. It is not because of the complicated forms; that is a certain area. It is not because they have not been informed enough; that is a certain area. There are whole areas of this country where pensioners will not take up the credit because they feel that they are going cap in hand. We should have a link to earnings, which should come forward now. If that happened, a lot more people would not be on means-tested benefit, and the savings would be coming across. All through the debate, from both sides of the House, including the Secretary of State's Back Benchers—

Mr. Speaker: Order.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees).

IMMIGRATION

That the draft Immigration (Biometric Registration) (Pilot) Regulations 2008, which were laid before this House on 11th March, be approved. *[Alison Seabeck.]*

Mr. Speaker: I think the Ayes have it.

Hon. Members: No.

Division deferred till tomorrow, pursuant to Standing Order No. 41A (Deferred divisions).

ADJOURNMENT (MAY)

Motion made, and Question put forthwith, pursuant to Standing Order No. 25 (Periodic adjournments).

That this House, at its rising on Thursday 1st May 2008, do adjourn till Tuesday 6th May 2008. *[Alison Seabeck.]*

Question agreed to.

ADJOURNMENT (WHITSUN)

Motion made, and Question put forthwith, pursuant to Standing Order No. 25 (Periodic adjournments).

That this House, at its rising on Thursday 22nd May 2008, do adjourn till Monday 2nd June 2008. *[Alison Seabeck.]*

Question agreed to.

PETITIONS

Policing

10.1 pm

Bob Spink (Castle Point) (UKIP): I was told by House officials that I am making history tonight by being the first UK Independence party politician to present a petition.

It is an honour to present this petition, which represents some 25,000 signatures from British people, many of them serving or ex-police officers. It is a petition about real policing. These people feel that politicians should butt out and enable the police to work to the public's priorities without the imposition of politically set targets and the enormous bureaucracy and paperwork that diverts officers from making our streets safer. I congratulate the superb organiser of the petition, Mr. Hills, and every one of the 25,000 people who supported the national petition, which is very much in tune with my party's principles and policies.

The petition states:

The Petition of Johnno Hills, and British citizens,

Declares that there is great dissatisfaction with target driven policing methods and calls on the Government to drop target driven policing which is undermining public trust and bringing the police into disrepute; and to cut excessive government bureaucracy which leaves our streets devoid of regularly visible police presence so that decent, law abiding citizens are afraid to walk the streets of their own country for fear of becoming crime victims.

The Petitioners therefore request that the House of Commons implore the Government to cut excessive bureaucracy and ensure police officers spend more time on the streets and to make the role of the PCSOs one which will support the return of regular police officers.

And the Petitioners remain, etc.

[P000173]

Post Office Closures (East Londonderry)

10.2 pm

Mr. Gregory Campbell (East Londonderry) (DUP): I rise to present a petition of some 51 sheets of signatures from constituents who are concerned about the possible closure and significant downscaling of services for sub-post offices in my constituency located at Burnfoot, Ardgarvan, Bolea, Feeney, Drumraighland and Millburn. Closure of those sub-post offices would have a severely detrimental effect on several thousand elderly and disabled people for whom their local post office is not just a focal point but a vital localised delivery mechanism for a range of services that should be expanded rather than curtailed, which is effectively what would happen even for those post offices that would suffer a downscaling.

The petition states:

The Petitioners therefore request that the House of Commons urges the Secretary of State for Business, Enterprise and Regulatory Reform to instruct Post Office Ltd. to keep these Post Offices open.

Following is the full text of the petition:

[The Petition of those concerned about the proposed closures of the Sub Post Offices, in the East Londonderry Constituency,

Declares that the importance of these Post Offices to the local community.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Business, Enterprise and Regulatory Reform to instruct Post Office Ltd. to keep these Post Offices open.

And the Petitioners remain, etc.]

[P000174]

Children's Homes

Motion made, and Question proposed, That this House do now adjourn. —*[Liz Blackman.]*

10.4 pm

Ann Coffey (Stockport) (Lab): I welcome the new Children and Young Persons Bill, which aims to reform the statutory framework for the care system and to ensure that children and young people receive high quality care and support. The Bill also aims to improve the outcomes for children in care compared with those of their peers and to improve placement stability. I want to focus tonight on a crucial tool for helping to improve outcomes for children in care and the quality of inspections of children's homes. I have felt strongly about the importance of robust inspection for many years, ever since I was a social worker in the 1980s. In 1984, I introduced a ten-minute Bill to ensure that children's homes of fewer than four children were properly registered, which they were not in those days.

There are about 6,500 children in children's homes and hostels in England, which is 11 per cent. of the total number of children. The latest data show that those children tend to be older—14 per cent. are aged 10 to 15 years and 23 per cent. are 16 and over. Many of them have complex needs and display challenging behaviour. If we are to improve outcomes for them, it is all the more important that we have high quality care. We need rigorous inspections of children's homes so that poorly run homes can be made to improve or close. It is only with a good care environment that young people will achieve better educational outcomes. Without the support of their corporate parents, that will not be possible. That means not only the social worker but the care home.

I welcome the measures in the Children and Young Persons Bill to enable registration authorities to issue compliance notices to children's home providers who are failing to meet required standards, and to impose a notice preventing new admissions to an establishment where they are deemed inappropriate. That will make it easier to enforce minimum standards. In order to get to the stage of taking action against homes, however, we need more rigorous inspection regimes to be introduced. We have to ensure that children's homes provide the standards of care necessary to improve outcomes for the children looked after.

All children's homes are required to be registered under the Care Standards Act 2000. Ofsted is now responsible for the inspection of children's homes, having taken over the role from the Commission for Social Care Inspection in April 2007. Children's homes are subject to detailed statutory regulations and national minimum standards. The framework for inspection reports is the five outcomes in Every Child Matters, which formed the basis of the Children Act 2004. The five outcomes by which children's homes are inspected are being healthy, staying safe, enjoying and achieving, making a contribution and achieving economic well-being. I believe that particularly in relation to children's welfare and running away, some of the minimum care standards and how they translate to the five Every Child Matters outcomes are too general. That can lead to inspection reports that do not show the forensic detail that is needed.

[Ann Coffey]

I became interested in inspections after I was recently alerted by my local community safety team in Stockport to concerns that it had about what it saw as the inadequacies of Ofsted inspection reports on some children's homes in my constituency. The team had catalogued numerous instances of problems involving children at the homes, and felt that the inspection reports did not reflect the true picture of what was actually going on there. The team provided me with evidence of large numbers of children running away, going missing, repeat offending and committing assaults and criminal damage, which was not reflected in the reports under any of the general inspection headings. That antisocial behaviour was causing problems for local residents living near the homes, and the team was worried that if the incidents were not being highlighted, other agencies could not provide the interventions needed to help the young people involved to correct their behaviour.

Stockport has a very high number of children and young people placed in our children's homes from other local authority areas. Indeed, 53 per cent. of all looked-after children in Stockport are from out of the borough, compared with a national average of 35 per cent. Many of the young people who were causing problems and had attracted the attention of the community safety team had been exported into Stockport from outside the borough. I am pleased that the new Children and Young Persons Bill addresses that problem and is intended to limit out-of-authority placements.

I decided to apply for reports of 10 children's homes in Stockport from Ofsted, to check for myself the quality of inspections. The first problem that I encountered was getting hold of a copy of the reports, which were not available on the Ofsted website. I applied for them and received a letter saying that my request was being dealt with under the Freedom of Information Act 2000. I objected, and of course I was immediately supplied with the reports, but my point is that they are not easily accessible.

As I have said, I had detailed statistics about the many incidents of children going missing and about assaults and criminal damage in and around those homes, committed by the residents, yet those statistics were not reflected in the reports. Even without that important information, four of the homes were officially classed as "inadequate", three as "satisfactory" and only three as "good". My point is that the reports contained no context or overview about how often children were getting into trouble or going missing. Without that, we cannot truly assess whether the care provided by the homes helps to manage or stabilise the behaviour of young people, or whether the homes are meeting the standards for safeguarding children under the Every Child Matters criteria. It cannot be right, for example, that the inspection report into one Stockport home failed to mention that one young person had run away 89 times. Another report did not mention that there had been 69 cases of residents going missing, six assaults and 31 incidents of criminal damage nearby.

Under the regulations, the home should promote and make proper provision for the welfare of children, as well as for the care, education and supervision and, where appropriate, the treatment of children accommodated there. The national minimum standards call for written records of all incidents of absconding and the reasons given by the child for running away. However, there is no requirement for those incidents to be included in the inspection reports and so they are not being reflected under the staying safe criterion. I think that they should be.

I am particularly concerned that three of the homes in Stockport—all managed by the same organisation—were given notice to improve last year and were classed as "inadequate". Since then, two of those three homes have been inspected again and have now been classed as "satisfactory". However, it is not clear to me what level of improvements have been made to warrant moving from a rating of "inadequate" to "satisfactory". Again, the problem is that the inspection categories are too general.

Another children's home in Stockport, which has a different owner and charges up to £4,250 a week per child, has sent out advertising flyers trying to attract placements for prolific and priority offenders from areas outside Stockport. The flyers say:

"Our aim is to drastically reduce offending behaviour and achieve positive outcomes for the most challenging young people"

However, the community safety team has given me detailed times and dates of incidents involving two clients that reveal that the home is failing dramatically in this stated aim.

In the case of one young person, who was already electronically tagged, there were more than 35 incidents over nine months. The incidents ranged from assault, burglary, missing from home, criminal damage, punching and biting care workers, and throwing a knife at another resident to stealing a vehicle. The other young person had 15 similar incidents. The relevant Ofsted inspection report did not reflect any of the above cited behaviour.

After reading the reports on the 10 children's homes in Stockport, I wrote to Ofsted to express my concerns about the lack of thoroughness of the inspection reports. Since then, I have had a very helpful meeting with Michael Hart, Ofsted's children's director, and Andrew Mercer, an assistant divisional manager in the children's directorate. They assured me they had taken on board my concerns and would feed them into the on-going review of national minimum standards for children's homes.

I am also grateful to the Minister for allowing me the opportunity to raise some of those concerns at a recent meeting. I want, through this debate, to put my concerns on the record, together with what I hope will be his positive response to them.

I believe that a number of steps can be taken to improve inspections. The first point that I raised was the importance of the reports being made more freely available. I would like to see them published as a matter of course on the Ofsted website, and I understand that Ofsted is now consulting on that. At the moment, the inspection reports only go as a matter of course to the owner of the home, whether local authority or private. I believe that they should go as a matter of course to the placing authority, to the authority in which the home operates, and also to the schools and agencies responsible for tackling crime and disorder in the area. If a home is deemed to be inadequate, the placing authority should put its reasons for continuing the placements on the child's record.

I would also like statistics to be published that show the number of homes and their inspection categories, so that we can see the impact of inspections in improving standards—just as happens with the school league tables. If local agencies have a responsibility for dealing with the behaviour and education of all looked-after children in their area, they should also be aware of the quality of care being provided.

I want the reports to be better informed, with inspectors seeking the views of local agencies such as crime reduction partnerships, community safety teams and schools in advance of their visits. I accept the usefulness of random visits but I also feel that, if the police and schools were consulted on their views about the homes and the activities of residents before the visits, the reports would be better informed and consequently more useful. Also, it would encourage homes to work more co-operatively with local agencies if they knew that those agencies would be asked for their views in inspection reports.

Does the Minister agree that as part of the inspection process, it would be a good idea to invite comments from local crime reduction partnerships, community safety teams and other agencies about antisocial behaviour, offending and running away by young people in such homes to help inform the inspection reports? Does he also agree that it would be useful if schools were consulted about the level of support that care homes provide to pupils, the amount of communication between teachers and care home staff, and the performance of pupils in care?

I suggest that the national minimum care standards be updated so that inspection reports contain a summary and proper evaluation of all incidents of running away, assaults and criminal damage. That would enable placing authorities better to evaluate the control mechanisms in place in the home, so that they can manage behaviour and assess whether the home properly met the staying safe criterion.

I pay tribute to my hon. Friend the Member for Warrington, North (Helen Jones) for all her hard work on the all-party group on runaway and missing children. As secretary of that group, I know that many of the 100,000 children who go missing every year come to some harm. One in six is forced to sleep rough or with strangers, and one in 12 is harmed. I would therefore argue that incidents in which children go missing from children's homes should be recorded under the staying safe criterion of the inspection reports. I know that when some children go missing, they are just staying out late at a friend's house, but for others the result is more serious. We must find a way of assessing the seriousness of "missing" incidents and why they happened.

I am concerned that, owing to the way in which inspection reports are structured, they are not effective tools for achieving minimum standards or improving standards. If we are to improve outcomes for looked-after children, we must not only enforce minimum standards but use inspection reports to drive up standards. Ofsted inspections have been a vital tool in doing that in our schools, but if care standards are to be effective in improving standards in our children's homes, they need to be more prescriptive in what is taken into account in the inspection, need to include other agencies' observations, and must be widely published and available.

10.16 pm

The Parliamentary Under-Secretary of State for Children, Schools and Families (Kevin Brennan): I congratulate my hon. Friend the Member for Stockport (Ann Coffey) on securing this debate, and thank her for the great interest that she takes in the subject. It is a long-standing interest, as she pointed out; she first introduced a Bill on the subject in the House in 1984. As she said, she recently met representatives from Ofsted to discuss her concerns. I am glad that that was a positive meeting. I, too, met her recently to discuss what can be done to improve outcomes for young people in care. I also thank her for her welcome for the Children and Young Persons Bill, which will come before the Commons shortly, having had its journey through the House of Lords, and having been broadly welcomed across the sector for the improvements that it tries to make.

Of course, for a child to succeed in life, they need a stable home life, a safe place to go, significant adults taking a real interest in their life, and a strong sense of family. In short, they need to be cared about, and not just cared for. It is imperative that we focus all our efforts on trying to create that environment for children who do not live with their birth families. My hon. Friend raised a number of important points on the inspection of care homes, both tonight and in her meetings with me and with Ofsted. She mentioned that she has received information relating to specific care homes in her area and has concerns about them. I cannot refer to the specifics of her concerns about those homes, for obvious reasons, but she also raised some wider points that result from those concerns, and I hope that I can address those points.

I will first try to answer some of the questions that my hon. Friend asked towards the end of her speech. First, on the involvement of other agencies in the inspection process, I understand her concerns about the fact that where the behaviour of children in children's homes is unacceptable and affects the surrounding community, inspection reports should reflect that, and should, as far as possible, take account of information that is available locally. Obviously, that has to be balanced with the need to take a proportionate approach to inspections. Most importantly, those commissioning places in residential provision must have the right information on which to base placement decisions, and must make sure that the placements are right for the children and young people in question.

To achieve that, the Department is currently supporting the development of standardised contracts for local authorities to use when commissioning services, including in relation to provision in children's homes. The national framework contract for the placement of children in children's homes is underpinned by a number of performance indicators, including some relating to crime and offending behaviour among children placed in the home. The majority of local authorities are already using these contracts and over time they will start to provide the invaluable information that my hon. Friend is looking for, helping to drive up the quality of care.

My hon. Friend asked about consultation with schools about the support provided to pupils living in care homes. That is a well-made point. In their role as corporate parents, local authorities and the services that they use have a vital part to play in supporting the education of looked-after children. The national minimum

[Kevin Brennan]

standards that she mentioned highlight that point and set out clearly the steps that providers should be taking to make it a reality. For example, children should have a personal education plan setting out a record of their achievements, needs and aspirations, and they should be given access to appropriate educational facilities. The plan should include the names of staff responsible for liaising with schools and other appropriate bodies.

The national contract for children's homes that I mentioned covers education and includes detailed indicators designed to provide commissioning authorities with information about a home's performance with regard to the education of the children placed there. I would be happy to consider what more could be done to address my hon. Friend's concerns.

My hon. Friend suggested a pilot to collate information from other agencies in advance of inspection. That is an interesting and innovative suggestion, and I see no reason why that could not happen. I know that she has been in touch with Ofsted to explore the benefits of collating information in advance of inspection.

My hon. Friend also asked about recording incidents of young people missing from care as part of the inspection process. In her role as part of the all-party group in Parliament, she will know that a cross-departmental working group is looking into the issue of missing children. As part of a programme of work to deliver the "Care Matters" agenda and improve young people's quality of care, we will be revising the existing guidance on children missing from care, and including its requirements as part of our plan to update and re-issue guidance to the Children Act 1989 and subsequent legislation. That will provide us with the opportunity to integrate the guidance on children missing from care homes into this important new revised guidance and at the same time consider whether we need to provide more detail about managing support for especially vulnerable groups, such as potentially trafficked children, to minimise the likelihood of their going missing from their care placement.

For young people in care, selecting their provision will probably be one of the most important decisions affecting their lives, so when those decisions are made, they must reflect the young person's best interests, be conducted in a timely manner and assure a high level of quality in the provision that will be received. All those commitments were highlighted in the "Care Matters" White Paper.

Clear planning processes for local authorities, rigorous inspection and enforcement processes, to which my hon. Friend referred, and a world-class care system will be the keys to success. We have already announced a number of measures to support care planning, including drawing together the care planning requirements into a single set of regulations. We will also issue accompanying guidance as part of the revision of the Children Act 1989 statutory guidance. Furthermore, we are piloting regional commissioning arrangements, to support local authorities.

To ensure that care placements are of a consistently high quality and not just the luck of the draw, the national minimum standards are being revised as part of a wider review. As my hon. Friend rightly points out, those standards must be adhered to and maintained, with swift and decisive action if a service is underperforming. It is important that those processes are transparent.

In that context, I turn to my hon. Friend's concerns about the accessibility of children's homes inspection reports. Although social care inspection reports are available on the website of the chief inspector and the Office for Standards in Education, Children's Services and Skills, reports relating to children's homes are excluded. The reason given for that is preventing the identification of young people in residential care and ensuring that people accessing the internet with malign intentions are prevented from acquiring their address or any other personal details. While the existing legislative framework does not prevent the publication of children's homes reports, certain information is excluded, such as the address of the children's home. As my hon. Friend has mentioned, the chief inspector will shortly launch a consultation to seek the views of children, service providers and local authorities on whether children's homes reports should be published on the Ofsted website. It is important that the views of the Members of Parliament, such as my hon. Friend, are taken into account in that consultation.

Finally, we must support care staff in their roles. When I speak to young people in my role, they tell me time and again that what really makes a difference is the people who work with them and the quality of their relationships with significant adults. My Department is working closely with the Children's Workforce Development Council to develop a clear set of standards for residential care staff, which will set out the core skills that they should attain within an agreed and appropriate time scale. That will build on the CWDC's successful work, which has been funded by my Department, to develop standards for foster carers, with the expectation that those standards are met within a year of their being approved. Not only will that model help to ensure consistently high standards across the residential care system, but it will delineate clear progression paths and career development for residential care staff.

To strengthen the quality of relationships between care staff and young people, we will test the effectiveness of social pedagogy as a method of giving professionals extra skills to improve the quality of care they provide to children—an approach with which my hon. Friend is familiar and which has worked well on the continent. The pilot will run over the next three years, and we will look closely at the results to see whether we should encourage the approach more widely.

I am confident that, through clear direction from central and local government, rigorous and transparent inspection processes and a world class children's work force, we will achieve excellence for all children in care, which we are all aiming for. I thank my hon. Friend for her commitment on the subject, and I know that she will hold us to account in that important task.

Question put and agreed to.

Adjourned accordingly at twenty-seven minutes past Ten o'clock.

House of Commons

Wednesday 23 April 2008

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

ST. AUSTELL MARKET BILL

Considered; to be read the Third time

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked

Identity Cards

1. **Mr. Greg Hands** (Hammersmith and Fulham) (Con): What discussions he has had with the First Minister on the implementation of the identity card scheme in Scotland. [199789]

The Secretary of State for Scotland (Des Browne): With your permission, Mr. Speaker, may I take the opportunity before I answer the question to wish all hon. Members a happy St. George's day? I know that I am here to answer questions, but may I ask my English colleagues why they do not make more of William Shakespeare's birthday?

With regard to the hon. Gentleman's question, although I have had no such discussions, I have regular discussions with the First Minister on a range of issues. I look forward to further constructive discussions in the interests of the people of Scotland.

Mr. Hands: May I echo the Secretary of State's sentiments on St. George's day?

The Secretary of State will know that the next Conservative Government are pledged to abolish identity cards anyway, so any discussion held now might become rather academic. He knows that the Scottish Executive are pledged to obstruct the implementation of ID cards in Scotland. Does he not realise that non-implementation in Scotland would fatally undermine any identity cards system throughout the UK?

Des Browne: The hon. Gentleman aspires to a Government with a policy to abandon the scheme. However, I venture to suggest that the necessity for secure and reliable proof of identity, which will continue, requires the Government to respond to the desire of the people of the United Kingdom. As presently measured, the idea attracts support from more than 60 per cent. of the population. The Scottish Executive will not be able to obstruct the introduction of the identity cards scheme throughout the United Kingdom. If they, as providers of devolved services, choose not to avail themselves of the opportunities that the scheme allows to assert the identity of those who seek public services, that is entirely a matter for them. That is what devolution is all about.

Mr. Eric Joyce (Falkirk) (Lab): When it comes to tackling terrorism and providing security in this country, does my right hon. Friend agree that ID cards have a part to play? Such things should be dealt with at the UK level, contrary to what that bunch diametrically opposite suggest. Their suggestion that they should be dealt with in Scotland is, at best, a dangerous distraction.

Des Browne: My hon. Friend is quite right. The evidence is overwhelming that those who have been convicted of terrorism—during the past year, a significant number have been convicted beyond reasonable doubt in our courts—almost invariably use multiple identities to advance their horrific objectives. There is no question but that a secure and reliable system of identity that fixes the identity of a person through biometrics will assist in dealing with terrorism, and everyone involved in policing terrorism confirms that that is the case. Many quotations from those charged with that responsibility express the idea that one of the most important things we could do to assist in that task is set up an identity card scheme underpinned by biometric identity. Moreover, 71 per cent. of the people of the UK agree with that, because they understand its importance in our fight against terrorists.

Pete Wishart (Perth and North Perthshire) (SNP): When the right hon. Gentleman does have that discussion with the First Minister, he will clearly learn that the people of Scotland do not want ID cards. The Scottish Parliament has voted against the introduction of ID cards, and they will not be required for Scottish Government services. Will he assure me that there will be no attempt to introduce ID cards in Scotland through the back door—by targeting students' bank accounts and loans, for example?

Des Browne: For the bulk of the things that matter to the people of Scotland, this House is the front door. As far as security of their identity is concerned, the people of Scotland are in no different a position from the rest of the United Kingdom, or indeed, I venture to suggest, no different a position from the hon. Gentleman. If he were to open his wallet today, I suspect he would find many proofs of his identity. If that identity were underpinned by a biometric database, he would be secured against others seizing that identity and abusing it. We will deliver that for the people of Scotland. We will roll it out incrementally, and they will welcome it and use it voluntarily much more than he would wish them to.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): My right hon. Friend will be aware of the genuine concerns that the public have expressed about the increasing amount of fraud. When he meets the First Minister to discuss the implementation of identity cards, will he explain its benefits for reducing fraud?

David Cairns: My hon. Friend is a long-standing advocate and proponent of the coal industry in Scotland, and he is quite right. Let me refer him back to my original answer and remind him that 33 to 35 per cent. of Scotland's electricity comes from coal-fired power stations, so coal has to play a part in the balanced energy mix. Clean coal technology is being pioneered in Scotland by Doosan Babcock, Clyde Blowers and others, and Scottish companies are also playing their part in the carbon capture and storage competition that is being run at the moment. I entirely agree with my hon. Friend that coal has an important part to play in the future.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): The Minister will be aware that the availability of fossil fuels for electricity generation and other purposes is a major concern in Scotland, given the potential shutdown of the Grangemouth refinery. Will the Minister tell us what role the UK Government are playing in seeking a resolution to this matter, and will he update the House on the current position? Can he also offer business and private motorists in Scotland a reassurance that contingency arrangements are in hand to ensure that there will be no threat to fuel supplies, and that the panic buying and stocking up of petrol is therefore completely unwarranted?

David Cairns: My right hon. Friend the Secretary of State has been in regular contact with the Secretary of State for Business, Enterprise and Regulatory Reform over the past few days, and they have made it clear that by far and away the best solution will be a negotiated solution between the management and the trade unions. The hon. Gentleman will be aware that such talks are under way, and being facilitated by ACAS. I am happy to offer him the reassurance that contingency plans are in place and that there is no need for motorists to buy more fuel than they would normally buy at this time. Of course, all our focus at present has to be on getting a negotiated settlement.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): Is the Minister aware that a substantial amount of electricity will be required to manufacture the two new aircraft carriers? Can he tell me—or can he ask a friend—when he expects those orders to be placed?

Mr. Speaker: Order. The Minister can write to the hon. Gentleman about that.

Motorcycling

5. **Mr. Alan Reid** (Argyll and Bute) (LD): What recent discussions he has had with the Driving Standards Agency on test facilities for motorcyclists in Scotland. [199794]

The Minister of State, Scotland Office (David Cairns): Neither I nor the Secretary of State has had any recent discussions with the Driving Standards Agency on test facilities for motorcyclists in Scotland.

Mr. Reid: A well intentioned plan to improve training for motorcyclists is backfiring. From September, motorcyclists from Argyll and Bute will have to travel to Glasgow to take their test—a round trip of more than 200 miles for many. A motorcycle school in Oban has already closed as a result and the same thing is happening elsewhere. Will the Government apply the brakes to those new plans for the test centres, review their locations and build such centres in all parts of the country before the new test regime comes into effect? Closed motorcycle schools are not going to help road safety.

David Cairns: I am aware of the concern about this issue in the hon. Gentleman's constituency and elsewhere—and, indeed, in my own constituency. The question of the siting of the new test centres is obviously an issue for the Driving Standards Agency, not for the Government, but it is important that such things are kept under review. Motorcyclists represent 1 per cent. of road traffic users, but have 19 per cent. of fatalities and accidents, so it is in the interests of motorcyclists themselves that standards are raised. That, as the hon. Gentleman says, is the good intention behind the move, as part of a European directive. I take his point that it is important to keep these issues under review. I, for one, would not want to see closures of the training centres of the type that he mentioned.

Angus Robertson (Moray) (SNP): On behalf of the Scottish National party, I wish our friends and neighbours in England a very happy St. George's day and look forward to England's independence.

The biggest protest against Driving Standards Agency closures took place recently in Moray where more than 700 bikers protested against the DSA's plans to close a testing centre. Does the Minister agree that the safety of bikers, learners and those about to take their test has to be paramount?

David Cairns: I am aware of the issue of the Elgin test centre and of the hon. Gentleman's involvement in the campaign. I saw a photograph of him in the newspaper in motorcycle leathers—at least, I assume they were motorcycle leathers—so I know that he has been part of the campaign. I entirely agree that the safety of motorcyclists has to be the paramount concern, which is, of course, why the new testing regime is being brought in—because motorcyclists are dying on our roads to a hugely disproportionate extent in comparison with their total number. Having said that, I think it important to keep the location of the new test centres under review to ensure that we do not see the closure of the training centres such as has been mentioned, which would clearly not be in anyone's interest.

Scottish Constitutional Commission

6. **Mr. Robert Goodwill** (Scarborough and Whitby) (Con): Whether he plans to discuss with the Chancellor of the Exchequer the remit of the Scottish constitutional commission on the fiscal powers of the Scottish Parliament. [199795]

The Secretary of State for Scotland (Des Browne): I meet regularly with my right hon. Friend the Chancellor to discuss a wide range of issues. The hon. Gentleman will, however, wish to note that the remit of the commission is clear: it will put forward recommendations to improve financial accountability to the Scottish Parliament.

Mr. Goodwill: The Scottish Executive of course already have the power to introduce road tolls. Does the Secretary of State share my concerns at the threats that have been made to introduce them in a disproportionate way that would threaten the operation of the Faslane nuclear base?

Des Browne: We in government accept our responsibility—our primary responsibility—to ensure the safety and security of this nation, and the strategic deterrent is an important part of securing that. It is our responsibility as the UK Government, and we will not allow anything to interfere with the defence of the United Kingdom.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): In view of the somewhat imperious decision of the First Minister not to meet me on the issue of the £34 million allocated to disabled children and their families, does my right hon. Friend agree that the Barnett formula is an important issue for discussion, because transparency is clearly of the essence?

Des Browne: We have no plans to review the Barnett formula; indeed, I do not think that any party in this House has any plans to review it. My right hon. Friend is right to desire transparency, and I pay tribute to him for the good work that he has consistently done for disabled people, particularly in securing additional funds from my right hon. Friend the Chancellor of the Exchequer for families with disabled children. The people of Scotland are entitled to know what additional resources will be made available to those families as a result of that extra money. The failure of the Scottish Executive to answer my right hon. Friend's simple questions on these matters will be noted by the people of Scotland, particularly by those families.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): Has the Secretary of State discussed with the Chancellor of the Exchequer the exact purpose of his factual paper on the Barnett formula? Given that the formula has been in operation for 30 years, that its details are well known and that the Treasury has not even consulted Lord Barnett about the preparation of the paper, is not the real purpose of the exercise not, as the Prime Minister claims, simply to inform the work of the Scottish constitutional commission, but to serve as the beginning of the review of the Barnett formula for which the Secretary of State for Justice and Labour Back Benchers have been lobbying?

Des Browne: It is nothing of the sort. The purpose of the exercise is exactly as my right hon. Friend the Chancellor of the Exchequer described it: to inform the debate. The hon. Gentleman may know exactly what the Barnett formula is, but the ill-informed debate that constantly rages around the place suggests that many people could do with a refresher course on what it actually is and does.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [199804] **Mrs. Louise Ellman** (Liverpool, Riverside) (Lab/Co-op): If he will list his official engagements for Wednesday 23 April.

The Prime Minister (Mr. Gordon Brown): Before I list my engagements, let me say that I am sure the whole House will wish to join me in sending profound condolences to the families and friends of Senior Aircraftman Graham Livingstone and Senior Aircraftman Gary Thompson, who were killed in Afghanistan on Sunday 13 April, and Trooper Robert Pearson, who was killed in Afghanistan on Monday 21 April. We owe them, and all others who have lost their lives, a deep debt of gratitude.

I am also sure that I speak for the whole House when I say how sad we were to learn of the death of Gwyneth Dunwoody. She was a great parliamentarian, and she will be greatly missed from her usual seat in the Chamber. Our thoughts and prayers are with her family.

This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Mrs. Ellman: While I welcomed the letter from the Chancellor that was published recently, may I ask the Prime Minister to make a specific commitment to introduce, in the current financial year, measures to protect the 5 million people who will be penalised by the abolition of the 10p tax band? Does he agree that such a step would be consistent with the Government's successful policies in combating poverty, making work pay, and moving people from welfare into work?

The Prime Minister: For over a decade, with the minimum wage and child and pension credits, this Government have done more than any Government for a century to tackle child poverty and help low-income families. However, as we have found, there are better ways of helping low-income families than the 10p rate.

I think I should tell the House that 85 per cent. of the benefits of the 10p rate go to higher-rate and basic-rate taxpayers, and that 11 million people, mainly the lowest-income people in the country, receive no benefit at all from it. That is why we have increased tax credits to tackle poverty. That is why we have increased child tax credits, pension credits and the pension tax allowance in our Budgets. That is why the Chancellor said today in his letter to the Treasury Committee, repeating what he had said yesterday, that for the group that had missed out—those of pensionable age, between 60 and 64, who were benefiting from the 10p rate—we would present proposals, perhaps using the mechanism of the winter allowance, to provide them with additional payments that could be backdated to April this year. And that is why we will present proposals on the working tax credit, which involves issues relating to young people and part-time workers, in time for the pre-Budget report.

We are determined to take action, because we are the party of fairness tackling poverty. I should prefer to be on this side of the House cutting poverty than to have been in the Conservative Government when they were in power trebling poverty.

Mr. David Cameron (Witney) (Con): I think that we should call this session Prime Minister's U-turns rather than Prime Minister's questions.

I join the Prime Minister in paying tribute to Senior Aircraftman Graham Livingstone and Senior Aircraftman Gary Thompson, who were killed in Afghanistan on

Sunday 13 April, and to Trooper Robert Pearson, who was killed on Monday. The whole country owes them a great debt of gratitude.

I also associate my party with the Prime Minister's warm words about Gwyneth Dunwoody. She was the very model of an independent Back Bencher and Select Committee Chairman. She spoke her mind, she had no truck with political correctness, she was courageous in her political beliefs and she *[Interruption.]* I can remember exactly where she sat. She was never afraid to hold any Government to account if she thought that they were doing the wrong thing. She will be sorely missed on both sides of the House.

The Prime Minister's emergency announcement about income tax this morning represents a massive loss of authority. This morning, we have had panicked concessions before he came to the House of Commons. We were told that there would be no back-down; we have had a back-down. We were told that he could not rewrite the Budget; he is rewriting the Budget. We were told that there would be no concessions; there are now massive concessions. So will the Prime Minister tell us whether he is making those changes because he thought he would lose the vote next week?

The Prime Minister: We have said for some time that we want to do more to help people on low incomes. His party policy, two years ago, was to abolish the 10p rate. Last year, it was to abstain on the 10p rate. This year it is to keep the 10p rate. They are the "no, don't know, yes" party: they cannot make up their minds what they want to do. We will be consistent in our desire to tackle child poverty.

Mr. Cameron: Consistent? Does the Prime Minister have any idea what a pathetic figure he cuts today? He is making these changes because he thought he would lose the vote. Or is this like the general election that he cancelled even though he thought he was going to win it? Is he not just taking people for fools once again? Why will he not admit it? He is not making these changes because he thinks they are right. He is not making these changes because he wants to help the people whom he hurt. He is making these changes because he was frightened of losing a vote. Why not admit it? Why not be straight with people?

The Prime Minister: I see the right hon. Gentleman's new-found enthusiasm for poverty has lasted only a few seconds. Why does he not address the central issue? The central issue is that we are taking more people out of poverty than any previous Government. If we took the advice of the Opposition, we would not have a minimum wage, but 2 million people are better off. If we took his advice, we would not have tax credits, but 6 million people are better off. If we took his advice, there would be £10 billion of tax cuts, depriving the poor of the public services they need. The choice is clear between a Conservative party that would cut the incomes of the poor and a Labour party that will increase them.

Mr. Cameron: What this is about is weakness, dithering and indecision from the Prime Minister. He talks about the central issue, so let us deal with the central issue. Why did all this begin? This began because as Chancellor of the Exchequer he stood there and presented a tax con Budget to try to wrong-foot the Opposition, to try to pose as a tax-cutter and to try to win a few cheap headlines in the newspapers. He did all that on the back of 5.3 million of the poorest people in our country. Will he admit now that that Budget was a gross miscalculation and it was immoral, and will he apologise for the tax con Budget?

The Prime Minister: Everybody now agrees that the 10p rate is not the best way to tackle poverty. The Conservative party agreed with that two years ago. They abstained on the vote a year ago and now they are supporting the 10p rate, and nobody believes their credibility on that matter.

The Leader of the Opposition has said that he wished we had

"simplified all our tax rates and produced one band, somewhere around 20 per cent., that applied to spending, saving, capital gains and income"

and abolished

"all...endless relief and credits".

The policy he announced in 2002 was not just cutting the 10p rate but abolishing tax credits and allowances. That is not a party that cares about the poor; that is a party that put more people in poverty.

Mr. Cameron: As ever, the Prime Minister was about to thump 5.3 million of the poorest people in our country and he is scrabbling around with policy documents trying to find some excuses. As ever, there is no apology or admission of guilt, just a U-turn to try to save his skin. Does that climbdown not tell us all we need to know about this Government? It is always about politics, not policy. It is always about calculation, not conviction. It is always about his self-interest, not the national interest. Does the Prime Minister think that his reputation can ever recover?

The Prime Minister: Why does the right hon. Gentleman not address the central issue, which is how we lift people out of low incomes and poverty in this country? Why does he not admit that as a result of our tax credits, which he opposed, 3 million children are in families with incomes of £80 more a week than in 1997? Why does he not admit that 2 million pensioners have incomes of £40 more than in 1997 because of the pension credit? None of that could have been achieved through the 10p rate. It can be achieved only through tax credits, which he opposes.

Why does the right hon. Gentleman not recognise that under the Government 1 million pensioners and nearly 1 million children have been taken out of poverty and 3 million more jobs have been created? We are nearer to full employment than at any time in our history. None of that could have happened if we had followed the policies of the Conservative party.

Mr. Cameron: The truth is that under this Government —[HON. MEMBERS: "More!"] I shall tell you what is more: under this Government, 600,000 more people are in extreme poverty than when the Government came to power. The Prime Minister talks about the central issue. The central issue is his massive loss of authority. Was there ever anything more humiliating than a Prime Minister breaking off talks with the President and

asking for an outside line in the White House in order to beg one of his Parliamentary Private Secretaries not to resign? This is what Labour MPs—*[Interruption.]* They should be quiet and listen. This is what Labour MPs are saying—*[Interruption.]*

Mr. Speaker: Order. Let the Leader of the Opposition speak—*[Interruption.]* The hon. Member for South Swindon (Anne Snelgrove) is far too noisy. So is the Lord High Chancellor—that is his title now.

Mr. Cameron: It is not often that you have to give the Lord Chancellor an ASBO, Mr. Speaker.

This is what Labour MPs are saying about their Prime Minister: he is losing touch; he does not know what fairness is; he needs to see the world through the eyes of voters; he is like a scared rabbit in the headlights. The Labour peer, Lord Desai, said that the Prime Minister's leadership style is like porridge. Another week like this and it will be Cheerios. Is it not the case that the Labour party has finally worked out that it has a loser, not a leader?

The Prime Minister: Why does the right hon. Gentleman never address the central issue—*[Interruption.]*

Mr. Speaker: Order. Allow the Prime Minister to be heard.

The Prime Minister: Why does the right hon. Gentleman never address the central issue? Child benefit increased from £11 to £20 under this Government. The poorest child in this country received £27 under the Conservatives and receives £75 under Labour. Tackling poverty so that we get nearly 1 million children and 1 million pensioners out of poverty—that is what we are doing. Here is the choice: a Labour Government who support a minimum wage and tackling child and pensioner poverty and who have got 3 million people in to jobs, or a Conservative party that would go for £10 billion of tax cuts, with the priority being stamp duty on shares and not the poorest in the country. I know which side the country is on.

Mr. Cameron: The central issue is the Prime Minister's weakness and his inability to hold to a position for longer than half an hour. That is what today's humiliating climbdown is all about. Is not the real lesson today the fact that the only time that the Prime Minister listens to people is when he is faced with personal defeat? Is that not the lesson that everyone in this country, in London and beyond, should think about on 1 May, if they want to send a message to this weak and incompetent Government that enough is enough?

The Prime Minister: The Opposition used to oppose the 10p rate. Last year, they abstained on the 10p rate. This year, as a result of their opportunism, they wanted to keep it. We are for opportunity for everyone; they are for opportunism in everything.

Ms Dawn Butler (Brent, South) (Lab): OAPs can now travel with their freedom passes before 9 am. That has been warmly welcomed in my constituency in Brent and all around London, and has even been replicated around the UK. Does my right hon. Friend agree that the Opposition's proposal to abolish the freedom pass is more dim-witted than Dick Whittington?

The Prime Minister: I am proud of our record on free travel for pensioners. I am also proud of the fact that in London the Mayor has been able to extend free travel to many additional groups of people. However, we have to remember that the Conservative candidate for Mayor has said:

> "We have got to be absolutely clear where the scope for real economies is...the real big ticket...is the Metropolitan Police and Transport for London. That's where the real savings, believe me, are to be found."

So the choice is very clear: investment in transport under Labour, cuts in transport under the Conservatives.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I should like to add my own expressions of sympathy and condolence to the family and friends of—*[Interruption.]*

Mr. Speaker: Order. The House must allow the right hon. Gentleman to be heard.

Mr. Clegg: I should like to extend sympathy and condolence to the family and friends of Senior Aircraftman Graham Livingstone, Senior Aircraftman Gary Thompson and Trooper Robert Pearson. I also want to express my sympathy and condolence to the family and friends of that exceptional parliamentarian, the unforgettable and formidable Gwyneth Dunwoody. As we know, she enjoyed enormous admiration on all sides of the House.

I thought that penalising the poor to reward the rich was the job of the Conservative party. The Prime Minister is deliberately making more than 5 million of the lowest earners in this country even worse off, so will he explain why he is doing the Tories' job for them?

The Prime Minister: We have done more to take children and pensioners out of poverty than any Government in the history of this country since the second world war. Contrary to the advice of the Liberal party, which wanted us to abolish the new deal, we have helped more young people and long-term unemployed into work than any Government since 1945. If we had taken the Liberal party's advice, there would have been high unemployment where there is now low unemployment.

Mr. Clegg: Labour Members are now in full cry, but where were they on Budget day? Why were they silent then? The truth is that, under the Prime Minister's Government, income inequality is rising, working age poverty is up and now he is doubling the tax rate for the lowest earners. The Prime Minister used to be a man of principle but, if he cannot deliver on poverty, what on earth is the point of this increasingly pointless Prime Minister?

The Prime Minister: The point is to have economic growth in this country that gets more people into work. That could not happen under Liberal policies. The point of this Government is to take more people, including children and pensioners, out of poverty, and that is exactly what we are doing. I repeat: if we had followed the Liberal party's policies, there would be fewer people in work, and more in poverty.

Q2. [199805] **Mike Gapes** (Ilford, South) (Lab/Co-op): Last week, the Prime Minister made a very successful visit to my constituency of Ilford. Does he agree that London is the most successful and diverse city in the world, with fantastic community relations? Investment has been made in its buses and trains, and there is still Crossrail to come. Does he think that all of that would be put at risk if someone with uncosted commitments and shadowy advisers were to be parachuted into our capital city?

The Prime Minister: People know that more people are able to use public transport—buses and the London underground—as a result of the Mayor of London's policies. In addition, more people are able to get affordable housing as a result of his policies. What would be completely unacceptable to the people of London would be to wake up and find that, as a result of a Conservative Mayor, housing was being cut, affordable housing was being taken away and the very transport services they relied on were being savagely cut. We will not allow that to happen.

James Duddridge (Rochford and Southend, East) (Con): Tomorrow, teachers are going to be on strike and away from work. Today, should they be away from work on a bank holiday?

The Prime Minister: Let me deal with the first part of the question first. I think that it is very regrettable that teachers are going on strike tomorrow, and the reason is that even the chairman of the pay review body has said that this is an independent award, independently adjudicated, and one that the teachers should be prepared to accept. I hope that, after reflection, the teachers will reconsider the action that they are going to take in future on this matter.

As far as St. George's day is concerned, it is a matter for public debate on whether this is going to be a holiday.

Q3. [199806] **Mr. David Anderson** (Blaydon) (Lab): One of the best performing schools in this country is the Whickham sports college in my constituency. Sadly, a number of weeks ago it was badly damaged by fire. May I ask the Prime Minister to urge the Schools Minister to sit down with the local education authority and the school to try to bring forward Building Schools for the Future money to repair the school, and not let the Opposition do away with billions of pounds of the BSF programme?

The Prime Minister: I know that the school in my hon. Friend's constituency to which he refers was subject to a fire but that the children are now back in the school, and I know that he wants resources for urgent repair work. The Building Schools for the Future programme is increasing the number of secondary schools that are either renewed or completely rebuilt, and he is absolutely right—what would put that at risk is the Conservative proposal to take £4.5 billion from that programme and to deprive people of the secondary schools that they have been promised.

Q4. [199807] **Mr. Robert Goodwill** (Scarborough and Whitby) (Con): The first stage of the renewable transport fuel scheme came into operation last week. May I ask the Prime Minister what his priority is? Is it to put bioethanol in a Range Rover's fuel tank or to put bread in an African's stomach?

The Prime Minister: We had a seminar on food yesterday in Downing street, with all the different organisations that are involved, and I think there is a general recognition that the policy on bioethanol has got to be reviewed. I may say that we have reviewed the tax incentives associated with it. But there is also a determination that we do more to increase the supply of food in the world. I think the hon. Gentleman will be aware that the increasing numbers of consumers in China and India are pushing up the demand for food, at the same time as the supply is not rising. That is why we discussed yesterday emergency measures that could both increase food supply in the short term and avoid famine, and increase food supply in the longer term to cut the prices of food in this country, as in every country in the world. I hope that there would be all-party agreement on the need to take action on this.

Mr. Kevin Barron (Rother Valley) (Lab): The Prime Minister will know that the Chancellor's recently implemented Budget has benefited four out of five households in this country. May I say to him that I am pleased that we are going to look at the fifth household as well? He will know that constituencies such as mine have suffered from poverty for generations now, not helped by Governments in the past who have closed coal mines and caused massive unemployment, and that this Government have no lessons to learn from the anti-poverty lobby sat on the Opposition Benches.

The Prime Minister: We have halved unemployment in the past 10 years. There are 3 million more people in jobs, and we have virtually eliminated long-term youth unemployment. We could not have done that without the new deal, which was opposed by the Opposition parties. We will continue to create jobs; the Opposition are the party that, in government, created mass unemployment.

Q5. [199808] **Mr. James Gray** (North Wiltshire) (Con): The Prime Minister claims that his is the party that looks after jobs. Will he explain why this week the chicken factory in Sutton Benger in my constituency was closed with the loss of 450 jobs, hard on the heels of Hygrade in Chippenham with 600 jobs, hard on the heels of St. Ivel in Wootton Basset with 500 jobs and hard on the heels of Dyson moving 1,000 jobs offshore? Does the Prime Minister take any personal responsibility at all for the meltdown in manufacturing in my constituency, or is it all somebody else's fault?

The Prime Minister: Of course whenever jobs go in any particular part of the country, that is to be regretted, but the important thing is that we are creating more new jobs, and creating them more quickly, than other countries. I just have to remind the hon. Gentleman that employment, according to the last figures, was at record levels—29.5 million people in work, 3 million more than in 1997—and that employment is up in every region and country of the United Kingdom. Our unemployment rate contrasts with a rate twice that in Germany and France and rising in America, and I think he should give some

recognition to the fact that, even in difficult global times, we are continuing to create jobs and continuing to bring unemployment down.

John McFall (West Dunbartonshire) (Lab/Co-op): May I welcome the Chancellor's letter to me this morning on the Treasury inquiry and the 10p tax rate, and in particular his clear commitment to help the low-paid without children and the pensioners under 65 and to make those changes backdated to this financial year? The Prime Minister will be aware that the Treasury Committee has identified four groups, and that our inquiry will report before the Report stage of the Finance Bill. May I seek the Prime Minister's co-operation in seriously considering our recommendations and in contemplating any further measures that the Treasury Committee proposes in its inquiry?

The Prime Minister: I have to point out to the Treasury Committee that 70 per cent. of the people who were losing under the Budget have incomes above £20,000. Although many people who are low-paid and on low incomes are now being helped by the child tax credit, which we have raised, by pensioner tax allowances, which have been extended, by the pension credit, which is rising, and by the working tax credit, more can be done in the two areas I have talked about: helping pensioners aged 60 to 64 — we shall bring forward proposals soon — and equally helping those on low pay who are part of the low-paid group in our society but not part of the working tax credit. That is what we will look at over the next period of time and we shall obviously do so in consultation with the Treasury Committee, but it is important to recognise that of those who lost in that Budget 70 per cent. earned above £20,000.

Q8. [199811] **Ms Dari Taylor** (Stockton, South) (Lab): Does my right hon. Friend agree that the Army cadet forces, which are national voluntary youth organisations, are excellent and the best youth organisations in Great Britain today? They are organised by enthusiastic staff and officers. My detachment, the Durham ACF, takes 700 youngsters away during the summer holidays, many of whom would never go away on holiday. Will my right hon. Friend announce to the House today what my Government are to do to support further the future of the Army cadet forces?

The Prime Minister: I am grateful to my hon. Friend because she works with her local Army cadets and plays a prominent role with the cadet force in her area. I have been hugely impressed by the good work of our cadet forces — the combined cadet force, the sea cadet corps, the Army cadet force and the air training corps. They develop a sense of self-reliance and service to the community among young people and I praise all the adults involved. We will provide extra money to help the development of cadet forces, not just in some schools but across a whole range of schools. We are of course committed to providing more money for positive opportunities for young people in this country. The cadet forces play an important role and we are determined to extend them.

Q9. [199812] **Mr. Lee Scott** (Ilford, North) (Con): My constituents in Ilford, North arrive home late at night to find some stations unmanned. Does the Prime Minister agree that the current moribund Mayor of London is letting them down and that next week, hopefully, we shall have a Mayor of London who will protect their safety?

The Prime Minister: If that is the case, the last thing the hon. Gentleman's party would want to do is to cut spending on transport, but that is exactly the policy of that party.

Q10. [199813] **Lyn Brown** (West Ham) (Lab): People on good salaries tend to ensure that they pay the correct amount of tax and take advantage of any tax concessions or tax relief available to them. People on low incomes do not. Will my right hon. Friend ensure that there is a concerted and sustained effort to ensure that people take full advantage of the tax credits, concessions and benefits to which they are entitled?

The Prime Minister: As my hon. Friend says, tax credits are important because they can take people out of poverty. That is why, whether it be tax credits or council tax benefit and housing benefit, we are promoting an awareness campaign targeted at pensioners so that they know of their rights and can apply for the benefits. We are determined that all the benefit due to pensioners and others gets to them as quickly as possible.

Tim Farron (Westmorland and Lonsdale) (LD): The Westmorland general hospital is the major provider — or rather the provider — of acute coronary and other medical services to an area larger than Greater London, but those services are proposed for closure later this year. If we believe our local ambulance service — as of course we must — that would leave 63 per cent. of my constituents taking more than the golden hour to get to hospital in the event of a stroke or a heart attack. Will the Prime Minister take a personal interest in the matter and agree to meet me and local health professionals in South Lakeland to help to resolve it?

The Prime Minister: Obviously I shall look at what the hon. Gentleman says and the facts he brings before me, but he needs to put the matter in its proper perspective. We have doubled expenditure on the national health service, there are 30,000 more doctors and 80,000 more nurses, and 110 hospitals have either been built anew or are being refurbished. Of course I will look at what the hon. Gentleman says, but he should put it in its proper perspective: there is more investment than ever before in the health service in his area.

Q11. [199814] **Nigel Griffiths** (Edinburgh, South) (Lab): Will my right hon. Friend send a clear message to Robert Mugabe to stop brutalising legitimate opposition, to listen to the democratic will of Zimbabwe, and to go?

The Prime Minister: I agree with my hon. Friend that a message should be sent from the whole of the United Kingdom that what is happening in Zimbabwe — failing to announce an election result and trying to rig an election result — is completely unacceptable. I call on the whole world to express its view that that is completely unacceptable to the whole international community. Because of what has happened in South Africa, where there is an arms shipment trying to get to Zimbabwe, we will promote proposals for an embargo on all arms to Zimbabwe. At the same time, we ask all

African Union observers and international observers to make their views known about the unfairness of the election.

Q12. [199815] **Mr. Nigel Waterson** (Eastbourne) (Con): If the Prime Minister will not say sorry for the 10p tax fiasco, will he at least apologise for voting down the restoration of the earnings link for the state pension last night, or is sorry the hardest word?

The Prime Minister: Perhaps I could remind the hon. Gentleman that it was a Conservative Government who abolished the earnings link for pensions. Perhaps I could also remind him that it is a Labour Government who are committed to restoring it. The reason for that is that we take seriously our responsibility to the dignity and security of everyone in retirement. We will restore the earnings link for pensions.

Point of Order

12.31 pm

Stephen Pound (Ealing, North) (Lab): On a point of order, Mr. Speaker. On Monday, the House heard a savage attack on Mr. Mohamed al-Fayed, made under parliamentary privilege. Can you tell me whether any redress at all exists for people who are traduced, even under parliamentary privilege?

Mr. Speaker: Order. Privilege is absolute. *[Interruption.]* Order. I am not going to pursue the matter; I have given a ruling. Will hon. Members who are leaving the Chamber do so quietly?

Opposition Day

[10TH ALLOTTED DAY]

Family Doctor Services

Mr. Speaker: I inform the House that I have selected the amendment in the name of the Prime Minister in both of today's debates.

12.32 pm

Mr. Andrew Lansley (South Cambridgeshire) (Con): I beg to move,

That this House supports the family doctor service, and recognises that it is the first point of contact for the majority of patients; further recognises the invaluable role that GPs have in the NHS; regrets the undermining and undervaluing of GPs by the Government; is concerned about the lack of empirical and clinical evidence for the establishment of polyclinics in every primary care trust; opposes the central imposition of polyclinics against local health needs and requirements; is further concerned about the delay in publishing evidence on the cost-effectiveness of walk-in centres; believes that patients should be able to choose the most convenient GP practice, whether close to home or work; calls for GPs to be given real budgets, incentives to make savings, the freedom to re-invest for their patients and the ability to innovate in contracts with healthcare providers; supports rewarding GPs who choose to provide services in deprived areas or areas of expanding population; and further supports the incorporation of patient-reported outcome measures into the Quality and Outcomes framework and the development of structures and services in general practice that are designed by GPs and primary care providers in response to patients' needs and choice.

The purpose of the motion is straightforward. Through the new contract with general practitioners, the Government had a major opportunity to revive general practice in this country, and to rebase the NHS in patient-centred care and primary care-led services. They failed to do that; by contrast, they have entered into a conflict with general practitioners that will undermine the service. The Government are taking an approach to the reconfiguration of primary care services that matches the dangers of the approach that they took to reconfiguration of secondary care. The progressive centralisation of services, the progressive undermining of access to care, the progressive undermining of the ability of clinicians across the NHS to determine what is best for their patients—those are the tragic consequences of the Government's failure to negotiate the GP contract successfully. Their mean-minded approach is not to negotiate in partnership with general practitioners, but to try to arrive at a solution that cuts costs and centralises services, while undermining the independence and clinical effectiveness of general practice.

Robert Key (Salisbury) (Con): Does my hon. Friend agree that perhaps the single most popular feature of the national health service is the trust that patients have in their family practitioner, but that the Government are absolutely determined to prove that they do not trust family doctors any more? We have to rebuild that trust.

Mr. Lansley: My hon. Friend is right. I have heard exactly that from GPs in his constituency, who fear that a polyclinic will be established in or near Salisbury, the effect of which will be to force the closure of other GP practices and undermine the relationship with patients.

[Mr. Lansley]

Let me remind the House what the evidence tells us about the benefits of a strong primary care system. In the context of examining why the American health care system did not deliver successfully for Americans, which is an interesting subject, given the nature of the current debate on health care in the United States, Barbara Starfield, who is the professor of health care management at Johns Hopkins university in America, concluded:

"There is no single or simple answer, but a large part of the story – and a part that is commonly overlooked – is precisely the predominance of specialist care over primary care."

She went on to say, and this is a good definition of primary care:

"Primary care deals with most health problems for most people most of the time. Its priorities are to be accessible as health needs arise; to focus on individuals over the long term; to offer comprehensive care for all common problems; and to coordinate services when care from elsewhere is needed."

She continued:

"There is lots of evidence"

indeed, there is international evidence

"that a good relationship, with a freely chosen primary-care doctor, preferably over several years, is associated with better care, more appropriate care, better health, and much lower health costs."

In light of that evidence, which demonstrates how successful primary care can be, I find it utterly astonishing that today, when we tabled a motion whose purpose is to support general practice and the family doctor service and to stress the importance of the relationship between patients and their doctor and the importance of continuity of care, which is so lacking in other parts of the health care system, the Government's amendment fails to support the family doctor service and focuses on their current ideological fixation in favour of large polyclinics, and in the process undermines precisely the continuity of care and the relationship between doctor and patient that the evidence suggests is so integral to the successful delivery of services.

Mr. Stewart Jackson (Peterborough) (Con): Does my hon. Friend share my concern that the Government's proposals represent a national template to be imposed on primary care trusts, with no thought given to social inequalities and need at the local level, or to the need to open more GP surgeries in areas of deprivation in our constituencies, rather than the Government's one-size-fits-all approach?

Mr. Lansley: My hon. Friend raises an important point. In the course of the GP contract negotiations, the move towards a quality and outcomes framework had real potential, but as the National Audit Office report published earlier this year set out starkly, in order to try to secure agreement with general practitioners the Government took a large amount of that money out of the pot and put it into the minimum practice income guarantee. Over the intervening years, the system of remuneration for GPs has not impacted on list size and need as it should have done, which would have helped the most deprived areas; nor has it incentivised more doctors to come into those areas.

The Government's and everyone else's purpose in starting to negotiate the new GP contract back in 2002 was to deal with problems of recruitment and retention. Recruitment in deprived areas was most difficult and it remains difficult. The Government's response should have been to deal with that problem, not to try to impose a solution everywhere else. By encouraging PCTs to offer new practices in under-doctored areas, the Government are saying now the same thing as they said in 2006 in the community White Paper, which we supported throughout. However, it is wholly wrong for them to seek to impose a polyclinic system in London and across the country, including in the most under-doctored areas, which would deprive many people of access to GP surgeries in their local neighbourhood.

David Tredinnick (Bosworth) (Con): Does my hon. Friend agree that there is a danger that if patients do not have a named doctor – an individual doctor to whom they can relate – they may not report illnesses as soon as they should, which will add to the burden of costs to the health service?

Mr. Lansley: My hon. Friend is right. In an article in the *British Medical Journal* on 22 March 2008, Martin Roland, professor of health care at the university of Manchester and director of the National Primary Care Research and Development Centre, said:

"The UK system of universal registration with a single general practice promotes equity, provides a 'medical home' for coordinating care, and is an effective mechanism for holding providers to account for the quality of care provided."

That is where my hon. Friend is coming from. That relationship between patients and their doctor is instrumental in delivering effective care, but the Government are determined to undermine it. *[Interruption.]* The Secretary of State says "Rubbish," but he should look at what his own PCT is proposing in Hull. In a document, which I have seen, the purpose of which it acknowledges is to reconfigure GP care in the area, it says that its objective is to have fewer GP sites – by which I think it means practices – and to put polyclinics down in Hull. Hull is an under-doctored area, as the Secretary of State knows perfectly well. Of course there is a case for additional practices, but the consequence of the polyclinic plan will be that some of the existing practices will be shut down, and that will not enable services to be delivered more effectively in the area.

Mr. Graham Stuart (Beverley and Holderness) (Con): My constituency is in a rural area outside Hull, and it is rural areas that are particularly concerned about the proposals. They suffered when the Government tinkered with dentistry and my constituency has seen a major loss of dentistry services. The idea that the Secretary of State and the Government will now be tinkering with GP services horrifies my constituents.

Mr. Lansley: I agree with my hon. Friend. The impact on rural areas is one of the most significant and worrying aspects of the way in which the Government are going about this. I have been to many places throughout the country. Not so long ago I was talking to GPs in Worcester and to the local medical committee in Cornwall. One can imagine the situation: there are practices throughout Cornwall and the Department of Health tells the local PCT that it must have a polyclinic, but

there is no obvious place for it, so it is just popped down next to a GP practice sometimes and practices in many neighbouring areas close down as a consequence.

There are different models of care in different parts of the country. Interestingly, the south-west has some of the largest practices in the country—for example, I went to Frome—for the simple reason that sometimes a network system between a large GP practice and satellites is one of the most effective ways of ensuring access to neighbouring villages. But scrapping all that and not having an organic system that is developed by GPs themselves, in favour of the polyclinic system where GPs do not have independent contractor status and can no longer design services for their area's needs, will undermine access in rural areas at precisely the moment that towns and villages throughout the country are losing their post offices, shops, pubs and public services. Their GP surgery is one of the critical elements that they now perceive is under threat.

Tony Baldry (Banbury) (Con): They are also losing their dispensaries. Is my hon. Friend aware that 8.5 million patients are in GP practices that dispense drugs? Under the Government's White Paper on the future of pharmacy services it will be almost impossible for GPs to dispense drugs in the future. Why on earth remove patient choice in this way? This is yet another service that will be lost in villages in my constituency and colleagues' constituencies.

Mr. Lansley: Yes. I am interested in what my hon. Friend says because in one particular respect the effect of the pharmacy White Paper, which was published during the recess, may well be to undermine dispensing by dispensing doctors, and it may all be part of a common process by the Government. The polyclinics are expensive beasts; they cost about £800,000 each, so money has to be raised for them. I suspect that in many cases the Government intend to ensure that they have a large pharmacy, which will take the pharmacy profits, and the dispensing doctors in local surgeries will lose out and shut down as a consequence.

Rob Marris (Wolverhampton, South-West) (Lab): I caution the hon. Gentleman to go a little further down the line of variation around the country. Wolverhampton is one of the most deprived cities in the country. We have the excellent Phoenix medical centre, which might be termed a polyclinic, which is expanding its hours because it is so popular, and many of the services that it offers have been taken from the acute hospital, not from GPs. Correspondingly, the Castlecroft medical centre, with which I am registered, is building a brand new GPs' surgery, and the Mayfields medical centre, which opened recently, has a pharmacy alongside. The configuration in different parts of the country is different, and in Wolverhampton we will have three new GP practices from the Government, which are welcome because we are under-doctored.

Mr. Lansley: The hon. Gentleman has not been listening carefully, and he cannot have read the speech by my right hon. Friend the Member for Witney (Mr. Cameron) to the King's Fund on Monday. My right hon. Friend made it clear that we do not oppose change in general practice, but it must be driven by GPs themselves. [Hon. Members: "Why?] It must be driven by GPs in response to the needs of patients—it would be useful if the Secretary of State were to read the Opposition motion. The Government amendment does not provide any evidence that the Secretary of State sees any role for GPs or clinicians in interpreting the needs of patients, so I do not know how he thinks that patients' needs will be met.

For the PCT to contract with additional practices to provide additional services in under-doctored areas is fine—we have always said that, and there is no reason why it should not go ahead. There is no reason why services that can be delivered more effectively in the community should not be delivered in the community, and there is no reason why GPs should not be able to commission services from a hospital or a community provider transferring services into the community. Sometimes, the hospital itself can provide those services, which certainly can involve diagnostic and treatment services. There will even be places where GP practices conclude that their premises are so poor that they need to come together in larger practices and premises. None of that causes me any problem at all.

As the hon. Member for Wolverhampton, South-West (Rob Marris) represents a constituency in Wolverhampton, perhaps he has not carefully examined the Darzi plan in London and what is being rolled out in every PCT across the country in a one-size-fits-all fashion: the creation of polyclinics. The Darzi plan in London makes it clear that a polyclinic is 25 GPs occupying 16,000 sq ft costing £800,000 a year with all the services in that place. Where are those polyclinics being put? Last week, I was in Bexley, where a polyclinic is being located on the site of Queen Mary's hospital, Sidcup. In Epsom, a polyclinic has been proposed for the site of St. Helier hospital. That is not taking care closer to home; that is centralising primary care, which will take it further away from the people whom it is meant to serve.

Sandra Gidley (Romsey) (LD): The hon. Gentleman seems to regard GPs as being at the centre of the infrastructure. How can we ensure that the best interests of patients are represented? What assessment has he made of the fact that GPs are most likely to commission services from themselves in areas in which they have a specialist interest? Is there not a conflict of interest, and where is the scrutiny when we discuss the best use of taxpayers' money?

Mr. Lansley: Last October, we published our document, "The patient will see you now doctor", which the hon. Lady has probably read. In that document, we made it clear that there must be a mechanism by which, beyond the boundary of the primary medical services contract, GPs can commission services from connected providers or providers that they control only in circumstances in which there has been a tendering process controlled by the PCT, which would prevent them from handing business to themselves. That is one of the problems with GP fundholding that needed to be sorted out. The Government have not sorted it out because the same problem is occurring in places where there has been any progress on practice-based commissioning.

The hon. Lady also raised the issue of a voice for patients. We have repeatedly made it clear in this House that we need a strong voice for patients. We need "health watch" locally and nationally to make that

[Mr. Lansley]

happen, but where general practitioners are concerned, we also need the exercise of patient choice. Again, it is interesting to quote Martin Roland from Manchester:

"The NHS goal of providing patient choice in primary care is not realised in many parts of the country where patients have little real choice of practice. Increased patient choice requires more high quality practices, not the small number of large practices that some polyclinic models suggest. We know that patients in small practices rate their care more highly in terms of both access and continuity. Indeed, although small practices show more variation in quality, on average, they achieved slightly higher levels of clinical quality than larger practices in the quality and outcomes framework."

So having more high-quality practices, which include many smaller practices, is the route down which to go. Our patient choice proposals are similar to some that the Government made in the community White Paper of 2006. They are about making sure that when patients move from one practice to another, proper capitation follows them and to ensure that practices with open lists cannot be declared full when there is no justification for that.

Those proposals are precisely the mechanisms to make sure that general practice, although integral to service delivery and commissioning, is none the less increasingly accountable to patients. At the moment, the Government seem to be moving to a world in which the only customer to matter is the primary care trust. To whom is the primary care trust accountable? The experience of everybody—including, I suspect, most of my hon. Friends across the country—is that primary care trusts are accountable only to the Department of Health and Ministers, who are the only people they ever listen to. At the moment, patients get no look in at all.

Mr. James Gray (North Wiltshire) (Con) *rose*

Mr. Lansley: My hon. Friend has had plenty of experience of that in Wiltshire.

Mr. Gray: I am most grateful to my hon. Friend for giving way; he is being very generous. What he describes has particular resonance in Wiltshire, where the PCT seems to be giving GPs incentives to move towards a polyclinic system. For example, a polyclinic is being proposed for halfway between the town of Corsham and the nearby village of Box. That would be convenient for neither place, but the PCT appears to be giving GPs in both places financial incentives to move towards it, even if that is not in patients' best interests.

Mr. Lansley: That is interesting. I understand exactly what my hon. Friend has said. If there were a rationale behind the measure, the many GPs whom I have met in many places across the country would be supporting it. If it was going to provide better services for their patients, they would understand that. In some places, better services are being provided. Macclesfield is an example. My hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) is not here, but if he were, he would ask us to consider what happened in his constituency. General practices there wanted to come together and create a single premises for the whole town. They have done that, and the services are there. What is happening now? The Government say that there must be a polyclinic in every primary care trust, so the GPs in Macclesfield are threatened by the fact that the PCT wants to create another polyclinic in the PCT area. That would undermine those GPs' situation. Frankly, that is not acceptable.

The Government made a complete mess of the GP contract. To give a simple measure of that, they paid £1.76 billion more than they were planning to. The National Audit Office reported that the Government said that under the new contract they were expecting a productivity gain in primary care of 1.5 per cent. a year. In fact, there was a drop in productivity of 2.5 per cent. in each of the first two years. The Government got the precise opposite of what they were hoping for—and we know the whole story of what happened to out-of-hours services across the country.

Interestingly, local primary care trusts that cared about open access and extended opening hours for patients—they now claim that they do—had opportunities in the contract to provide them. Local enhanced services could have commissioned Saturday morning surgeries or extended opening hours on weekdays. I find it utterly astonishing that back in February, in the midst of a conflict with the British Medical Association, I could ask the Secretary of State whether he knew whether primary care trusts had commissioned local enhanced services for extended opening hours and get the answer that he did not even know. Having not used the contract for the purpose for which it was intended, the Government now blame GPs for the costs and consequences of a contract that they negotiated and pressed GPs to accept.

Andrew George (St. Ives) (LD) *rose*

Tom Levitt (High Peak) (Lab) *rose*

Mr. Lansley: I talked about Cornwall, so I shall give way to the hon. Member for St. Ives (Andrew George).

Andrew George: The hon. Gentleman mentioned Cornwall, where there is concern that, as a result of the proposed package, we will end up with a private sector solution. That issue concerns me. I note the hon. Gentleman's analysis: that the Secretary of State appears to be contradicting himself and imposing a top-down, centrally controlled solution in many areas. The Opposition motion talks about innovating in contracts with health care providers. To what extent does the hon. Gentleman believe that those contracts should include, or predominantly be, private sector contracts?

Mr. Lansley: I am talking about contracts between GPs as commissioners and the whole range of health care providers. Overwhelmingly, the contracts will be with NHS providers, although they will include private sector providers. I see absolutely no reason why there should not be an "any willing provider" policy in respect of both community provision and secondary provision.

The hon. Member for St. Ives makes an important point; in the midst of what he was asking was the question of what the consequence of the shift to large polyclinics will be. In the past couple of days, we have seen on the Department's website evidence of how it is guiding primary care trusts to go about not only developing polyclinics but reconfiguring the whole of general

practitioner services. It is clear that it wants to do that on the basis of a small number of contracts with large providers. That is true not only for this first polyclinic, but pretty much across the board.

For a long time, the Department has wanted to get rid of the independent contractor status of GPs and turn them into salaried employees; Ministers seem now to have embraced that absurdity. Presumably, the Department is thinking that it can save a third of the cost of a GP, because a salaried GP costs only two thirds of what a principal in general practice costs. That is a dangerous route, because if practitioners lose their independent contractor status, they will find it impossible to take the position of GP budget holders or practice-based commissioners.

In November 2004, we had a debate on family doctor services in the Opposition's time. The Government's response then was to say, "Look how useful practice-based commissioning will be for the future." Now we have another debate, and what is the Government's response? It is, "Look how useful polyclinics will be in future." Practice-based commissioning has disappeared. It has stalled across the country; more than half of primary care trusts are not giving it management support and the information to support it is not available to general practices. The proposed measure is a weak substitute for fundholding in the sense that it does not give real budgets or real incentives to save and reinvest for patients and it does not give the opportunity to innovate in contracts with health care providers.

The Government's approach is a shameful abdication of the Government's existing policy, which two years ago Tony Blair said was absolutely central to health care reforms. He said that there should be practice-based commissioning, but that has disappeared and is off the lexicon; instead, the Government are reverting to type and going towards a centralised, top-down, one-size-fits-all approach.

Tom Levitt: The hon. Gentleman may not have seen the briefing e-mailed in the past hour to Members by the NHS Confederation, the independent organisation representing NHS bodies. It cites the National Audit Office, which has said how successful the GP contract has been. It says that £500 million-worth of savings on the back of the contract have been fed back into new services and how for the first time the contract relates patient outcomes and curing diseases to funding. All those things are improvements brought about by the GP contract and have been cited by the NHS Confederation. They fly in the face of what the hon. Gentleman is saying.

Mr. Lansley: The NHS Confederation is "independent", is it? It is the body that negotiated the contract and is responsible, with the Department, for the outcome. It is hardly independent. The National Audit Office is independent, and its conclusions on the contract need to be read. The contract was principally about delivering GP services where they were weakest; let me quote paragraph 4.13 of the NAO report:

"Elements of the new contract have not necessarily supported practices in deprived areas. The development of a new, needs-based funding formula was the key element of the new contract aimed at reducing inequality of provision. However, the introduction of the Minimum Practice Income Guarantee significantly reduced the redistributive impact of the formula".

The contract has undermined the tackling of health inequalities, which were at the heart of what it was trying to deliver. I will not go on about some of the other things, but if the hon. Gentleman wants another independent view about polyclinics, I refer him to the Patients Association, which understandably sees things entirely from the patient's point of view. Dr. Halperin, its chairman, said:

"What I believe patients want is to see their own GP, to have a regular relationship with a GP, and when they require further or more specialist treatment, to go to a hospital...what you"

that is, the Government

"are now doing is interposing a third layer of a polyclinic and I really don't see any advantage for it."

Dr. Andrew Murrison (Westbury) (Con): The hon. Member for High Peak (Tom Levitt) cited the NAO and the NHS Confederation report, and he quoted selectively. Does my hon. Friend recall the NAO pointing out that the GP contract was overspent to the tune of £1.76 billion? Who does the NAO think might be to blame for that?

Mr. Lansley: We know exactly who is to blame for that—the Government. To be fair to NHS employers and the NHS Confederation, when it came down to it they were overawed by the Government, who put in their own interpretation of their estimate of the QOF—quality and outcomes framework—points that were going to be gathered by GPs. The British Medical Association, to be fair, said pretty clearly that it thought that it would be a higher figure. The difference on the QOF was about 16 per cent.—that is about 160 points, and there is £125 a point, so that is about £20,000 per GP. The Government have therefore ended up spending millions more than they ever intended. That was not simply because they got more out of the contract but because they did not put into their negotiations a proper understanding of the existing practice of GPs before they started to negotiate it.

Ann Winterton (Congleton) (Con): Will my hon. Friend give way?

Mr. Lansley: No, if my hon. Friend will forgive me, because I need to make this clear.

The purpose of this debate is not only to criticise polyclinics and how the Government are going about this but to make it clear that the House should express its support for the family doctor service and for the future of general practice, which needs to develop in future. We need to have GP commissioning; GPs must be responsible for real budgets. There is clearly an opportunity for GPs to manage care on behalf of their patients so that the relationships and continuity that they already have can be turned into something that delivers integrated care for patients and so that where services are provided they are in the best interests of patients. GPs should not be immune from competition. There should be a role for alternative providers and different models of care, but it should not be a one-size, top-down kind of care. We need patient choice of the kind that I described. Patients should be able to exercise not only choice in secondary care but choice in who is their primary care provider. We should ensure that the remuneration of GPs not only incentivises

[Mr. Mike O'Brien]

pension scheme. If the scheme on offer is kept simple, and if it will provide some of the bells and whistles with a higher contribution, we envisage that they are likely to stay with it.

The hon. Member for Weston-super-Mare asked how we would measure an acceptable outcome. We want to ensure that we get considerably more people saving. The aim—we need to look at the ambitious end—is to have up to 9 million more people saving, and up to £10 billion more saved. If, as the hon. Member for Eastbourne (Mr. Waterson) has suggested, more people were saving but no more was being saved, it would not be a successful outcome. We need more to be saved, and we need more people saving. We need outcomes where pensioners are basically better off, which is why we are all involved.

7 pm

The Bill makes it clear that PADA is primarily tasked with setting up the scheme. The principles provide the operational framework within which it will carry out that task, and they are fundamental to how it will design the scheme. The hon. Member for Eastbourne has acknowledged in the drafting of new clause 6 that the authority cannot be tasked with achieving each principle in absolute terms. The principles are there to guide it in setting up the scheme.

The combined effect of the principles and the package of proposals elsewhere in the Bill is to focus personal accounts on the target group I mentioned and to provide safeguards in scheme design that will minimise adverse effects on existing good-quality provision. In setting out those principles, we are asking the authority to consider the effect on future members of the personal accounts scheme, the overall additional burdens on employers and the impact on the broader pension industry, including members and prospective members of qualifying pension schemes.

We must be realistic. Inevitably, there will be competing priorities, and the authority will need to make judgments about the suite of principles that it needs to deal with to provide the best solution in the circumstances, which is why we have used the phrase "have regard to". For example, the authority will need to evaluate the various options for investment fund choices in the light of members' preferences for fund choices and membership costs. It will need to consider the options carefully, so that the provision of investment choices does not get in the way of our aspirations for a low-cost scheme.

Clearly, we cannot predict precisely how individuals, employers and industry will respond to the introduction of those reforms. We are seeking to ensure, in so far as it is possible, that we get the best impact out of personal accounts without experiencing the problem of levelling down. It is an important issue, which is why we have always made it clear that personal accounts are being introduced to complement, rather than replace or undermine, other good-quality pension provision. The Bill will introduce an additional pension product.

This is the core of our ambitions, so the principles require the authority to have regard to encouraging and facilitating participation across the qualifying schemes. When Tim Jones gave evidence to the Pensions Bill Committee, he discussed the gap in the current pensions market, stating that

"the market correctly recognises that it is a very difficult sector to address because of the very large number of small employers and the costs of approaching it".

He made clear the authority's role, saying:

"It is our job to address that target market". *[Official Report, Pensions Public Bill Committee*, 15 January 2008; c. 17, Q21.*]*

We are focusing on the target market. However, other individuals who are not quite in the target market, such as the self-employed, may find in particular circumstances that they want to contribute as both an employer and an employee and build up a pension pot and personal accounts. We are happy for the self-employed to do that.

There is an issue about people who are not employed. At the moment, they would not be able to use personal accounts. We want to see whether we can get a situation where we can prevent levelling down and make sure that we keep the current provisions for employers, so pension schemes continue. There is an element of employer inertia as well as employee inertia—we expect most people who are in pension schemes to stay in them. Employer inertia means that if an employer has got a pension scheme, we expect them by and large to stick to it.

On workplace personal pensions, amendment No. 29 relates to the treatment of insurance-based products. I want to make it clear that that is an issue for Ministers and Parliament to decide and does not relate to PADA principles. Workplace pensions are an important and growing part of the pensions market. As the hon. Member for Eastbourne has said, membership of workplace personal pension schemes forms around 47 per cent. of current private sector pension membership, which represents around 3.3 million employees involving a total contribution of around £6.7 billion each year. There are 2.1 million members of workplace pension schemes with an employer contribution of 3 per cent. or more.

We are currently in the process of seeking clarification from the European Commission that from 2012 automatic enrolment into workplace personal pensions is compatible with European consumer protection legislation. We continue to support the Pensions Commission's aim of automatic enrolment across all employers and all workers, and we hope that the work that we are doing with the European Commission will allow us to maintain that position. However, it is difficult to be precise about the timetable for resolving this issue with the European Commission. It is therefore essential that we retain flexibility within the discussions with the Commission. That is why we have a provision in the Bill to enable us to create an exemption, as the hon. Member for Eastbourne has indicated, from the employer duty automatically to enrol employees using workplace personal pension plans. If activated, that exemption would provide employers who meet the prescribed requirements and offer their jobholders membership of a qualifying workplace personal pension with relief from the duty automatically to enrol, provided that they use an enrolment process prescribed in the regulations.

The issue is difficult, and I am grateful for the way in which the hon. Members for Eastbourne and for Rochdale (Paul Rowen) have approached it—I have briefed them

privately on the situation in more detail. I am also grateful for the contributions from a range of stakeholders outside government, including the Association of British Insurers, the National Association of Pension Funds, the CBI and the People's Pensions Coalition—we all share the same aim. There is, as the hon. Member for Eastbourne put it, a plan B, but I would rather stick with plan A and see whether we can deliver it.

Mr. Waterson: I am grateful to the Minister for his summing up, particularly his helpful summary of amendment No. 29, which raises some important issues. On levelling down, I am pleased that he has conceded that the aim is to produce not only more savers, but more savings. We must keep our eyes on the ball, because it would be an utter disaster if we were to end up with the same amount of savings or, even worse, with the Pensions Policy Institute scenario in which fewer savings are redistributed around the system.

I do not know whether I always talk about budget airlines when I compare the personal accounts system with other pensions—it is, perhaps, the vanilla option. It is important to keep in mind that it is designed to do something for people without any provision at the moment. The Minister said that we cannot prevent levelling down. Technically, that is true, but it is equally true to say that at the moment there is nothing stopping levelling down from happening. The real concern is whether the introduction of personal accounts will encourage levelling down when it is coupled with other issues, such as the pensions regulator's consultation on longevity assumptions. One of the PPI scenarios is absolutely disastrous: the one that shows personal accounts reducing the pensions savings pot, which would be an appalling result. It is important to raise that issue, which is one of the twin major concerns behind the Bill in not only our view, but that of many other people.

The debate has been useful. The issue is ongoing and we will continue to debate it. No doubt the Minister will have more news for us in due course about group personal pensions. In the meantime, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 7

EARNINGS LINK

'Before the coming into force of this Act, the Secretary of State shall announce to Parliament his intention as to the timing of the implementation of section 5 of the Pensions Act 2007.'. *[Mr. Waterson.]*

Brought up, and read the First time.

Mr. Waterson: I beg to move, That the clause be read a Second time.

Madam Deputy Speaker: With this it will be convenient to discuss the following:

New clause 16—*Earnings link*—

'The Secretary of State shall announce to Parliament his intention, as to the timing of the implementation of section 5 of the Pensions Act 2007, no later than the publication of the Pre-Budget Report for the financial year 2009-10.'.

New clause 21—*Uprating pensions in line with earnings*—

'The Pensions Act 2007 is amended as follows—

"In Section 5, subsection 4, delete from 'means' to end and insert 'the tax year beginning 1st April 2009'."'.

Mr. Waterson: We come to one of those totemic pensions issues. Whatever audience I am speaking to in whatever part of the country, somebody will always raise the issue of the earnings link and its breaking in 1980. I could go into a history lesson about why that happened when it did, and talk about the fact that the earnings link was a relatively new concept that had been around for only a few years before the change. However, doing so would not be particularly profitable.

What is important is that there is now a consensus that the earnings link for the state pension should be restored. Indeed, I remind hon. Members that that was in our manifesto at the last election. Now that the Government have joined that consensus, nobody is arguing the opposite—except conceivably, I suppose, the Liberal Democrats, who are still peddling their citizens pension concept. We will no doubt hear more about that in a little while.

This debate is particularly timely, given that issues of pensioner poverty are very much at the forefront of the news. There is, of course, the controversy over the 10p rate of income tax and the effect on some 5.3 million people, a significant number of whom are pensioners, particularly women pensioners. There is also a question of whether the official inflation rate is relevant to pensioners. Some experts think that pensioners face a rate of inflation that is more like 9 per cent. because such a large proportion of their income is devoted to utility bills and council tax, which has gone up by 120 per cent. in my constituency in the past 10 years.

The other day, during Work and Pensions questions, I made the point that a significant and growing number of pensioners are using their winter fuel allowances to pay for soaring council tax bills and basic foodstuffs. I also made the point, although it seemed to annoy the Minister somewhat, that, according to the latest European Union figures, Britain is fourth from bottom of the poverty league in Europe and that only pensioners in Spain, Latvia and Cyprus are more likely to fall into poverty.

Given that restoring the earnings link is a matter of consensus, its time has presumably come—the Government should certainly consider it seriously. What is their current position? Their stated position is that they intend to restore the link

"subject to affordability and the fiscal position"

in 2012. At the very latest, the link will be restored

"by the end of the next Parliament"

that is, by 2015.

It is important that I come back to a point that I made in a different context a little while ago about the Turner package of reforms that has emerged from the Pensions Commission: there is always a danger in decoupling the provisions. It is important to remember that Lord Turner and his colleagues proposed that uprating should begin in 2010.

The feeling in the Conservative party—and in others as well, it would appear—is that the time has come for Ministers to make a decision on when the restoration of the link will take place. Will it be in 2012 or 2015? Is the get-out clause of affordability still relevant, and is it likely to become more relevant as the economy moves in a downward direction?

[Mr. Mike O'Brien]

and as a whole they ensure that members' needs will always be embedded in the authority's work when it prepares the scheme's draft investment strategy. Further changes to the principles are simply not necessary.

We want to set out the way in which personal accounts will develop. The hon. Member for Eastbourne pretty much implied that the UN principles would apply to one investment account only, and not to the whole operation of the pension schemes. What we are looking at is a default scheme that will have a very limited number of additional options to which potential pensioners can sign up. Paul Myners said that he did not want all the bells and whistles put on; he just wants to ensure a simple, basic scheme, although there will be some options.

After consultation, some members of the Personal Accounts Board may well take the view that they want an option that will enable ethical investment, and decide that the principles for ethical investment have to include the UN principles that we have discussed. I would applaud such a decision, but I want things to be done in a proper, sensible way, through consultation with potential members and stakeholders, and I want discretion to be given to the trustees in due course. The Conservatives and Liberal Democrats are wrong to seek to deny them that discretion.

This debate has touched on some fundamental principles, including the principle that it is for trustees, and not the Government or Members of the House, to determine the best interests of members of the pension scheme. I ask Members to accept that the authority and autonomy of the trustees is important, and that we should not constrain them any further than the existing legal framework does.

Mr. Waterson: I am amazed at how tetchy the Minister has been. He talks about *Guardian* readers; there was a time when it would have been Conservative Front Benchers arguing in the last ditch against ethical investment principles, and his party arguing the opposite. Has he not noticed that politics has changed dramatically in the last 18 months? It is time that he adjusted to it.

The Minister's response was wholly inadequate and bad tempered, and failed to appreciate that we are discussing not any old investment fund, but the personal accounts fund into which people will be automatically enrolled. Most people listening to the debate will want to see the principles established, not least Mr. Myners, who has given his name to some existing principles for investment. On that basis I shall press—

It being Nine o'clock, MR. DEPUTY SPEAKER *put forthwith the Question already proposed from the Chair, pursuant to Order [7 January].*

Question put, That the clause be read a Second time:

The House divided: Ayes 173, Noes 290.

Division No. 145] **[9 pm**

AYES

Afriyie, Adam
Alexander, Danny
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baron, Mr. John
Beith, rh Mr. Alan
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burt, Lorely
Butterfill, Sir John
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Clarke, rh Mr. Kenneth
Cormack, Sir Patrick
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Fabricant, Michael
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Gale, Mr. Roger
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hammond, Mr. Philip
Hancock, Mr. Mike
Harper, Mr. Mark
Harvey, Nick
Heald, Mr. Oliver
Heath, Mr. David
Hemming, John
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Howarth, David
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lamb, Norman
Lancaster, Mr. Mark
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moore, Mr. Michael
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Newmark, Mr. Brooks
Opik, Lembit
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Pritchard, Mark
Randall, Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Teather, Sarah

Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Wiggin, Bill
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Wishart, Pete
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
James Duddridge and Jeremy Wright

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Michael Jabez *(Hastings and Rye)*
Gardiner, Barry
George, rh Mr. Bruce
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Harman, rh Ms Harriet
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, John

Des Browne: On a day when we probably all woke to the announcement of the publication of yet another report that shows the amount of identity fraud through credit cards and the cost to the United Kingdom, there is no question but that we need to move to the same position as 24 out of 27 of the countries in the European Union and have identity cards. Those countries do not have oppressive regimes. Indeed, in many respects, the current Administration in Scotland look to them with envy. They are social democratic regimes that have moved to identity cards because they help people to protect their identity, especially against the sort of fraud that is perpetrated daily.

Mr. Ben Wallace (Lancaster and Wyre) (Con): One aspect of the Government's identity card scheme is that everyone, of any age, will have to travel to one of only 11 biometric centres in Scotland. For some people who do not live close to the centres, that means long and expensive journeys to get their identity protected. Of course, the Secretary of State knows all about identity theft, having stolen one from the Secretary of State for Defence. Is not it absurd that the Government solution to counter-terrorism is that 80-year-olds in Pitlochry will have make 100 mile round trips to get their data scanned, while people in England have to have an identity card to get the services that they need?

Des Browne: I will speak to the hon. Gentleman afterwards so that he can explain the joke, because I do not believe that any of us got it.

The hon. Gentleman and his party support a passport system, which is underpinned by biometrics. That is his party's policy. Eventually, every adult who has a passport in this country—that is a significant number of adults of all ages—will have to go through exactly that process. That is why we have developed a network of offices, which will be expanded if necessary. There currently are nine throughout Scotland. The journeys that people must make to have their biometrics secured are no different from those that he would continue to impose on them through supporting the policy on biometric passports. The criticism is nonsense and he knows it.

Glaxo SmithKline

2. **Mr. Brian H. Donohoe** (Central Ayrshire) (Lab): What representations he has received on assisting staff made redundant at Glaxo SmithKline's operation in Central Ayrshire constituency. [199790]

The Secretary of State for Scotland (Des Browne): I have received no representations on assisting staff that may be made redundant at Glaxo SmithKline's operation in Irvine. However, I expect at least some of my constituents to be in that category, so I also expect representations to be made to me as a constituency Member of Parliament, if for no other reason. Clearly, it is a worrying time for those concerned and I extend my sympathies to them.

Mr. Donohoe: I thank my right hon. Friend for that reply. I am the local Member of Parliament, and as my neighbouring Member of Parliament he will remember the redundancies at a nearby company called Simclar. Jobcentre Plus had enormous success in getting almost every employee a job. Since some of my right hon. Friend's constituents are affected, will he consider approaching Jobcentre Plus and asking it to become involved in the current case?

Des Browne: As I know the detail of what my hon. Friend consistently does for his constituents, I pay tribute to him for his support. The closure to which he referred had a devastating effect on several people, and they were ably assisted by his involvement. He will be pleased to know that Jobcentre Plus is slightly ahead of him. It leads on what is called Partnership Action for Continuing Employment—PACE—in Central Ayrshire. Indeed, it was in touch with Glaxo SmithKline on 2 April—the day after the announcement of the consultation. I understand that Glaxo SmithKline will meet the PACE manager shortly—in the next two or three weeks—and I am sure that Jobcentre Plus and the PACE scheme, which goes beyond it, will have success similar to that that they have consistently had in the past in placing people in training or new jobs.

Electoral Administration

3. **Chris Ruane** (Vale of Clwyd) (Lab): What recent discussions he has had with the First Minister on the organisation of elections in Scotland. [199791]

The Minister of State, Scotland Office (David Cairns): The Secretary of State met the First Minister on 25 January, when they discussed several issues, including the organisation of elections in Scotland.

Chris Ruane: I thank the Minister for that reply. I also congratulate him on the work that he did on electoral administration as a Minister in the Department for Constitutional Affairs. Progress has been made on registration; indeed, there are an extra 500,000 people on the electoral register. Progress has been mixed across the UK. In my constituency we have an extra 5,000 people on the register. What actions can the Minister take in Scotland against recalcitrant EROs—electoral registration officers—who do not take their work seriously, do not think that people should be registered to vote and have not taken up the powers that he has given them to do the job?

David Cairns: My hon. Friend has done more than any other Member of the House to raise the issue of under-registration of voters. The progress made in the past couple of years is in no small measure due to his efforts. Following the passage of the Electoral Administration Act 2006, I wrote to registration officers in Scotland, in February 2007 and again in August 2007, pointing out their new duties under the Act and asking what progress had been made. I tell my hon. Friend in all candour that I am disappointed with the progress that has been made. We might have to revisit the issue in the light of any reforms that follow the recommendations of the Gould report.

Willie Rennie (Dunfermline and West Fife) (LD): Would the organisation of elections in Scotland not be made much simpler if we adopted the same voting system for all elections in Scotland and throughout the UK? Would the best system not be the single transferable vote by proportional representation, which was agreed by the Minister's party and mine when we were friends together in the Scottish Executive?

David Cairns: I agree with the hon. Gentleman to the extent that things would be much easier if there were one system for all elections, and if that system were first past the post.

Dr. Gavin Strang (Edinburgh, East) (Lab): Having the privilege of representing the constituency that, sadly, had the highest number of spoilt ballot papers last May, can I urge my hon. Friend to continue working constructively on the follow-through to the Gould report? In particular, does he agree that it is vital to decouple the Scottish Parliament elections from the Scottish local government elections? That would completely eliminate the need for a joint ballot paper. Obviously these are matters for the Scottish Administration, too, but may I also suggest that he give careful consideration to the recommendation of the Convention of Scottish Local Authorities that the Scottish local government elections be held a year after the Scottish Parliament elections?

David Cairns: As my right hon. Friend knows, that issue is currently out to consultation by the Administration in Scotland. Their preferred option would be to decouple the elections and to have the local council elections a year later, as he suggested, which is one of the options in the consultation. It is important to send the people of Scotland a clear signal today that what occurred on 3 May last year will not happen again, that we will not see a repeat of the confusion that led to the unacceptable number of spoilt papers again, and that steps have been taken by the Government and will be taken in due course by the Scottish Administration to restore people's confidence in the integrity of the electoral system.

Mr. Speaker: I call Angus MacNeil.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): Thank you, Mr. Speaker, and happy St. George's day. Is the Electoral Reform Society right or wrong when it says that it would be an "affront to democracy" if Westminster controlled the Scottish elections?

David Cairns: No, I do not agree. One of the most disappointing aspects of the debate has been the consistent misrepresentation of what Mr. Gould actually believes. I remind the hon. Gentleman of what Mr. Gould told him about devolution when he gave evidence in this place:

> "This was...raised in the context of a chief returning officer. The concept here was that if there is going to be accountability there needs to be a point of focus...The recommendation that the jurisdictional responsibility for that management of the election be located in Scotland...so it is a management process here...if the legislation remains in Westminster for the parliamentary elections that is fine".

That is what Mr. Gould said, and the hon. Gentleman's party should stop misrepresenting him.

Electricity Generation

4. **Anne Moffat** (East Lothian) (Lab): What estimate he has made of the proportion of electricity generation capacity in Scotland that is (a) renewable, (b) fossil fuel and (c) nuclear. [199792]

The Minister of State, Scotland Office (David Cairns): The Royal Society of Edinburgh's "Inquiry into Energy Issues for Scotland" found that, over time, 8 to 10 per cent. of Scotland's electricity comes from distributed hydroelectric stations, 33 to 35 per cent. comes from coal, 16 to 18 per cent. comes from gas and 38 to 40 per cent. comes from nuclear. Those proportions will, of course, vary owing to factors such as increased development of onshore wind and planned maintenance closures of power stations.

Anne Moffat: I thank my hon. Friend for that answer. Does he share my concern, and that of the Scottish TUC and the Unite union, about a balanced energy policy? We must live in the real world, not in the world of the nationalists, who think that they can run the energy supply only on renewables—laudable though those renewables are. Does my hon. Friend agree that we need a mix that includes nuclear power that is home grown and not bought in from other countries?

David Cairns: My hon. Friend is right to focus the debate on the issue of Scotland's base load—in other words, the electricity that we need seven days a week, 52 weeks a year, irrespective of whether the wind is blowing or the waves are crashing. We know that the Scottish National party is against nuclear; we also know that it is against wind farms in its own constituencies. What we do not know is how it is going to provide Scotland's base load electricity and keep the lights on. It is time that we were told.

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): Regardless of how Scotland's electricity supply is produced, people across the country are facing massively increased fuel bills. That is particularly true in rural areas. Will the Minister therefore explain how the abolition of the 10p rate of income tax is going to help with the Government's stated aim of abolishing fuel poverty?

David Cairns: I first welcome the hon. Gentleman to his promotion to shadow Secretary of State for Scotland. I can see looks of great relief on the faces of some of those sitting behind him that he has accepted the post. What has happened to fuel costs is a global phenomenon. A few years ago, the price of a barrel of oil was $10; today it is $117. Of course that puts pressure on the tremendous inroads that we have made in reducing fuel poverty. That is why the Chancellor of the Exchequer and Treasury Ministers met the fuel companies to discuss the extension of social tariffs, and why we have increased the winter fuel payment, which is now worth considerably more than any previous scheme. We have done that precisely to help people who are facing rising fuel bills, and we will continue to take action because we believe that fuel poverty is a genuine social evil that has to be combated.

Mr. David Hamilton (Midlothian) (Lab): May I merely make the point to my hon. Friend that we are sitting on millions of tonnes of coal in Scotland? If we are talking about increasing oil and gas prices, surely we should also be talking about an expansion of the coal industry and clean coal technology. We should be exploiting and pushing that in Scotland.

[Mr. Waterson]

He went on to make the point that that did not outweigh the point of having compulsory seatbelts. I think that we can all agree with that in the context of seatbelts. I took the trouble of finding out how many people are injured each year because of wearing seatbelts as opposed to not wearing them. According to the Royal Society for the Prevention of Accidents, about 1,100 people a year are injured in some way because they are wearing seatbelts rather than the opposite, but compared with the number of people with driving licences, that is a tiny proportion. I am a bit worried about whether anyone making the kind of assumption that Mr. Myners appears to be making would realise that such a tiny proportion was involved.

The real issue here is that nobody knows. The numbers in the at-risk groups could be hundreds of thousands or millions. I suspect—this is my own hunch—that the figure is in the high hundreds of thousands, but we simply do not know, and we will not know until the modelling has been properly done. We are all working to that end. This is not a problem that can be dealt with head on by saying, "Well, just because there is going to be some rough justice for some people, it does not mean to say that it is not a good idea." Yes, the prize is that, hopefully, millions will be drawn into saving for their retirement, admittedly by the use of inertia in most cases, when they are not doing so now. That has to be a major prize, but it cannot be achieved at the price of large numbers of people, often on very low incomes, being worse off or no better off.

That is why the issue is important and why I greatly welcome the Government's change of heart, if I may put it that way. I am looking forward to our playing our full part in the process. It does matter, not just to the credibility of and confidence in the new system of personal accounts, but to all these people, however many there are, who are involved.

Miss Kirkbride: I agree with what my hon. Friend is saying. Presumably, in looking at the flowcharts and projections for the numbers of people who will be affected by the means test, researchers will also have to make assumptions about the minimum income guarantee. In the past, that has also been an issue for means-tested benefits, as it poses the question of the reliability of the Government's promises that the minimum income guarantee will continue to rise in line with earnings—until time ends or whenever it might be. I presume that that will make a big impact on the projections for how many people will fall foul of the means test.

Mr. Waterson: My hon. Friend is absolutely right. For the time being at least, the Government are committed to increasing pension credit in line with earnings, but a whole series of assumptions will, of course, have to be made and spelled out in the making when the calculations are done. One has to make assumptions some way out into the future about a range of things—not least the level of means-tested benefits available under successive Governments of the same or different political colours. That is an important issue, but dealing with it is a bit like trying to put up a tent in a high wind: unless we nail down one corner, we will not make a lot of progress, so a shared set of assumptions will have to be agreed so we can move forward. There will still be the known unknowns, but that is the way it is always going to be.

To make one final point, on the basis of all the research done so far, I am utterly convinced that the starting point has to be the at-risk groups identified and then refined by the PPI, and then identification, within parameters, of the numbers of people likely to fall into each of those categories, why they are likely to do so and what can be done to help them. Failing all that, we will have to see what can be done within the system of generic advice to ensure that people opt out if it is in their best interests to do so. There are some massive questions here, which makes this one of the two biggest single issues underlying this entire legislation. We are certainly keen to play our part in finding a solution if there is one.

Paul Rowen: I agree with the hon. Member for Eastbourne (Mr. Waterson) that means-testing is a vital issue. We need some clear answers on it before the legislation becomes operational in 2012. I need not remind the Government of the mess that they have got themselves into with the abolition of the 10p income tax rate to illustrate what happens when Governments fiddle with benefits and charges. When that cut was announced last year, we were not told that 5.2 million people would end up worse off. That is not the figure that we were given. I doubt that members of the Government would have supported the then Chancellor, now the Prime Minister, as readily had they known how many people would be affected.

As for the 5 million to 7 million people who may save for their pensions with personal accounts, it is vital for us to understand the impact of their benefits on their pensions. It would clearly be wrong for us to encourage people to enter into a scheme enabling them to save money and make contributions if, on retirement, they would find that the Government had given with one hand and taken away with the other. That often happens as a result of the current benefit trap, and it is a powerful disincentive for many people to go back to work. That is not the purpose of the Bill; it is intended to encourage more people to save and become prosperous in retirement. Cutting their benefits will defeat the object. I presume the Government can assure us that the Bill is intended not to save money for the Exchequer in terms of the benefits paid out, but to ensure that pensioners are better off.

I agree with the hon. Member for Eastbourne that we owe a great debt to the Pensions Policy Institute for its estimates in this vital area. The number of eligible pensioners who are means-tested to establish their entitlement has risen dramatically under the present Government, from 37 per cent. back in 1997 to around 57 per cent. today. We know what the effects of the means-testing system have been. Although the Government laud the benefits of pension credit, we know that a large number of pensioners—some 1.5 million—are not claiming it. We also know that council tax bills have already risen by 87 per cent. under the present Government.

Anne Main (St. Albans) (Con): They have risen by 147 per cent. in St. Albans.

Paul Rowen: I am giving a broad figure. At the same time, only 53 per cent. of pensioners who are eligible for council tax benefit claim it. If pensioners who have saved find that as a result of their saving, the benefits to which they are entitled are dramatically reduced, incentives to save will be eroded and the Bill's objective will be destroyed.

Housing benefit can involve a high marginal deduction rate. We know who some of the high-risk groups are. Single people are likely to be worse off because they generally do not save as much for their retirement, and they may well rent their properties. There are medium-risk groups, such as those in their 40s and 50s who are not currently saving for their retirement. They could well lose out, although that will depend on what happens when they retire. Clearly, it would be wrong if people who put money into the personal pension scheme were to find that as a result they were worse off.

5.45 pm

We need some analysis of the scale of the problem. How many of the 5 million to 7 million people are likely to be worse off? There must be one of two options. I admit that it will be impossible to tell someone in their 20s or 30s, "By the time you get to retirement, it won't be worth you saving," but we need to be able to advise people in the medium and high-risk groups at the beginning that they ought to opt out. If we cannot do that, we will be misleading people. I do not agree with the hon. Member for Eastbourne, who said, "It's a seat belt, and some people have got to be worse off." We must give two pieces of advice. We must make amendments to the benefit system to ensure that people are not disadvantaged—and we must be clear in our analysis of what changes need to be made to deliver that—or we need to advise people that they had better not save through a personal pension scheme, because they would be worse off.

Mike Penning: The hon. Gentleman's comments highlight a crucial point about all future pensions. It is to do with confidence. The people in the schemes, many of whom will be at the lower end of the income bracket, must have the confidence to look forward. This is a Government-sponsored scheme, and if they do not get this advice we may well find 20 years from now that the ombudsman is looking at Government advice yet again; we have already had the debacle with the occupational pension schemes. It is crucial that people have the information, in order for them to build confidence so that they are willing to invest in their pensions.

Paul Rowen: I agree with the hon. Gentleman; I am a member of the Public Administration Committee, which has championed the cause of those who lost out on their pensions through occupational pension schemes. We do not want people to lose out in this case. Therefore, I welcome what the Minister has done in response to the discussions we had in Committee, by setting up the working group to carry out the detailed analysis and by making that information available to all parties as the Bill progresses through Parliament. That is important.

Once the analysis is completed and we have a clear idea of what is happening, it will be important to have an agreement that changes will be made to the system over time. I accept that some issues may arise 10 or 20 years down the line, but we need to set in train those necessary changes. We also need to be flexible as time moves on. I appreciate that the Minister cannot commit future Governments, but we have to accept that market conditions change and so does the entire employment situation, and what we may be legislating for today may not be appropriate 30 years down the line. We need to be aware that this is a problem—the benefits trap is a problem now in any case, as it is a disincentive to work—and we need to put in place the flexibility so that as more information becomes available the Department can respond to the issues and ensure that people are not worse off.

We all subscribe to the overall broad aim of the Bill—to get more people saving so that they have a more prosperous old age. When we address some later clauses and look at the earnings link, it will become clear that in terms of pensions this country is the poor relation in Europe. We are almost celebrating 100 years of the pension, but we are not delivering what our forefathers originally intended. So, I hope that the Minister will accept that we all have serious concerns about this issue. It is important that the information is shared and that, over time, we have a strategy that delivers the overall aim of ensuring that all pensioners are better off. It is unacceptable to say that small numbers might not be. Although we cannot legislate for every possibility, we must have the flexibility to be able to guarantee people that saving in this way will benefit them; if that cannot be delivered, we should not be encouraging them to save.

Sir John Butterfill: The Minister will know that I have supported the Bill in principle from its outset, but he will also know that this issue is the one area where we must take radical and courageous action. The Government must do that if they are to make this a worthwhile Bill.

I do not intend to reiterate the problems about which many hon. Members have spoken. It is true that we are dealing with a group of people who will not be able to afford to take independent advice, and thus will be reliant on generic advice. Generic advice will not be good enough to overcome the problem that we will encounter if nothing is done. We can all remember the mis-selling scandals of the past, and I fear that we might be sowing the seeds of mis-selling today, unless something certain is put into the Bill to deal with the problem.

The other alternative, if we do nothing, is that very large numbers of people will be advised in the media and elsewhere to opt out. That would defeat the whole object of the Bill; we want people to save for their retirement and to have better financial security. If they are being advised in their newspapers that they would be mad not to opt out, who would blame them for deciding to opt out? The hon. Member for Newcastle upon Tyne, Central (Jim Cousins), who is well versed in these matters, made it clear that even those who stay in the scheme may opt for trivial commutation, which would be almost equally bad as opting out in many cases. It is incumbent on us now to put into the Bill something that will deal with the problem.

There is only one way of dealing with the problem. We can play around with all sorts of formulae, but some element of disregard is the only true way to encourage people to save in that way. Only if they know that they will inevitably be better off staying in the scheme rather than opting out, and if that is reinforced by the newspapers they read and by television and radio programmes, will they not opt out. We can argue about how the disregard should operate—whether it is an absolute disregard, whether it is a mechanism,

[Sir John Butterfill]

whether it is phased, what the timing is and so on—but something must be put into the Bill that makes it clear that people will be better off staying in the scheme rather than opting out. Unless we include such a provision, the Bill will be worthless.

Mike Penning: I promise not to delay the House for too long. I support new clause 2. I was fascinated to hear the common-sense approach that, yet again, the Minister took to the issue. The nature of means-testing means that we are dealing with the most vulnerable people in our society: those whom the state feels are below the threshold that we would all like people to be at, without needing a means-tested benefit. As a result, such people are the most ill-informed and cannot purchase the information that Members of this House and other members of the public could; such people will not receive independent financial advice.

My hon. Friend the Member for Bournemouth, West (Sir John Butterfill) just alluded to the fact that such people will rely extensively on the information that the Government and the schemes' actuaries put out to the public. Above all—this is where I agree with my hon. Friend—they will rely on the tabloid press. If the tabloid press start saying that opting out is probably people's best option because it will be safer, and that people should not worry because they can always fall back on means-tested benefits because they might not be better off, that would make this part of the Bill, at least, fall apart. The Minister would probably agree about that.

It is therefore imperative to put as much basic information as possible into the public domain as early as possible, to enable people to make a conscious decision to stay in the scheme, because there could be an exodus. I remember that back in the 1980s, it was "opt in, opt out": lots of different schemes were in operation and things were very complicated. Financial representatives phoned people up to say, "I think you should opt out of SERPS," or, "You should opt in to SERPS." We made decisions about that specific matter, many of them wrong. I made wrong decisions, but I was persuaded to do so by a financial representative.

What worries me enormously is that because we are dealing with the most vulnerable people, who we are trying to get off benefits and into a pension scheme that prevents them from needing means-tested benefits as they reach their more mature years, all the hard work, everything that has been going on with all the different consortiums and all the consensus that has been built up could fall apart so easily, and even more people might end up on means-tested benefits. None of us would look forward to that situation.

Mr. Mike O'Brien: I welcome the way in which the Front-Bench spokesmen for the Opposition parties, and, indeed, all hon. Members, have sought to deal with this issue. Some months ago, it was a matter of some controversy, but I think that we have found a way of at least examining what the hon. Member for Eastbourne (Mr. Waterson) rightly said is an enormously complex and difficult issue. Whether we are able to find ways of resolving it is another matter, but we envisage that the process we have set up will enable an examination of the issues. As he mentioned, we also envisage publishing later this year a report that examines the parameters of the debate and establishes ground rules and understandings about the nature and extent of the problem, the policy ways in which it might be examined and the implications of some of those, without coming to a recommendation. That would be a matter for debate between the parties and between various stakeholders afterwards.

The debate was interesting not least for the various descriptions given. I believe that tents in high winds and seat belts were mentioned. I was reminded of the fact that, in evidence to the Committee, Lord Turner gave a further analogy, which is relevant to the discussion. He said that

> "you cannot treat the fact that some people post facto will not have done well out of saving as proof that it is a bad idea to advise them to save. An analogy would be that if at the end of the year your house has not been burgled, it does not mean that it was bad advice to buy a household insurance". *[Official Report, Pensions Public Bill Committee,* 17 January 2008; c. 98.]

We are examining a difficult issue. It is clear that we all have constituents who are on pension credit, yet they have a second pension. How we are able to predict which people are likely to end up in that position, whether we are able to do so and what advice such people should be given if the circumstances that they will find themselves in are not always predictable are complex matters. Personal accounts will not create such a new circumstance that we are not already, in a sense, facing it. A large number of people are automatically enrolled into a pension scheme. Tesco has its own automatic enrolment scheme—I understand it to be a reasonably good defined-benefit scheme—and it is therefore allowing people to build up pension pots. There is no guarantee that those people will be able to have an uninterrupted career at Tesco and that they will never fall on pension credit.

We have said throughout—the point was made by the Liberal Democrats earlier today—that personal accounts should not provide advantages over and above those schemes with which they will compete. Therefore, we are trying to set up a basic scheme that people can use if no better scheme is available. It will complement, rather than compete with, other schemes.

6 pm

If we were to provide, solely for personal accounts, a guarantee that whatever happened anyone holding one would not lose out, it would give personal accounts a commercial advantage over and above any existing private sector schemes. Therefore, we would undermine the very principle of complementing what we currently have. If a low-paid employee can choose whether to enter their employer's scheme—it might be a good scheme with perhaps a higher contribution from the employer than personal accounts—or a personal account, and they get a guarantee from the latter that they do not get from the other scheme, personal accounts would have a commercial advantage. We need to be careful to bear in mind the basic principles behind the creation of personal accounts and ensure that, in dealing with one problem—and I accept that it is an issue—we do not undermine any of those principles.

Paul Rowen: I accept the point that the Minister makes, but does he agree that one sure way around that problem is to restore the earnings link to the state

pension so that that increases in value? We could also move to a citizens pension, as we have proposed, that would provide a guaranteed minimum pension in retirement, with anything else a bonus.

Mr. O'Brien: I certainly agree with the hon. Gentleman about restoring the earnings link in due course, and I will come to that in a moment. I would welcome his views on how we could find enough dosh to introduce his citizens pension without taxing people vastly. The money we spend comes from the taxpayer, and we have to balance the interests of the taxpayer with those of the pensioner.

Mike Penning: The point that I was trying to make earlier is that we must give our best shot at predicting what will be in the pot in the years ahead. That is obviously very difficult, but if I went to a private insurance company and said that I wished to invest £30,000 in a scheme, the actuaries would make some sort of prediction about the outcome, and the state pension would be included in that. It is therefore incumbent on the Government to give their best shot at prediction. I accept that it will be difficult. We cannot predict the future, but it has always been the job of actuaries to try to predict the size of the pot. That is why it is important not to guarantee more—it would skew the whole market if people were guaranteed a greater amount than they would get from a separate pension scheme—but to provide a knowledge base and give people some idea of how much they will get. People must have that information.

Mr. O'Brien: The hon. Gentleman makes some interesting points, and I will address them in a moment or two.

Lynne Jones: My hon. and learned Friend mentioned providing an unfair advantage, but it is an important principle that people's savings should not undermine their ability to collect state benefits. As he says, that point will be discussed when we come to the issue of the earnings link, but it is an important principle in reducing means testing. He mentions taxpayers' money, but the people who take up the scheme to save for their pension will be low paid. They are taxpayers too, and the fairness agenda means that we must also be fair to those on low incomes who are putting small amounts of money—whatever they can afford—into such schemes. We must ensure that they do not miss out on state benefits later.

Mr. O'Brien: My hon. Friend is right, especially about trying to ensure that we have a state system that provides a proper basis for people. One of the key aspects is the restoration of the link. One argument for restoration arises from this very debate. If we did not restore the link, we would end up with some 60 per cent. of pensioners on pension credit, and we do not want that to happen. We can reduce the numbers on pension credit by about half if we restore the link and provide opportunities for private savings so that people can build up a pension pot that will increase the amount that they would get just by relying on pension credit. The reforms in the state sector are part of the process, and the private sector changes will also help to ensure that pensioners get a better deal—and get more money in the end.

Sir John Butterfill: I accept that the scheme cannot compete unfairly with providers in the private sector or companies' schemes, but we are talking about persuading some of the poorest people in society to save. Even though they may be saving small amounts, they will be giving up a large—to them—proportion of what they are earning. We are also talking about people who are unlikely to be especially attractive to the commercial sector, because the costs of their business would outweigh the benefits—we know already that the commercial sector turns down small amounts—so we are talking about a special group. However, there will have to be some element of disregard, because someone might be very successful later in life.

Mr. O'Brien: I hear what the hon. Gentleman says. The issues of savings incentives, disregards and trivial commutation can all be considered. We discussed some of them in Committee, and the Government have decided to set up a Government-led work programme to consider the whole issue, evaluate the evidence and consider the interaction between pension savings and income-related benefits in a reformed system. The programme will examine the incentive effects, the balance that we need to strike between alleviating poverty and incentivising savings, and the cost constraints that we face. It is important that people accept the responsibility to provide for themselves and also that the pension credit safety net is there if needed.

The effect of new clause 2, which I suspect the hon. Member for Eastbourne will not press, would be to delay the introduction of personal accounts if the number who may not benefit is greater than 10 per cent. That would deny many individuals the real benefits of starting to save early. The reforms represent the last piece of our pensions puzzle and it would be folly to delay introduction on that basis.

The effect of amendment No. 38 would be to require the annual publication of our projections of the impact of means-testing for members of the personal account scheme and those whose pension savings might be subject to marginal deduction rates of 40 per cent. or higher. We have already published our projections of entitlement to pension credit until 2050, and are currently finalising a fact sheet of projections of entitlement to all income-related benefits for the pensioner population. We expect to publish that shortly.

There is no need, therefore, for such an amendment to the Bill. Publishing projections of benefit entitlement is routine and represents good practice and we intend to continue with it. Indeed, my right hon. Friend the Secretary of State, when he was in my job, advised Parliament in Committee on last year's Pension Bill that we already regularly publish that information, usually annually. I am happy to reiterate that statement in order to reassure the House. I believe that our package of reforms represents the right balance.

Let me deal with generic advice, which has been raised both by the Liberal Democrats and by the hon. Member for Hemel Hempstead (Mike Penning). Clause 9 recognises that individuals will need access to relevant and accurate information when they are auto-enrolled, but amendment No. 37 would mean that all those who were auto-enrolled would be entitled to publicly funded independent one-to-one generic advice. I do not agree that one-to-one advice will be needed by

A commitment to link pension credit to earnings, and to set a date for the announcement before the next general election, not after it, is absolutely necessary. That is the purpose of new clause 16, which will also have another benefit. If it is adopted in the launch period leading up to the introduction of personal pensions accounts, when people read about those accounts in the newspaper and the financial sections of the popular press, they will be reassured that they are reading about a valid, reliable, predictable and sound addition to their ultimate savings and income. If we fail to act quickly, many younger people will for years—perhaps for ever—be put off the new pension system we are trying to put in place.

I welcome the fact that the hon. Member for Eastbourne has decided not to press new clause 7 to a vote, because it would tie the hands of the Government too tightly. It would mean forgoing some of the other benefits in the Bill to which we have not referred this afternoon, such as the introduction of a much longer assessed income period for people who are on pension credit. That provision was in clause 81 of the original Bill—I am afraid I do not know what clause it is in now. I would not want to forgo such provisions, which would be a consequence of the hon. Gentleman's new clause.

It is the right moment to reconsider this issue. We should reconsider it before the next general election, not after it. Indeed, when the Government originally said that they would consider the issue early in the next Parliament, many people, including myself, assumed that that next Parliament would be rather closer to us than it now seems to be. That is another reason for trying to reconstruct the terms of the debate as my right hon. Friend the Member for Barrow and Furness left it. I offer new clause 16 to the House in the name of myself and my hon. Friends. We have discovered during recent days that as Back-Bench Members of Parliament, we are a very low form of life.

Mr. Drew: Life?

Jim Cousins: It is better than the alternative.

We are a fairly low form of life, and the accusation is often made that we fail to spot issues at the right time, and that we fail to press matters to a conclusion when it is right and proper to do so. I look forward to hearing from my hon. and learned Friend the Minister; I hope that he will completely reassure me. I ought to let him know before he speaks, however, that I have learned during the past few days that if an issue arises and we do not press it to some sort of conclusion, we may be making a grave tactical error. I do not wish to make that mistake. As a Back Bencher, I have two alternatives: to try to cut a deal, or to put down a marker by having a vote. That is my position and that of my hon. Friends right now. I look to my hon. and learned Friend to reassure me and guide me in the right direction.

Kate Hoey: I shall be very brief, because I have lost my voice, but I wanted to add my support to new clause 16, in the name of my hon. Friend the Member for Newcastle upon Tyne, Central (Jim Cousins), to which I too have put my name.

It is good to see so much unanimity in the Chamber. The only people who are not part of it are probably the Minister and the Whips on the Front Bench—but I hope that we shall hear something different. I am sure that the Parliamentary Private Secretary is a great supporter of this idea, but he is in a difficult position. I hope that the Minister will listen to our reasoned proposal—one that sends a signal that we mean what we say. We mean to restore the link before the point when many people who are now pensioners will not be around to see it happen. As has already been said by the hon. Member for Rochdale (Paul Rowen), to do so in this centenary year would be a remarkably well-chosen and well-received statement of this Government's commitment to pensioners, and all that they have done.

I hope that no one will say that we cannot do this because we cannot afford it. We can afford it, and we can afford to do it soon. It is crucial that the announcement be made as soon as possible, so that we go into the next general election knowing that we have done what we said we would do.

Kelvin Hopkins (Luton, North) (Lab): I, too, rise to support my hon. Friend the Member for Newcastle upon Tyne, Central (Jim Cousins), who spoke in moderate and reasonable terms. I only wish that I could be as moderate and reasonable, but I feel passionately about this matter, and I believe that it is time that we put our house in order on pensions.

The point has been made that many of today's pensioners will die before the link is restored, even if it is restored in 2012, although according to the qualifications even that is not definite. It could happen at the end of the next Parliament—we all hope that Labour will be returned to power—and that could be as late as 2015.

Also, as my hon. Friend said, if the link is restored later, the plateau at which it is restored will be lower, so more people will have been drawn into means-tested components of the pension, which is unacceptable. The earlier the link is restored, the higher that plateau will be.

Lynne Jones: In response to my earlier intervention, the Minister said that if the earnings link was not restored, 60 per cent. of pensioners would be subject to means-testing. That is bad, but surely the current situation is unacceptable, too. We cannot wait until 2012.

Kelvin Hopkins: My hon. Friend is right, but I would go further. I do not agree with means-testing as part of the pension. I want it eliminated entirely, with a quick restoration of the pension for everyone, to at least the minimum poverty level and beyond. We ought to consider restoring the pension for all to the level that it would have reached had the earnings link not been broken. That means that the pension would be roughly 25 per cent. of average earnings—40 per cent. higher than the current level. Even then we would still have one of the lowest pensions in the whole of Europe, and certainly in western Europe. Our basic state pension is disgracefully low. We must do more than just restore the link; we must go beyond it and look towards a much higher, non-means-tested basic state pension.

I have made that point a number of times, and time and again I have heard about affordability. As I have said in such debates before, when my children were young my son would occasionally ask for another ice cream. My wife would say, "But mummy can't afford it." What she was saying was not that she could not

afford another ice cream, but that she chose not to pay for one, because she did not want him to have one. Affordability is something that we can decide. We can decide that something is necessary and make the necessary payments for it.

The basic state pension is far too low. It should not be means-tested and it should never have had the link with earnings broken. I want our Government to start building towards a much more decent state pension for the future.

John McDonnell (Hayes and Harlington) (Lab): I rise only because my hon. Friends have been so moderate in their language. I want to get on the record the strength of feeling on the matter. I do not think that the Government have recognised the grievance and anger that pensioners in our communities feel. I still find it astounding that after 11 years of a Labour Government 2 million pensioners are living in poverty, partly because they cannot find their way through the labyrinthine system to the income, benefits and credits to which they are entitled, in order to take them out of poverty.

When Labour was in opposition and Mrs. Thatcher broke the link, I can remember campaigning on the streets, exposing what would happen. My hon. Friend the Member for Luton, North (Kelvin Hopkins) has demonstrated that the income going to pensioners has eroded over time—now they are losing out on £30 a week at least—and that that has impacted on their standard of living, exactly as we predicted. I do not know what other hon. Members have experienced in their constituencies, but I have met pensioners who at times forgo turning on their heating in winter, even with the fuel allowances, who do not live on diets that we would expect the average person to enjoy, and who are cutting their quality of life as a result of not receiving an adequate income. Part of the reason, exactly as has been explained, is that we are forcing such pensioners on to means-tested benefits.

7.45 pm

When we raised the issue with the Chancellor of the Exchequer, now the Prime Minister, the argument was, "Well, tax credits are there, and even though it's complicated, there'll be advisers in the Department for Work and Pensions who'll be able to assist them in claiming those benefits." But those advisers are not there, because we have just sacked 30,000 of them. That assistance is no longer there for many pensioners, who struggle to understand the system and as a result struggle to gain the necessary income.

I do not understand what is preventing us from making an announcement to address the issue. I would like that done tonight, and if not, at least for the Minister to give us a time scale over the next six months. The arguments might be about financial costs, but the estimate is £300 million to £400 million a year. The surpluses in the national insurance fund have already been mentioned. It is ironic that we can find up to £100 billion overnight to bail out banks that have speculated, received massive bonuses and made significant amounts from profiteering, yet we cannot find a relatively insignificant sum for pensioners—I do not even want to talk about what we are spending on wars, in Iraq and so on. Those are the issues that pensioners put to us when we are on the stump: that we can find resources for non-productive expenditure, but that pensioners always seem to be last in line.

I would like to hear the clear message from the Minister tonight, which we can take back to the National Pensioners Convention and other pensioner organisations, and to pensioners in our constituency, that we will redress the wrong once and for all, and do so expeditiously. Otherwise, people will feel a sense of betrayal. We said in opposition that we would address the issue, but 11 years' wait is too long. We have tried the patience of our supporters in the pensioners movement who put us into government in 1997 and have supported us since. I hope that we get a clear message.

I congratulate my hon. Friend the Member for Newcastle upon Tyne, Central (Jim Cousins). If he presses this matter to a vote, I will march proudly through the Lobby in support of new clause 16 and in support of pensioners in this country.

David Taylor (North-West Leicestershire) (Lab/Co-op): My hon. Friend congratulated our hon. Friend the Member for Newcastle upon Tyne, Central (Jim Cousins), who brought to the surface the fact that the tax credit argument does not work, because of the high level of non-take-up, particularly at the older end of the spectrum. Is my hon. Friend attracted by the idea of the Government announcing tonight that they will increase the additional pension at 80, which currently stands at 25p a week, by £8 or £10 a week, as an inexpensive interim gesture of good will? That would be affordable and would help to hold the fort for some of our oldest pensioners.

John McDonnell: I am indeed attracted to that idea, because I suggested it in the Budget debate last year and the year before.

On the issue of non-take-up, I have met the staff of the Public and Commercial Services Union who administer such schemes. Part of the problem—I return to this—is that we have identified a consistent level of non-take-up over the past five years of between 38 and 40 per cent. That is a result of the complexities of the system, but hon. Members should also not underestimate the stigma that is still attached to means-tested benefits. People do not want to sit down and display all their private income and private doings. As has been mentioned, we are talking about a generation who have a fierce sense of pride. They are right to be proud of what they have gone through, in constructing the welfare state after the second world war and giving most of us the opportunities that we have taken, from a decent education system, a decent health system, housing and so on. They have a sense of pride in what they have achieved and they do not want to be demeaned by being forced through the means-testing system. As has been pointed out, we now face the prospect of 60 per cent. of them being forced into that process if the system continues as it is.

I appeal to the Government tonight to give us a definitive statement. Let us expedite this matter and put it to rest. Let us right the wrong that the previous Conservative Administration inflicted on our community.

Mike Penning: I want to talk briefly about what the hon. Member for Hayes and Harlington (John McDonnell) mentioned a moment ago: the question of pride. Sadly, I lost my grandfather last year. He was 93 years of age.

[Mike Penning]

He had never in his life had what he described as a handout until he became a pensioner. Then, he was expected to go cap in hand and ask for a benefit. Why should that be? This is not just about pride or about opening up one's documents; it is not just about complicated forms. It is about the simple principle of what that generation paid in and what they are entitled to. I was not a Member of Parliament when we broke the link—I think that I was still serving in the armed forces at the time—but I am proud that my party has accepted where we need to be today.

The delay worries me enormously, however. The actuaries in the Department know full well what is coming. They know full well that, as incomes drop as we get into a difficult economic situation, the gap will close. So, if and when this measure eventually comes through during this Parliament, the cost implications will be even greater. We might even find ourselves in a situation in which more people *[Interruption.]* The Government Whip makes a comment from a sedentary position. He did not have the guts to have a moan at the Labour Members who had the courage to stand up for their constituents, but he thinks it is quite funny and jovial to have a chirp at a Conservative MP for standing up for the pensioners in his constituency. I am proud of my constituents. I am very proud of my grandfather, who would not go cap in hand to get a mean-tested benefit. He survived in his own way and worked until he was in his early 90s.

Jim Cousins: May I urge the hon. Gentleman not to provoke the Whips Office? There is absolutely no need to do so. The Whips have been entirely reasonable today, and if he provokes them, goodness only knows what will appear in next Sunday's newspapers. *[Laughter.]*

Mike Penning: As a humble Back Bencher with not much experience in this House, I will bow to the hon. Gentleman's experience. I will not provoke the Whip in the House again, but privately, behind the Speaker's Chair, I shall tell him what I think of him.

Mr. Mike O'Brien: In 1997, we inherited a system that worked against the needy, leaving millions in abject poverty. Many were forced to get by on just £69 a week. There is never enough money to sort out all the problems and ensure that everyone is given the resources that they would wish to have, but this Government have made it a priority to help all pensioners through a number of policies, and in particular, to lift the poorest pensioners out of poverty. We have succeeded in lifting 2 million people out of poverty, and that is a significant achievement of which we can be proud.

Today, no pensioner need live on less than £124 a week. The figure is £189 for a couple. In 1997, the state pension did not recognise the important contribution of women and carers. In private provision, millions of employees, especially those on low incomes, did not have access to a workplace pension scheme. They were therefore likely to have to rely only on the state pension in retirement. We are tackling some of these issues with a historic series of social reforms which have to be seen as a whole. We have created the Pension Protection Fund and the Pensions Regulator, and made changes so that the state pension provision gives equality to women and carers, and we accept that those will have significant costs to the Exchequer.

An essential part of those changes is to restore the earnings link. My hon. Friend the Member for Newcastle upon Tyne, Central (Jim Cousins) was absolutely right to say that the provisions in the Bill are dependent for their success on the restoration of that link. The figures that I cited earlier were an understatement. It is actually the case that, unless we restore the link to earnings, we will end up with up to 75 per cent.—not 60 per cent.; I was saying that from memory—on means-testing. Restoring the link will reduce the number on means-testing and increase the number who are able to benefit by having the basic state pension as the basis of their retirement income. Those who are on pension credit will be reduced to about 30 per cent. by 2050.

We are hoping to put together a package which, as result of these changes, will ensure that pensioners have a better deal in the longer term. My hon. Friend is absolutely right to say that the Bill should be seen as a whole and that the restoration of the earnings link is an essential part of the package that will ensure that pensioners get a better deal in the long term.

If we had continued the policies of the previous Conservative Government and continued to pay people the kind of appalling basic state pensions that they were paying, we would—if this had been only about money—have had £11.5 billion to spend on something else. However, we chose to spend that extra money—in addition to the money already being spent: a total of £76 billion—on pensioners, because we regard them as a priority. I wish that we could suddenly come up with more, but we cannot. What we have to do is manage this process and put in place a series of reforms to secure a better situation in the long term for pensioners in this country.

We made a legislative commitment in the Pensions Act 2007 to restore the link. We have put beyond doubt our intention to restore it. During the next Parliament, we will re-link the uprating of the basic state pension to average earnings. Our objective, subject to affordability and the fiscal position, is to do that in 2012 or, in any event, by the end of the next Parliament at the latest. That is the bedrock on which our reforms are built, and its introduction is non-negotiable.

We have always said that, in uncertain economic conditions, we need flexibility around the timing of the introduction of the link, and colleagues will understand the circumstances and conditions that I am talking about today. The Pensions Commission has said that a short delay would not unduly affect the outcomes of the reform package. We need to take the right decisions for pensioners, for taxpayers, for the economy and for the long term. We have to balance all these things.

My hon. Friend has requested a decision on the earnings uprating in the pre-Budget report, and we have discussed the importance of keeping an eye on affordability and on the fiscal position, and on taking the right decisions for pensioners, for taxpayers, for the economy and for the long term. I understand the keenness to hear the date of the introduction of the earnings link. Let me put beyond doubt our commitment to reinstate the link. That is not just my guarantee; there is a legal obligation, and we will stick to it. [Hon. Members: "When?"] I have already said that it is our objective, subject to affordability

and the fiscal position, to do this in 2012 or, in any event, by the end of the next Parliament. That is what Ministers have been saying very clearly, and I have gone further today by making it clear, as a result of the contribution by my hon. Friend the Member for Newcastle upon Tyne, Central, that we see the restoration of the link not just as something that is desirable in itself—because that lot got rid of it, we want to restore it—but as part of a broader package of which it is a foundation stone.

Kate Hoey: I understand what the Minister is saying, but referring to the point raised by my hon. Friend the Member for Luton, North (Kelvin Hopkins), will the Minister tell us in a simple way what he means by affordability?

8 pm

Mr. O'Brien: My hon. Friend has been a Member long enough to know that what happens in the Budget and, for that matter, the pre-Budget report is that the Chancellor looks at the public finances, the state of the economy, what income he has coming in and what extra expenditures, if any, he is able to provide. He has to make a judgment

Paul Rowen: Will the Minister give way?

Mr. O'Brien: Just a moment; let me deal with my hon. Friend's question. The Chancellor has to make a judgment about the appropriate time to take certain steps. In this case, unlike any other I can think of for the moment, we have made a statutory obligation, binding the hands of the Government at a future date, to take a step that they must take. We have taken that unprecedented step because we regard it as so fundamentally important to the structure of the pensions reform programme that we are undertaking.

Paul Rowen: Will the Minister tell me why, if the national insurance fund is in surplus, there is a problem with affordability? Surely he could deliver it now.

Mr. O'Brien: Although the national insurance fund gets money in, it would not be sufficient to deal with the particular expenditures going out as a result of the change. That will have to be provided by the taxpayer. There is a surplus in the theoretical national insurance fund; but once it is spent, it is gone. It is just gone; that surplus will be spent fairly quickly. Although there will be some money coming in, the amount will not be sufficient to pay this off. In the end, it has to be a political judgment taken by a Government to say that it is a sufficient priority for them to ensure that, year on year and in the long term, pensioners are better off. We need to identify the time for that in the context of the overall state of the economy and the way in which public finances are going. We need to see how we can put all that together as part of a package. Our package involves the state changes coming into place in 2010, after which we will put in place further changes in the private sector in 2012. They are important changes.

Mr. Drew *rose*—

Lynne Jones *rose*—

Mr. O'Brien: I give way to my hon. Friend the Member for Stroud (Mr. Drew), and then I must make some progress.

Mr. Drew: I thank the Minister for giving way. We all heard the point made by my hon. Friend the Member for North-West Leicestershire (David Taylor) that the group who will inevitably lose out the most are older pensioners, because for all sorts of reasons they will not see the benefit of the retying of the earnings link. Is there some possibility, given the surplus in the national insurance fund, of targeting that older group, not necessarily through the Bill? The Government ought to be considering that group. I wonder what my hon. and learned Friend has to say about that.

Mr. O'Brien: As my hon. Friend is aware, we have made the provision of help for older people a key part of our expenditure. In the recent Budget, announcements on the winter fuel allowance prioritised pensioners because of the circumstances arising from increased fuel costs. The Budget means that next year's winter fuel payments will increase to £250 for households with someone over 60 and £400 for those with someone over 80. That is a significant contribution to older people's winter fuel bills.

As my hon. Friend will be aware from his own constituents, we have also made it a priority to introduce funding to ensure that older people have free bus passes from 1 April. It is also the case that we have introduced things such as free eyesight tests and free TV licences for the over-75s and we have outlawed age discrimination. We have taken a whole series of steps showing that this Government regard older people and pensioners as a priority—not only in financial terms, but by making changes to how our society operates and dealing with discrimination against older people in the work force. I am working at the moment on another small but symbolic step to ensure that we have an older people's day to show our respect for their role and contribution to our society. All those things are part of our commitment.

John McDonnell *rose*—

Lynne Jones *rose*—

Mr. O'Brien: I give way to my hon. Friend the Member for Hayes and Harlington (John McDonnell), and then I propose to move on.

John McDonnell: We are still trying to tease out the Government's thinking on why they will not move on this measure. Will the Minister explain—or even give a reference or place information in the Library—the Government's calculations and assessment of the impact of this level of expenditure on the overall economy? What macro-economic impact would it have if the new clause were accepted? Most of us believe that it would actually have a directly beneficial economic impact not just on individuals but, by increasing demand and thereby expenditure, on the overall economy. At the same time, will the Minister give us some indication of the actuarial calculations of how many existing pensioners will not benefit from any change of policy by 2012 or 2015 because they will no longer be alive?

Mr. O'Brien: The additional cost of earnings uprating of the basic state pension from 2010 in 2007-08 prices is as follows: in 2010, £0.8 billion; in 2011, £1.5 billion; in 2012, £1.6 billion; in 2020, £2 billion. Those expenditures will have to fit within the overall context of the Budget that the Chancellor has to look at.

[Mr. Lansley]

them to be in socially and economically deprived areas looking after the patients who are most in need of their primary care services but is geared towards quality and outcomes, including patient-reported outcomes, not just the process measures that are in the QOF at the moment.

We know that primary care is highly effective—the international evidence shows that—and primary care in this country is in many respects the envy of many other countries. Primary care is instrumental to the delivery not only of high-quality care but of cost-controlled care. We can see, in this country and in others, what happens when the people making clinical decisions are not also responsible for the resource consequences. GPs can be those people. They will be well rewarded, as they are and should be, but they should have the responsibility that goes with it. They should not be treated, as the Government have treated them, as production line drones who behave only as the Government direct.

We need a future for general practice that responds to the needs of patients and to GPs' own clinical evidence about what is in the best interests of the patients and the service. The Government use the excuse of patients wanting longer opening hours, although only 4 per cent. of patients expressed a desire for longer weekday openings. Most GPs to whom I have spoken would be happy to respond to that and would have no difficulty in doing so. Earlier this week, I spoke to a GP in Camden who said that when she went to the primary care trust and said that she wanted to open at 7 o'clock in the morning because all the patients who wanted extended hours wanted them at that time, she was told, "No, that is not good enough because the Government have told us that you've got to open until 8 o'clock in the evening." She does not have any patients who want to go there at 8 o'clock in the evening—they want to arrive at 7 o'clock in the morning—but the PCT is now in such a top-down system that it will not even listen to GPs and patients.

Dr. John Pugh (Southport) (LD): Will the hon. Gentleman give way?

Mr. Lansley: No, I am sorry—I am about to conclude.

Using the excuse of the row with the BMA and the fact that GPs' salaries appear to have increased—although we do not have the last two years' data, when GP remuneration will have been at a static level—the Government are embarking on the destruction of the family doctor service as we know it. Access to primary care in local neighbourhoods will be lost, and rural areas will see a decline in further access to services. In many neighbourhoods in the most deprived areas, local pharmacies and local GP surgeries are among the public services that people most value and are some of the few things that really work at the moment, yet they too will disappear, as we can see from the example in the Secretary of State's own constituency. The relationships between patients and GPs will be lost, continuity of care will be lost, and the independence of GPs will be lost and, as a consequence, the ability of primary care-led commissioning directly responsive to patients' needs will also be lost.

Ann Winterton *rose*—

Mr. Lansley: I cannot resist my hon. Friend.

Ann Winterton: There is one danger that my hon. Friend has omitted in talking about the push for polyclinics—the impact that they may have on the delivery of local services in, for example, cottage hospitals and smaller district general hospitals if the PCT commissions more services that can be delivered in polyclinics. As I am sure that my hon. Friend knows, my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) supported the first getting together of GPs on condition that that arrangement did not in any way challenge the services provided by Macclesfield district general hospital, which is also valuable to my constituency.

Mr. Lansley: I am grateful to my hon. Friend. She may have heard me refer to the GPs coming together in Macclesfield, which demonstrates what is possible if they are given the opportunity to commission services. We are not saying that there should not be change, but that it must be driven by the needs of an area. That is why we make it absolutely clear in our motion that we are opposed to a one-size-fits-all, top-down system that is not responsive to local health needs and circumstances. My hon. Friend and her very hon. Friend fight hard for the needs of their area, as can be seen in the way that they have fought not only for the GPs there but for Macclesfield district general hospital when it was threatened with reconfigurations.

The Government's polyclinic plan will be the triumph of the one-size-fits-all approach and bureaucracy in place of clinical evidence and professionally-led—clinician-led—services. I am sorry that Government Front Benchers, in their amendment to our motion, cannot even bring themselves to support the family doctor service. They removed that from the motion where they could have left it in. In their amendment, they propagate the fallacy that the interests of GPs and patients are opposed, but they are not—GPs and patients have common interests, and patients trust GPs. There is an overwhelming sense of trust in GPs, while 97 per cent. of GPs have now reached the point where they have no confidence in the Government. That is, I am afraid, a message that the Government really should have listened to. They cannot even bring themselves to mention in their amendment the benefit of practice-based commissioning, which two years ago was a key health reform.

I am afraid that ignorance and ideology make a fatal combination. The Secretary of State has picked up the ideology of centralisation and combined it with an ignorance of general practice. When I asked about two months ago how many GP practices the Secretary of State had visited, the Minister of State, the hon. Member for Exeter (Mr. Bradshaw), told me that the Secretary of State had visited one GP practice *[Interruption.]* I am told that it is now two.

Rob Marris: Is he better now?

Mr. Lansley: Not in a personal capacity—in a professional capacity.

It is entirely typical of this Government that a new Secretary of State comes in, knows absolutely nothing

about health, would prefer to be doing something different, visits one GP practice in Kingston that happens to extend its opening hours to 8 pm because it is in an area that has a lot of commuters, and draws the conclusion that every GP practice all over the country should do exactly the same thing. It is ignorance and ideology in the most absurd combination.

The Labour Government appear no longer able to understand primary care. They do not appear to value it but are none the less determined to interfere with it in the most high-handed and ideological fashion. Our motion sets out a framework for general practice. It sets out a framework of values that we are now going to encourage GPs and patients across the country to sign up to—a framework where the value of general practice is not only understood but enhanced through developing GP budget-holding and patient choice. That would be in the real interests of patients and of the NHS. I commend the motion to the House.

1.8 pm

The Secretary of State for Health (Alan Johnson): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"welcomes the fact that the Government is providing £250 million, in addition to existing GP services, for 152 new state-of-the-art GP-led health centres open from 8 a.m. to 8 p.m., seven days a week; notes that these will offer a wide range of health services including prebookable GP appointments and walk-in services; further notes that where patients previously had trouble seeing their GP or had to make numerous visits to a variety of health professionals, they will now be able to see a doctor more quickly, collect their prescriptions, get their eyes tested, have a variety of diagnostic tests or see a physiotherapist in the same building and at times convenient to the patient; further welcomes the additional centrally funded 100 GP practices to be located in the most deprived areas which will have a strong focus on promoting health and reducing inequalities; acknowledges the landmark agreement with GPs to extend surgery hours in evenings and on Saturdays, and agrees that extended access will benefit hardworking families; further welcomes the extension of the role of pharmacies to be able to prescribe for and deal with minor ailments on the NHS, as well as promoting good health, supporting those with long-term conditions and preventing illnesses through additional screening and advice; recognises that the Government is on the side of patients; and agrees that extending access to GP services through extended hours and new GP health centres can have a real impact on health inequalities."

I am delighted that the Conservatives have used this Opposition day debate to allow us to highlight the investment that we are making in primary care and the measures that we are taking to give the public better access to the improved services that they require. Also, it is very good of the Conservatives to commemorate the 60th anniversary of the NHS by seeking to recreate the historical position of the Conservative party in 1948—opposed to better services for patients, defending instead the narrow vested interests of the more reactionary elements of the profession. I guess we could call it a sort of parliamentary version of the television programme, "Casualty 1907".

Making sure that every citizen has access, free of charge, to a local GP if they are sick or worried about their health was the major premise on which the NHS was established, by a Labour Government in the face of fierce opposition from the Conservative party and its allies in the profession 60 years ago—it is really good to commemorate that in this anniversary year. We continue to support that premise. The role of the general practitioner as provider and commissioner of care, and as a strong advocate for their patients' health and well-being, is central to everything that we are doing. It is why we have made an unparalleled investment in GP services, from £3 billion in 1997 to £8 billion today. It is why there are now 5,318 more GPs and 4,471 more practice nurses than there were in 1997. It is why GPs now spend, on average, 50 per cent. more time with each patient than they did in the 1990s. And it is why we have increased the pay and reduced the hours of GPs, thus resolving a serious recruitment problem, while introducing a quality and outcomes framework regarded with admiration around the world, which helps to make GPs central to the care of people with long-term conditions, achieving documented improvements in health outcomes for conditions such as asthma and diabetes. The Tory motion describes all of that as "undermining and undervaluing...GPs". I can think of lots of professions that would love to be undermined and undervalued in such a way.

Mrs. Nadine Dorries (Mid-Bedfordshire) (Con): Given what the Secretary of State has just said, does he agree that GPs represent one of the most cost-effective and efficient aspects of health care in the UK?

Alan Johnson: I believe that absolutely. GPs are fundamentally important to everything that happens in the NHS, and we have world-class primary care. That is why we have introduced those measures over the past 10 years—to bring in more investment and to attract more GPs, while ensuring that they are better rewarded and can spend more time with their patients.

Let me deal with the rather pathetic attempt by the hon. Member for South Cambridgeshire (Mr. Lansley) to misrepresent our position. There is no national policy for replacing traditional GP surgeries with health centres or, indeed, polyclinics. There are no plans to herd GPs against their will, or the will of patients, into super-surgeries. We are not seeking to reduce the number of GP practices. I quote from the interim report of my noble Friend Lord Darzi—this also answers the intervention made by the hon. Member for Mid-Bedfordshire (Mrs. Dorries) who said:

"More than 80 per cent of NHS patient care takes place in primary care... Our registered GP list system is renowned internationally. Our primary care system co-ordinates care for patients in a way few other countries match. There are strong bonds between staff and their patients, families and carers."

Mr. Stewart Jackson: One always knows that the Labour party's arguments on health are vacuous when it is shroud-waving about the events of 60 years ago. In the week when the Government's own Back Benchers are revolting—even more than normal—over the abolition of the 10p tax band, is it not ironic that these proposals will potentially have the most significant impact on the oldest, the poorest, the sickest and those with the least voice in Government and policy making? That is from a Labour Government of 11 years' standing.

Alan Johnson: The hon. Gentleman will have to do better or I will not allow him to intervene again.

What are we doing? What is the destructive policy against which the Conservative party has decided to take up arms? Of what crime against humanity are we guilty? What devastating blow are we dealing to communities throughout the country? We plead guilty to investing an additional £250 million to enable the local NHS to develop more than 150 GP-led health centres in every part of the country, open seven days a week from 8 am to 8 pm, and more than 100 new GP practices in some of the most deprived areas of the country—deprived not just in terms of poverty but in terms of people's inability to access primary care because they live in so-called under-doctored areas. A clear correlation is seen in the areas with the lowest life expectancy and the fewest GPs per head of population.

What is the Conservative party's policy for dealing with under-doctored areas? We see it in the rather vacuous petition—"anodyne", as one GP described it—that they have launched. It says that GPs should be free to determine where they practise. That is the situation now and, by and large, they do not choose to practise in deprived areas in sufficient numbers. If they are to do so, under the Conservatives' primary care policy, it must be for more pay. In the words of the petition, they must be

"rewarded for working in socio-economically deprived areas"

The Opposition motion asks right hon. and hon. Members to support

"rewarding GPs who choose to provide services in deprived areas",

but the inequalities of access have existed for 60 years. By and large, GPs have chosen not to locate in such areas, which is why we have taken the decisive step of investing new money in new health centres to provide extra services—not to replace existing services. Those health centres will have a strong focus on the promotion of health and the prevention of health inequalities. Most will provide physiotherapy, pharmacies, district nursing and minor surgery services.

Andrew George: A moment ago, the Secretary of State said that he pleaded guilty to making a major investment in primary care, and without question the extra money is welcome. However, he is not pleading guilty to contradicting his welcome words of 4 July last year, when he said that he would give the NHS a

"sustained period of organisational and financial stability"

and that

"there will be no further centrally dictated, top-down restructuring" [*Official Report*, 4 July 2007: Vol. 462, c. 962.]

If he wants to realise those aims, why does he not allow local communities to decide how best to achieve the objectives, which he rightly identifies, that will meet the needs of deprived communities, instead of having this centrally dictated, top-down restructuring, which could produce the same sort of ridiculous results as the independent treatment centres that have wasted millions of pounds in Cornwall?

Alan Johnson: I announced last July that there would be no more structural reorganisation in the NHS—no more changes to strategic health authorities and no more merging of PCTs—and we have kept to that. As I hope the hon. Gentleman will accept when I come to the gist of my speech, we are not imposing a top-down measure. We are providing £250 million for investment in the expansion of the primary care service, mostly to take services away from hospitals and bring them into local communities. That is the major reason for the investment.

Dr. Brian Iddon (Bolton, South-East) (Lab): Does my right hon. Friend agree that in areas such as mine, which is a heavily and densely populated one, with narrow streets and little car parking, many GPs have welcomed the chance to move into modern premises with car parking for ambulances and patients' cars, and the ability to expand their services and share support staff?

Alan Johnson: Indeed, and that is the experience throughout the country. It is the experience of my constituency, which the constituency of the hon. Member for South Cambridgeshire is a long way away from. In Hull, there has been a revolution in primary care services, which is happening in cities and communities throughout the country.

Tom Levitt: Further to my right hon. Friend's point, I am grateful for the assurances that he has given about structural change and GP practices. Has it not been the case over the years that GPs have, by and large, migrated from single-handed practices into common practices precisely because they can deliver more and better services on the spot? Will he ensure that there is no ban on single-handed practices, while acknowledging that the pattern may well be for such practices to refer patients on to multiple-handed practices so that people can receive their care locally?

Alan Johnson: My hon. Friend makes an important point. We can take the example of London, where polyclinics are a specific proposition. A review of health services in London, carried out by NHS London and involving London clinicians, pointed out that for 40 years people have been trying to revamp, reorganise and update services there. In London, 54 per cent. of GP practices are single-handed, compared with an average of 40 per cent. throughout the country, and 97 per cent. of patients have to go to hospital for out-patient appointments. That figure stands at 90 per cent. in the rest of the country, which is still too high. The vast majority of people want to access such services in the community. In London, we have the worst problem of people going to A and E and clogging it up when they should go to primary care. That is why Lord Ara Darzi, working with clinicians in London, has devised a specific model for London, which is not a blueprint for the rest of the country.

Mark Simmonds (Boston and Skegness) (Con): The Secretary of State said that the policy was not centralised or imposed. If a primary care trust told the Department that it did not want to provide a polyclinic, but preferred to use the resources in another way, would he allow it to do that?

Alan Johnson: There would be no problem with that, given that we are not specifying polyclinics as any part of the exercise. The crucial point is that the local NHS will develop services in ways that best meet the needs of

the local population by engaging members of the public and local doctors, nurses and other health care professionals. That is the way to implement the proposal.

Norman Lamb (North Norfolk) (LD): The Secretary of State referred to the extra investment in new practices in under-doctored areas, and I fully support that. Does he agree that it would be ludicrous if the operation of the GP contract results in financial incentives being greater for practices in the leafy suburbs than for those in disadvantaged areas? Practices in disadvantaged areas receive less pay on average than those in wealthier areas.

Alan Johnson: That is an important point for our health inequalities strategy, which we will publish soon. As Lord Ara Darzi pointed out in his interim report, it is also a major issue for his continuing work.

Rob Marris: I welcome my right hon. Friend's remarks. May I urge him not to give in to the calls for a free-for-all for GPs? It has not worked in cities such as Wolverhampton. As a bit of an old Labourite—I know that he is, too—I want a bit of planning. I want a bit of planning from the excellent Wolverhampton primary care trust, engaging with local people. However, I also want some accountability on the part of the PCT, because it is not as accountable as it should be. Even though it does an excellent job, we need more accountability by primary care trusts.

Alan Johnson: I am tempted to say that, if a bedpan falls on the floor in a Wolverhampton hospital, I expect it to echo around Whitehall, to paraphrase Nye Bevan's famous centralising edict. My hon. Friend and the hon. Member for South Cambridgeshire make a fair point about PCT accountability. As part of the review and our attempts to construct a constitution for the NHS's 60th birthday, we need to introduce greater accountability, especially as we distribute to PCTs a far greater proportion of the central pot than we have ever done.

Tom Levitt: I am grateful for my right hon. Friend's reassurance about polyclinics. When I first heard the word, I thought that a polyclinic was for treating people who were as sick as a parrot; clearly, I was wrong. Will my right hon. Friend clarify exactly how, in principle, a polyclinic is different from, for example, the three GP practices in Buxton, where five, six or more GPs, practice nurses and other health professionals work in one area in a system that has evolved over the years to provide better health care for people locally?

Alan Johnson: Those definitions of a polyclinic and a health centre—

Mr. Lansley: It would be useful to know.

Alan Johnson: The hon. Gentleman says that it is useful to know. In the London context, we are considering including services that were previously perceived as secondary in primary care services, thus providing an integrated service, whereby patients can access a far wider range of services than they could traditionally. However, I must say that we have had such services in Hull for years and never called them polyclinics. The chief executive of the NHS said that he went to a place recently and was told that it did not want a polyclinic. He was speaking in a community hospital, which was, to all intents and purposes, a polyclinic. There is, therefore, a problem with definitions.

Dr. Andrew Murrison (Westbury) (Con): The Secretary of State began to discuss public engagement, and engagement with stakeholders is important, but will he reassure us that there will be no more ridiculous, sham consultations on reorganising primary and intermediate health care? Such consultations happened in Wiltshire, where three of the four community hospitals closed, much against local people's wishes.

Alan Johnson: The Minister of State, Department of Health, my hon. Friend the Member for Exeter (Mr. Bradshaw), tells me that that horrendous action was supported by the Conservative-run overview and scrutiny committee. However, I accept the tenor of the hon. Gentleman's points. In the big reconfiguration in Greater Manchester, there was an absence of proper involvement and engagement by the public in the early stages. When the proper engagement took place, we reached an acceptable solution, which everyone supported locally.

There has been a move towards group practices, but that has been driven by GPs as a way to improve services for their patients. In my constituency, single-handed practices are increasingly moving into fabulous new health centres, with an investment of £14.8 million in new facilities, rising to nearly £30 million by 2009 under the local improvement finance trust programme, which is transforming primary health care in our city. However, what works for Kingston upon Hull will not necessarily be right for Kingston upon Thames. It does not mean the end for single-handed practices, many of which provide an excellent service to patients across the country; they will continue where they are right for patients.

Mr. Charles Walker (Broxbourne) (Con): As the Secretary of State knows, I campaigned in my constituency for an urgent care centre as part of the effort to ensure that hospital reconfiguration in the area did not leave my constituents short of services. My constituents want the reassurance of an urgent care centre, but they also want GP practices where there is a familiar, friendly face. Can the Secretary of State give an assurance that people will have a family doctor, who comes out on visits and is there for them?

Alan Johnson: Of course I can. Two central fallacies underpin the Tory party position. The first is that we are imposing a system of polyclinics throughout the country. We are not. The second is that, if an area has a group practice or a health centre, or if GPs decide to move into much better facilities where several practices operate together, people can no longer see their own GP. That is nonsense. It is wrong to suggest that the proposals signal the death of the important patient-GP relationship; they do not.

Individual, single-handed GP practices will continue to operate where they are right for patients. When we talk about developing health centres, or what some local parts of the health service describe as polyclinics, we are not considering a single, fixed model of care. Those terms describe flexible models for bringing

[Alan Johnson]

primary care together with a range of other services, be they diagnostic services, specialist care for patients with long-term conditions such as diabetes, or adult social care. It is hardly a novel idea. Health centres featured in the earliest descriptions of the national health service in 1948. Examples abound of GPs, nurses, specialists and other health care professionals coming together to provide integrated care for patients. With advances in new technology and medical science, we can and should do that to a greater extent in much more imaginative ways.

We are also guilty as charged of expanding access both through the new health centres and the new arrangements that we are introducing for extending opening times at GP surgeries in the evenings and on Saturday mornings. The Conservative party appears to have adopted wholesale the distorted view expressed in some quarters of the BMA and articulated by the right hon. Member for Witney (Mr. Cameron), who believes that the cash-rich, time-poor professionals—I paraphrase from his speech on Monday—who need to get their back problem fixed, as well as some jabs for a business trip to India, will be the main beneficiaries. One has only to visit practices that are already open for longer in the evenings and weekends to find that it is not, as so often claimed, a service for the worried well. Those who are most likely to benefit from extended hours are manual workers worried about taking time off, parents balancing child care responsibilities, certain ethnic minorities, who are most dissatisfied with current access arrangements, and those very pensioners and mothers with young children, who are said by opponents of extended hours to want only a Monday to Friday service, with a half day on Wednesday.

Mr. Lansley: I am grateful to the Secretary of State for giving way. When we had a debate on the issue three and a half years ago, the precise point made by the right hon. Member for Barrow and Furness (Mr. Hutton), then a Health Minister, was that the Government were planning a new system of what were called walk-in centres, which would give patients greater access and enable them to receive medical care in the evening and at weekends. What has happened to walk-in centres? The Minister here today promised to publish a review of walk-in centres last summer. It has not been published, but simply dropped in some distant part of the Department. Are walk-in centres not the mechanism that the Government said should be used?

Alan Johnson: Bristol university has already conducted an assessment of walk-in centres. It said that they were good on quality and accessibility, but that more work needed to be done on their finances. That work is ongoing and forms part of the Darzi review.

Mr. Neil Turner (Wigan) (Lab): May I tell the Secretary of State about a new health centre in Wigan called Boston house, which has been open for three or four years? Taking some of the services and moving them there has transformed the lives of many patients living in the area that I represent. We are talking about a health centre outside a general hospital that provides renal services. People in Wigan have always had to go to Bolton, Salford and other places nearby for renal dialysis. Now we have that in Wigan, located in primary rather than secondary care. Is that not what health centres are all about—transforming the lives of people by taking things out of secondary care and into primary care?

Alan Johnson: That is a perfect example of why we should thank the Conservative party for allowing us to have this Opposition day debate, when we can highlight the important improvements being made throughout the country. We offer better access and improved facilities. What do the Tories offer? They offer a petition for GPs pronouncing on their absolute right to put their own interests before those of the public.

Mark Simmonds: Nonsense.

Alan Johnson: So says one of the architects of that petition. It is clear what the petition is about. I have heard the arguments from various quarters. In that petition we hear the hallowed cry of those who ask why they should have to open on Saturday, when their accountant, working in a similar profession, is not open on a Saturday. As one GP down in the west country put it to me in wonderful terms the other week, "If the public are seriously worried about their health, they should be prepared to take time off during the week to come to my surgeries"—at times that suited him, obviously. What we have in the Opposition's petition is the articulation of all that. It says that GPs should be

"rewarded for working in socio-economically deprived areas."

and continues:

"We also believe we should be free to determine the opening hours, size and locations of our practices".

That is a petition for GPs to sign telling us how important it is to look after their interests rather than those of the patients. That is the position that the Opposition have put them in.

Mr. Peter Bone (Wellingborough) (Con): Does the Secretary of State accept that in some parts of the country GPs have already got together to provide perfectly satisfactory out-of-hours services that nobody wants changed?

Alan Johnson: The common problem among those on the Conservative Benches is that they do not understand the difference between extended hours and out-of-hours services, to which I shall come in a second.

The Opposition offer a return to the bad old days, when GPs were effectively responsible for their patients 24 hours a day, 365 days a year. The Royal College of Physicians is among the many organisations that have pointed to the international evidence of the risk to patient safety that long hours pose. How could we ever have supported a system in which tired GPs called out in the middle of the night had to attend patients the next morning, and it was common to wait weeks instead of days for an appointment that would often be little more than cursory, because of the pressures that GPs faced?

The new arrangements for extended hours will mean that the average-sized practice, run by three to four GPs, will open for an extra three hours a week. Those arrangements offer a fair deal for both doctor and

patient, and I am pleased that the British Medical Association has given its agreement, following a ballot of its members in which 92 per cent. voted in favour.

The Opposition claim that they support the traditional family practice, but what does this mean—restricted opening hours, problems getting appointments, tired GPs and under-doctored areas? Yes, small family practices can work well and are popular with many patients; but we should not support this fixed model of primary care any more than we should support any other fixed model, particularly at the expense of improving access to primary care in areas of most acute need. Patients should be able to see a GP or a practice nurse at a time and location that is convenient to them. That should be a defining feature of a world-class primary care system, but it will not be for politicians to determine nationally what will work best locally.

The next stage review, led by the noble Lord Darzi of Denham, is a bottom-up process, with 2,000 clinicians engaged with the public, unions and patient groups in determining how clinical care can be improved in every part of the country. That will be another stage in the exciting journey that commenced with the NHS plan and that has seen greater investment, improved resources, new hospitals and better clinical outcomes—a journey to an NHS that is world class in all aspects, instead of world class in just some.

Rob Marris: Will my right hon. Friend give way?

Alan Johnson: No, I am coming to the end of my speech.

Although the Conservative party professes to have joined us in supporting the NHS, it has proved by its approach to primary care that it remains stuck in the past—conservative in every respect and willing to put vested interests before better service to the public. I commend the amendment to the House.

1.36 pm

Norman Lamb (North Norfolk) (LD): This is an opportune time for us to discuss the Government's record and their plans for family doctors. The debate gives us Liberal Democrats an opportunity to reaffirm our opposition to central control of local health services.

I was fascinated when the Secretary of State again tantalisingly indicated his recognition of the lack of accountability among primary care trusts to the communities that they serve, while the Conservatives rejected any change to the accountability of primary care trusts. May I commend to the Secretary of State the Liberal Democrats' proposals to democratise the commissioning of health care? Primary care trust boards should be elected, not appointed nationally. Ultimately, the Conservatives want to retain the central model of control of the NHS. The Secretary of State suggested that he recognised the case that we had made, but will he go the whole way and provide proper accountability to the communities that trusts serve? We wait to see what his announcement amounts to.

I want to talk about the morale of general practice. It is important to recognise that the network of family doctors in this country is the bedrock of health care and the NHS. As others have said, that network is the envy of the world. We should not, however, be complacent or take the view that the service is never capable of improvement to meet modern needs. We should always be prepared to accept the case for evidence-based reform. The Government must recognise that they damage the service, which is so widely supported among the general public, at their peril, because it is such an important part of our health service.

Whatever the Secretary of State says about how fortunate GPs are, given the way in which the Government have treated them, he must recognise that morale among GPs is very low. I am sure that he talks to GPs throughout the country, so I am sure that he recognises that they feel demoralised. Indeed, one Norfolk GP said to me recently, "We're well paid—we recognise that—but we feel that some of our professionalism has been taken away from us, because we're dictated to so much from up above"—that is, from Whitehall. When GPs try to develop practice-based commissioning, those who make the decisions often do not listen. When they try to refer patients for services such as those for teenagers with mental health problems and discover that services are inadequate or simply non-existent in rural Norfolk, they cannot feel much pride in their job, despite the fact that they are being well paid. The Secretary of State should recognise the real concerns among general practitioners, who take pride in their work, which they undertake for the very best of motives. Their concerns should not simply be dismissed as unfair attacks on the Government.

I have spoken to a number of GPs in the past fortnight. They raised several issues with me, the first of which was the GP contract, and I shall come back to that in a moment. The second issue was the state of practice-based commissioning and where it is going. The Conservative spokesman rightly referred to the fact that it appeared to have completely stalled, certainly in many parts of the country. The third issue is the central imposition of what we must now call health centres, rather than polyclinics. I shall return to that issue later as well.

Are those concerns justified? Doctors feel that they are taking the blame for a contract that was ultimately the Government's contract. It was forced through three years ago, and GP leaders at the time warned the Government of the effect it would have. The National Audit Office reports that there has been a £1.76 billion overspend on the contract since its introduction. Remarkably, the contract frustrates GPs while failing to be consistent with some of the Government's key objectives, particularly in regard to preventive care, despite the potential of the quality and outcomes framework—QOF—system. I fully recognise that the introduction of that system could do much to incentivise preventive care. The contract also fails to be consistent with the Government's stated objectives on reducing inequalities.

Dr. Pugh: Is my hon. Friend aware that the NAO report states quite explicitly that there has been no productivity increase in GP practices?

Norman Lamb: My hon. Friend is absolutely right to highlight that. We should acknowledge, however, that measures of productivity can sometimes be misleading. If GPs are spending more time with their patients, that

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could be a good thing. This is certainly an issue that has been highlighted by the NAO, however.

I want to deal specifically with the QOF system—the system that encourages GPs to do all sorts of things with preventive care. When the QOF system is reviewed, there is an evidence-gathering process to determine what should be incentivised in the reviewed system. On this occasion, a lot of work was done to develop ideas for addressing osteoporosis, including testing those who are most at risk, especially after the first fracture. A lot of work was also done on peripheral arterial disease and on heart failure. But what happened then? The thing that particularly frustrated GPs and many others is that the entire objective evidence-gathering process came to nothing because, at the last minute, the Government decided that the political imperative was to force through a one-size-fits-all extension of hours. That is the reality.

An NHS Confederation briefing yesterday confirmed that the political imperative had involved increased hours and that all the evidence-based work—especially the work on osteoporosis—had gone out of the window. That is what frustrates clinicians who care about their patients more than anything. A one-size-fits-all extension of hours has now been forced through. I fully support the case for extending hours and for making access more flexible. I am sure that everyone in this Chamber finds it difficult to see their GP—because of the hours we work and the fact that we work away from home—quite apart from those on low incomes who feel anxious about taking time off work and who would like to see a GP outside normal working hours.

Sandra Gidley: I agree with my hon. Friend about the one-size-fits-all solution. One of my local surgeries deals with a lot of commuters, and it has devised a scheme whereby people can e-mail their doctor and get a response on a certain day. Often, it is not a case of needing to see a doctor so much as needing to ask a question and getting reassurance, which might not be available from someone who does not know the patient. Would my hon. Friend support more such schemes being developed in the future?

Norman Lamb: Absolutely. All sorts of innovative things are being developed. In many practices, there is a commitment to speak to a patient by telephone on the same day, if an appointment cannot be arranged. Often, a telephone consultation is just what the patient needs. We should certainly support the use of e-mail and telephone consultations. Surely it should be for local commissioners to drive through decisions on increasing hours and making access more flexible in order to meet their local needs, rather than having a one-size-fits-all solution imposed from the centre.

I want to return briefly to the question of osteoporosis. When I asked about the loss of that valuable work at the NHS Confederation briefing yesterday, I was given an indication that there would be an announcement shortly on ways—outside the QOF system—of encouraging GPs to test for osteoporosis. I understand that there was a written statement yesterday, although I have not seen it. I would welcome an intervention from the Secretary of State to tell us what might be about to happen. We understand that an announcement is imminent. Will he tell us, either now or through the Minister of State, the hon. Member for Exeter (Mr. Bradshaw), at the end of the debate, what is proposed? A lot of people who care a lot about this matter want that work to be incentivised, because it involves good, preventive health care.

In an earlier intervention, I challenged the Secretary of State about the fact that the GP contract often ends up paying more to GPs in the leafy suburbs than it does to those in the most deprived communities. I want first to look at the minimum practice income guarantee. The *Health Service Journal* has highlighted huge variations in payment to practices, regardless of the number of patients they serve or the needs of those patients. The article highlights two practices in Westminster, one of which happens to be based at Buckingham palace. That practice gets twice as much money as it ought to, because of the minimum practice income guarantee. The article states:

> "Under the allocation formula, the Buckingham Palace practice was due to get just £14,657 this year. But the guarantee added another £16,505. That left the practice with payments of £113 for each of its 276 needs-weighted patients, compared with the sample average of £63."

How on earth can the Government justify that system? They are paying more money to practices—often in the more affluent communities—that do not need it. As the *Health Service Journal* and many others have said, that money ought surely to be used to address health inequalities.

Another issue highlighted by the *Health Service Journal* is practices excluding patients under the QOF system. I hope that the Minister will be able to respond to this when he winds up the debate. Massive variations have been highlighted, with some practices excluding 10 times more patients than the national average. As I understand it, if patients can be excluded from the QOF target, it is easier to hit the target and to get the money. There is no evidence, however, that the problem is most serious in practices that genuinely find it difficult to approach patients because they are in hard-to-reach communities. For example, Tower Hamlets and the Heart of Birmingham primary care trusts have among the lowest levels of exclusions in the country. The point made by the *Health Service Journal* is that this is a misapplication of millions of pounds of public money that ought to be going towards reducing health inequalities in some of the most deprived communities.

Overall, the highest payments under the QOF system of incentivising GPs to undertake preventive health care, which is so important to reducing health care inequalities, go to practices in leafy suburbs. How on earth can the Government justify that system? My fear about the Conservative perspective is that if we simply give all the responsibility and power to GPs, that will ultimately do nothing to change such inequalities. Ultimately, if we are to ensure that money and funding is directed to the most disadvantaged communities, there is an essential role for strong commissioning.

Rob Marris: I am grateful to the hon. Gentleman for his thoughtful speech. I think that he puts his finger on a difficulty that, if we are honest, all political parties have with these issues: on the one hand, we seem to have the shibboleth of local control and local accountability; on the other hand, we have things such

as health inequalities, which we would like to address with different mechanisms. Perforce, such mechanisms are often seen as top-down control—and it seems to be another shibboleth that we should decry that sort of control. Will the hon. Gentleman explain how one does that balancing act? It is difficult for any of the three main parties to balance in their policies the top-down element, which, unlike local control, we think we do not like, bearing in mind some of the results that flow from local control—most notably displayed in the phrase "postcode lottery".

Norman Lamb: The hon. Gentleman makes a thoughtful intervention. There is, of course, the potential for conflict. Ultimately, however, our highly centrally controlled system has failed to deliver in reducing health inequalities; and all the evidence suggests, particularly if we reflect on what happens overseas, that real engagement at the local level and integrating services for health and social care with housing, community regeneration and so forth is the best way to address those underlying inequalities. Change to that extent cannot be delivered from Whitehall; it simply does not work. All the evidence from centrally controlled systems demonstrates that point. For me, then, we are more likely to achieve success if we provide genuine accountability to the communities that are served.

The evidence that I have picked up from talking to GPs in many different parts of the country—it was reflected in what the hon. Member for South Cambridgeshire (Mr. Lansley) said earlier—suggests that practice-based commissioning is dead in the water. There is a growing frustration among GPs that all their efforts to try to make something of it and put forward innovative ideas about services that could be delivered in a community setting close to people's homes—perhaps avoiding the need for a long journey to an acute hospital—are falling on stony ground. They feel that there is no longer any political drive behind it, which has resulted in GPs becoming completely disillusioned with the concept, increasingly believing that it is going nowhere.

Over the past few weeks, I met a group of GPs in Dorset. I noticed that the Conservative spokesman was in Poole, so I was about 10 miles up the road from there. I met another group of GPs in Norfolk last week and heard how frustrated they were about putting forward their ideas on how to develop services to the primary care trusts, yet getting no reaction at all.

Dr. Howard Stoate (Dartford) (Lab): The hon. Gentleman is making an intelligent point, but I have to say that I disagree with him on a number of issues. Certainly in my area, the availability of alternative community-based clinics has made a radical difference to GP referral patterns—hugely to the benefit of patients and patient satisfaction. In my practice, we do regular surveys of patient satisfaction and we have seen significant increased satisfaction as a result of patients being able to see medical people much closer to their homes and much more focused on their GP practice. In many cases, they receive care and treatment from people they personally know, which has to be an advantage. I accept that in other areas it might not be working as well, but the model itself seems to work very well.

Norman Lamb: I am encouraged to hear what the hon. Gentleman says—despite his very recent arrival in the Chamber, which I welcome. I have to say that in many parts of the country—*[Interruption.]* I hear a suggestion from a sedentary position that the hon. Gentleman has been saving lives, but I suspect that he was just having his lunch—[Hon. Members: "Ooh."] I do not know how much the hon. Gentleman talks to his GP colleagues around the country, but what he referred to is simply not happening in many parts of the country, where many GPs are becoming very disillusioned as a result.

I want to say a few words about the Conservatives' over-reliance on the GP to ensure that that whole health system works effectively and in the patient's interests. The Conservative spokesman acknowledged, in response to an earlier intervention, the importance of recognising the potential for conflicts of interest, but that is absent from the Conservative motion and from most of their pronouncements. There are real concerns, including among many GPs, about potential conflicts of interest, and it cannot be said that GPs will always act in the patient's interests. One example can be seen in what I said earlier about exclusions under the QOF system. In my view, it is a dangerous game simply to believe that GPs can run the whole system. They are absolutely central to it, but their role has to be combined with strong, effective commissioning.

This afternoon's discussion on the difference between a polyclinic and a health centre was interesting. As I said at the NHS Confederation briefing yesterday, the honest truth is that the difference amounts only to a rebadging. The Government were calling these bodies polyclinics, but they got such a bad name through what GPs and others said about them that we now call them something else. When I asked what a GP-led health centre was all about, all the things that I was told they would contain sounded very much like a polyclinic. These are, at the very least, embryonic polyclinics.

Dr. Pugh: There is a lack of semantic clarity about the issue, as we have already seen in our debate, but one would expect the Government to know where polyclinics were. When I asked the Secretary of State

"how many NHS polyclinics there are in England, and where each is situated",

I received the reply:

"The Department does not collect information about services commissioned locally by primary care trusts." *[Official Report,* 29 February 2008; Vol. 472, c. 1982W.]

That was news to all of us, as well as not knowing what they are, it seems that we do not know where they are.

Norman Lamb: It is a state of total confusion. *[Interruption.]* The hon. Member for Wolverhampton, South-West (Rob Marris) talks from a sedentary position about denying centralisation, but we know that there is a central imposition of a GP-led health centre in every primary care trust. There is no option; all trusts have to introduce them. I had discussions with the East of England strategic health authority, which made it clear that every PCT must have such a centre. In the case of Norfolk, for example, I was told by the GPs I met last week that the PCT has not yet even completed its review of its estate—the buildings it owns—to ensure that it makes the most effective use of

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that estate. Suddenly, however, because the Government told the trust to do so, it has stopped doing that work and is now having to focus on the introduction of a polyclinic—sorry, a health centre—in Norwich.

Introducing a centre of that sort in Norwich does nothing for rural disadvantaged people who have no access to a car and have poor public transport. It also does nothing for the greatly disadvantaged community in Thetford, which has a low income level and has a great need to improve primary care services. The imposition from Whitehall of a GP-led health centre in the centre of Norwich will do absolutely nothing for those people. That is what frustrates so many.

David Taylor (North-West Leicestershire) (Lab/Co-op): Amid the usual slurry in the Opposition motion is one nugget of gold that is worthy of note: the reference to a

"lack of empirical and clinical evidence for ... polyclinics".

That lack is undeniable, and I raised it in Prime Minister's Question Time only a week or two ago.

Does the hon. Gentleman hope, as I do, that the Minister who replies will provide more substantial evidence of where the concept has worked? Countries in eastern Europe and elsewhere that have used it are retreating rapidly towards our own model in order to retain doctor-patient relationships and put a distance between doctors and specialists, and to deal with other issues on which polyclinics have foundered.

Norman Lamb: The hon. Gentleman makes a good point. I believe that policy should be based on evidence. The hon. Gentleman, who is familiar with north Norfolk, will know about rural disadvantage. In disadvantaged parts of Norfolk, a polyclinic—or health centre, or whatever it is called—in Norwich will have no impact at all. As the hon. Gentleman says, we should also try to learn the lessons of experiences overseas.

David Taylor: I am grateful to the hon. Gentleman for giving way for a second and, I hope, final time.

Although this policy may be a partial solution in London and other major cities, I do not think it will translate to rural areas and suburbia in anything like the way that the Government imagine. The same has been true of policies on, for example, housing and trust schools.

Norman Lamb: The hon. Gentleman makes a other good point. I want to say more about the concept of the health centre, or polyclinic. It seems to me that such schemes should be piloted to establish how they work in given settings, so that the lessons can be learned. I think that there is something in the concept for certain communities.

Last summer I visited the Arches centre, in a very disadvantaged part of Belfast. People in the Province have the benefit of health and social care trusts, which the Liberal Democrats support. That health centre combines various services. It brings together health and social care, and makes available to the community services that would normally be in a more remote acute hospital. That is a very attractive model. Surely we should let these centres develop and grow, and then analyse their successes and, in some cases, their failures empirically before rolling them out across the country. What I find both extraordinary and frustrating is that, without such empirical evidence-gathering, the system is being imposed throughout the country on a ludicrously tight time scale. The Government should be condemned for that.

Dr. Stoate: I thank the hon. Gentleman for giving way to me again. He is being very generous with his time. Perhaps I can help him. I have a letter from the commissioning lead for one of the primary care trust consortiums in my constituency, who says precisely the same about the need for piloting. He writes:

"The intentions of the bids are to encourage a range of pilots that will explore the potential and flexibility of the concept."

Pilots could, he says, be

"existing health facilities which could be adapted or expanded on going developments"

or any other combination that local people decided was good for their area.

I do not understand where the hon. Gentleman is coming from when he says that there is no flexibility and no ability to pilot. That letter makes it entirely clear that the flexibility exists. *[Interruption.]*

Norman Lamb: As my hon. Friend the Member for Southport (Dr. Pugh) observes from a sedentary position, everyone is compelled to pilot. I do not consider it a pilot approach to tell every primary care trust that it must introduce a GP-led health centre.

Mr. Kevin Barron (Rother Valley) (Lab): Where does the hon. Gentleman get the evidence?

Norman Lamb: The NHS Confederation confirmed yesterday that every PCT had been so instructed, and we see the same in all the evidence. The strategic health authorities have confirmed it as well.

Mark Simmonds: Perhaps I could assist the hon. Gentleman. It was set out in a press release accompanying the Labour party's local election campaign that the Secretary of State and the Minister launched in Exeter about 10 days ago.

Norman Lamb: I am grateful to the Conservative spokesman for that information. It is of some concern that the Chair of the Select Committee on Health does not appear to know what the Government policy is.

There seems to be a conflict in the Government's approach to the NHS. They talk of empowering patients and responding to what they really want, but when it comes to the crunch they always opt for a model imposed from the centre.

Rob Marris: The Phoenix centre—I do not know whether it is a medical centre or a health centre, but it is certainly not called a polyclinic—is just outside my constituency, and serves some of my constituents. It has been open for about three years, and provides social care as well as health services. It is so popular that, as I said earlier, it is extending its hours and its services. As far as I am aware, that model was not centrally imposed on the excellent Wolverhampton

PCT, but it worked, and it will be more or less replicated elsewhere in the city because it has been so successful locally.

Norman Lamb: I entirely support that approach. As I said earlier, I should prefer a PCT that decided to adopt it to be democratically accountable to the community that it served, but I have no difficulty with the concept. What I have difficulty with is the Government's telling every PCT to complete the process by the end of the year. That appears to be the model that they are imposing.

As I have tried to make clear, I am in favour of examining the principle. It is entirely sensible to trial the idea of taking diagnostics away from more remote acute hospitals and integrating services, and to learn lessons from the experiment. However, as was pointed out by the hon. Gentleman's colleague the hon. Member for North-West Leicestershire (David Taylor), concerns are emerging from the adoption of that approach in other countries, and those lessons should be learnt as well.

One legitimate concern is the eventual loss of the network of local GP surgeries, about which many people will be very anxious. If this kind of model is to be adopted, I think that a rural community hospital should be used as a basis for the development of such an extended range of services. We in Norfolk are in a ludicrous position. We face the loss of a community hospital in Aylsham, a market town, and we are seeing the loss of beds in other community hospitals. Surely we should develop existing, trusted centres of excellence and take the consultants out of acute hospitals, ending the divide between primary and secondary care and providing genuine local care for those who need it.

I want to say a word about the Conservatives. I think there is a degree of hypocrisy in their complaint about central control. They have conveyed the clear message that they dislike the degree of central control exercised by the present Government, yet they propose to introduce a CSA-style unaccountable quango, presumably based in London, to direct the national health service. The Child Support Agency is rather unpopular, and I suspect that when people find that their local hospital is to be closed by a centralised unaccountable quango in London, they will regard it much as they regard the CSA. There is no democratic local accountability in that, and the Conservatives know it. They reject this model, and decide instead to retain the idea of a centralised system. That is even worse than the Government's approach, which at least involves some democratic input in the House.

The Conservatives' approach is to opt for a centralised quango that does not even have any accountability to this place. It is supposed to have discussions with the Secretary of State before it decides what to do, but it is clear from the powers of this body that the Conservatives seek to establish. *[Interruption.]* The hon. Member for Mid-Bedfordshire (Mrs. Dorries) may not like to hear what the Conservatives are proposing, but the fact is that a centralised quango will have extensive powers over commissioning and determining what should happen at local level, and people will not like that if they have to deal with it.

The motion is right to address the Government's excessive emphasis on central control. I challenge the Government to provide genuine accountability for local communities, as the Liberal Democrats propose. I also urge the Secretary of State to listen to the concerns of general practitioners. The model that we should choose is democratic local accountability on the shape of health services serving a community. Alongside that, we should free up GPs and health professionals to do the job that they are qualified to do without overly controlling them from Whitehall.

2.10 pm

Mrs. Nadine Dorries (Mid-Bedfordshire) (Con): I wish to start by paying tribute to GP Professor Dr. Brian McGuinness who retired this week as the chairman of the Society of Medical Writers. He is plain old Dr. McGuinness to me and he epitomises the type of GP that we all talk about. He was the ultimate family GP. I have not seen him for about 20 years, but he established one of the first large GP practices that I was aware of, in a socially deprived area in the north-west. That practice encompassed many of the services that we have been talking about with regard to polyclinics. His practice was not a polyclinic—it did not have a fancy title—but it was a good practice providing a good service to the local community, commensurate with its needs.

The practice had a good patients forum that met regularly and advised the GPs—many GPs do take advice from patients and local patient groups. The practice had seven or eight GPs and provided adequate services to the local community and was well respected. Dr. McGuinness was possibly one of the most highly regarded GPs I have ever known, especially in the socially deprived area in which he practised. He recently received a lifetime-achievement award, but it is to his credit that he has vowed to continue to work to encourage GPs and other medics to write about their experiences. I therefore begin by paying tribute to GP Professor Dr. Brian McGuinness, who is one of the best of men as well as one of the best doctors I have ever encountered.

In preparation for this debate, I spoke to some of my local GPs and I want to feed back some of the comments that they made. As their MP, my job is to represent the opinion of all my constituents, and my GPs have some very strong opinions about what is happening and the Government's proposals. They are unanimous in being incredibly angry and they feel undermined and persecuted by the Government. It all stems from the much spun pay rise that GPs received in 2004. It is very rarely mentioned that that pay rise brought GPs' pay to an acceptable level, given their training, experience, commitment and hours. Before the pay rise, GPs were one of the lowest paid professions, so it was right to give them that pay rise and bring their pay to that level.

I would not be surprised if the Department of Health had a unit solely devoted to spinning against GPs. We have seen some ludicrous headlines in the tabloids recently, but they did not dream them up. They did not come from GPs either. Those headlines were spun somewhere in the Department of Health. It was preposterous to have stories about GPs earning £250,000 on the front page of national newspapers, and that did GPs no good. As I said when I intervened on the Secretary of State earlier, GPs represent the most cost-effective and efficient branch of the health service. They cost £20 per consultation, even for long consultations.

[Mrs. Nadine Dorries]

As I said, the 2004 pay rise brought GPs pay to a reasonable level. Since then, they have had a 0 per cent. pay rise for three years. Which other profession would put up with having a pay rise that just brought them back into line with what they should have been earning, followed by a pay freeze in the next three years?

Mr. Barron: A recent report by the National Audit Office said that in real terms partnership GPs have had a 50 per cent. increase in the past three years. Does the hon. Lady think that that is bad?

Mrs. Dorries: I have absolutely no idea where that figure comes from. My GPs have had no pay rise for the past three years, at the same time as their staffing costs have increased by an average of 5 per cent.

Mr. Lansley: For the sake of accuracy, I wish to point out that the NAO said that there had been a 58 per cent. increase over three years from 2002-03 to 2005-06. My hon. Friend is making a point about what has happened since 2005-06. The return of doctors to general practice has remained the same, but costs have risen. The position has changed since 2005-06, and we do not have the figures yet.

Mrs. Dorries: I specifically referred to the past three years. Staffing costs have increased for general practice, and the front of this week's *GP*, the GPs' magazine, reveals that some GP practices could face a 10-year pay freeze. So not all GP practices' finances are rosy, and GPs are feeling persecuted and undermined by the Government. Morale is very low.

One result of the pay rise was a rebalancing of GPs' morale, but there was also an easing in recruitment. It became easier to recruit on to the GP training scheme and to recruit new GPs. However, over the past few years, that has suddenly and dramatically changed and it is again becoming difficult to recruit. Just in my constituency, I know of GPs who are leaving general practice to go to New Zealand or the US, because of the demoralisation and confusion about the future of the service that GPs are beginning to feel.

Patients want, above all else, the stability and continuity of having access to a GP whom they know and with whom they have built up a relationship. They want to have confidence in their GP, especially if they have a difficult illness or are elderly. GPs work on the relationship with their patients because they know the value of having a good relationship with them, including an element of confidence. Polyclinics will probably include Australian or other antipodean doctors, or Polish doctors. They will come and staff the clinic for six months, probably as part of their travels, and then move on. The relationship that patients have with their GPs will no longer exist.

GPs are leaving the service at the moment, so I would like to know how the polyclinics that the Government propose will be staffed. Where will the GPs come from? Many GPs want to retain the service that they provide to their communities, because that is what patients want. Patients do not want polyclinics. As the end users of the service, patients must have a voice in deciding what will be provided. GPs must also have a voice in what they are going to provide. By and large, they do not want large polyclinics.

In rural constituencies such as mine, with a high elderly population and poor transport links, it is preposterous to suggest that people will be able to get on a bus and travel to a polyclinic. Bus services have been cut dramatically in the past two years, so they will be unable to get a bus to a polyclinic, wherever it might be. It is also likely that such a clinic would be in Bedford or the outer areas of that town, but only 12 per cent. of my constituency is built on, as it is a rural area. It would be extremely difficult for my constituents to get to a polyclinic.

Another problem is staffing. More GPs are leaving the profession than are arriving. Which services will be offered in the polyclinics? If radiography services and other physiotherapy services are to be carried out in polyclinics, who will carry them out in hospitals? Hospitals are already finding recruitment difficult. If a radiographer is out in a polyclinic, who will be in the hospital?

Mr. Stewart Jackson: My hon. Friend is making a compelling case. Surely the logical corollary of her argument is that any general practitioner in a family practice that is doing well will not want to move to a polyclinic. As there are shortages of fully trained medical practitioners in many parts of the country, will not the system embed second-class health care at polyclinics for some of the most vulnerable people in our communities?

Mrs. Dorries: My hon. Friend is absolutely right. The polyclinics will take off in the areas of higher social deprivation where, because of the transient nature of those who will work in those polyclinics and the problems in various hospitals, such as Peterborough, we will see a lesser service on offer rather than a better one. GPs who can combine—like those in the example from Macclesfield that we were given—will do so if it is what the community wants, desires and needs. If it is cost-effective and serves the community better, nothing stops GPs getting together now to provide such services. Many GP practices already do that so there is no barrier to the essence of a polyclinic: GPs can provide that service if their patients need it.

I hope that the Minister will clarify those services that a polyclinic will provide better to a community than those that GPs have the freedom to provide now. What is this magic bullet represented by a polyclinic? What will it do that GPs cannot do today?

Dr. Stoate: I can help the hon. Lady on that point. One thing that polyclinics will do, for example, is to be open 12 hours a day, seven days a week. Virtually no GP practices are open for such hours. Secondly, polyclinics will provide services such as radiography, blood testing, ECGs and all sorts of facilities that are not available in the vast majority of GP practices—nor are they likely to be. Polyclinics are a model that will, we hope, keep patients away from acute hospitals and prevent long queues forming in accident and emergency made up of people who have no need to be there. They will enable those people to be looked after in a much more comfortable setting much closer to

their home. On the transport issue raised by the hon. Lady, people will travel on average far shorter distances to reach such services than they have to under the district general hospital model.

Mrs. Dorries: The hon. Gentleman makes a number of points. The only reason why we see pressures on accident and emergency services at the moment is that cottage hospitals and community hospitals are being closed down. As for 12-hour practices, I have had no letters in my postbag on that subject and no constituents coming to my surgeries to say, "I wish my doctors' surgery was open for 12 hours a day." It is unreasonable to expect GP surgeries to open for 12 hours a day, if we have good local facilities provided by the PCT.

Let me give the hon. Gentleman an example. A GP recently told me of a PCT manager who got very stroppy with him in his surgery, because the GP had seen a patient who had been out of hospital for 10 days after a post-partum haemorrhage in hospital, and who went to his surgery and complained of chest pains and a pain in the leg. She was a very poorly lady. The GP immediately thought that that could be a pulmonary embolism, did the right thing and sent her to hospital. He was then criticised by the PCT for doing so, when any GP anywhere would do the same in such circumstances, polyclinic or no polyclinic. When a GP sees a patient with acute needs, such as chest pains, he saves the PCT that £3,000 admission fee, because many GPs will diagnose and treat in their surgery as far as possible before sending a patient to hospital.

I do not see polyclinics as filling a need because I do not think that the need is there. GPs provide an excellent service; they save PCTs a huge amount of money; and they are incredibly cost-effective. Patients like the service. They like having a local GP. GPs enjoy building up a good relationship with their patients, so why, if it is not broken, do we need to fix it? That is what I do not understand.

In areas such as Macclesfield, where we need such services, we have provided them. What is the image of the polyclinic? Why are we imposing such a service on communities? Why are we making it more difficult for patients? Why are we imposing something that doctors do not want?

On the point about blood counts, can anyone show me a GP who does not take blood tests and send them on to a hospital lab? A GP who does not do that in his practice should not be a GP. Many GPs provide that service. I have never heard of one who does not. Can anyone show me a GP who does not refer on for radiography or who does not provide the test? They have those services at their fingertips if they need them.

Mr. Lansley: New technology offers other opportunities. Clearly, the hon. Member for Dartford (Dr. Stoate) might not be aware of the pilot scheme in Lancashire whereby GPs' surgeries can send ECGs to a centre in Manchester where trained cardiac nurses interpret them on their behalf. They do not need the patients to go to a single place. Local GPs are perfectly capable of carrying out 12-lead ECGs and sending them off for remote interpretation.

Mrs. Dorries: I know many GPs are capable of doing 12-lead ECGs and of reading the results themselves, because they have trained to be able to do so, as well as sending them off to the cardiac nurses. I do not understand the need for polyclinics, but I do understand that GPs are not happy. Patients do not understand the need for polyclinics. In fact, nobody understands why the Government are doing this. The system is not broken, so why are the Government trying to impose this change unless they are trying to save costs in some way?

In conclusion, I have voiced the concerns of my GPs and patients, who are happy with long-established GPs in my constituency. They do not want a polyclinic. They like what they have at the moment. If they were to have anything, they would want greater resources to be given to GPs so that they could extend the services that they currently offer. They do not want a centralised polyclinic to which they would have to travel, particularly in Bedfordshire.

2.27 pm

Dr. Richard Taylor (Wyre Forest) (Ind): After that cogitation, I am grateful to have been called to speak, Mr. Deputy Speaker.

I was encouraged when the Secretary of State sat down and since then I have become more and more depressed. I was delighted that he acknowledged the quality of our family doctor services, and that he acknowledged the crucial importance of the strong ties between GPs and their patients and their families. I welcome the extra money and his clear statement that there are no plans to herd GPs willy-nilly into polyclinics, whether they want them or not, and that it is not a top-down measure.

We all know from our PCTs that they have been told that they must have a polyclinic. I am sorry that the Minister is not here at this moment, because I want him to confirm that I can go back to my PCT and say that the Secretary of State has said that if the trust can provide the same sort of services that a polyclinic would have provided in the enlarged health centres, which it has planned according to local need and with the money that has been provided for that purpose, the polyclinic will not be imposed on that trust.

I am delighted to see that the Minister is back. I hope that he has got the gist.

Mr. Stewart Jackson: I am grateful to the hon. Gentleman. I was privileged to serve with him on the Select Committee on Health, of which he is a distinguished member. Is his experience the same as mine? My city council's health and scrutiny committee has been given the health centre/polyclinic as a fait accompli, with the caveat that it will be placed in an area of social deprivation in my constituency. Effectively, the committee can do nothing about that decision except rubber stamp it.

Dr. Taylor: I have absolutely no objection to siting these facilities, whatever they are called, in areas where they are needed. I just want to be able to tell my local PCT that it is up to it to decide what is best for the local area.

My real worry about polyclinics is that they could open the door to commercialisation. The hon. Member for St. Ives (Andrew George) touched on that problem in an earlier intervention, but I want to look at it in a bit more detail. People often ask what all the fuss is about, and a letter in my local paper, the *Worcester*

[Mr. Stewart Jackson]

upon the Government to put their cards on the table and make the case for polyclinics or health centres.

It is ironic that the Secretary of State was in crowing mood. As I said earlier, we always see the vacuity of the Labour party's record and arguments on the health sector when it has to go back 60 years, to historic documents about what was or was not said by general practitioners and medical practitioners in 1947. The fact is that this Government have presided over a doubling of expenditure on the health service but barely any change in outputs and the impact on patients. Their work force planning was described in the Select Committee's report last year as "disastrous". The right hon. Member for Rother Valley (Mr. Barron) was noticeably shy in not sharing that with the House.

The Government have presided over a health service in which one is more likely to die of a hospital-acquired infection than, for instance, in a road traffic accident. They will have spent approximately £100 billion on the health service, and we will not take any lectures from a Government who, for example, have increased GP salaries by 50 per cent. for less work. I do not blame the general practitioners for that; it is this Government's cack-handed mismanagement that has resulted in that situation.

I well remember that the then Prime Minister came to Peterborough in April 2000 to open the walk-in centre in Midgate, in the city centre. Such centres were then the great thing, the next big thing of Labour's Maoist onward march of health reform. They were going to solve all the problems and take up the slack in the primary care sector. Of course, they are not in fashion now, so we have even more change.

My opposition to the scheme is not a knee-jerk opposition to change. Dare I say it, I am quite Fabian in my approach—I believe in the inevitability of gradualism. In such a big organisation, there will always be change, but I object to the top-down approach of the change and the fact that there is no real autonomy, authority or democracy in respect of general practitioners, health care professionals, nurses, managers, elected councillors and others at local level. The change is being imposed. That is to be regretted—a point made by Members across the House.

General practitioners in particular need to be properly consulted; they need buy-in to the new health centres or polyclinics. It is no good the Secretary of State, in his rather uncharacteristically sneering remarks, belittling the work of GPs, who are the most trusted health care professionals in the UK—perhaps the only point in my speech with which the hon. Member for Dartford will agree. It ill behoves the Secretary of State to take that confrontational tone, and it is no wonder that such a significant number of GPs are not predisposed to vote Labour at the next general election.

I want to give the House a slight history lesson about primary care in the city of Peterborough. The city pioneered collaboration between adult social care and primary care, which the Liberal Democrat spokesman, the hon. Member for North Norfolk (Norman Lamb), described as an exemplar for the country. If I may, briefly, be positive, one of the only aspects of the Government's health policy with which I agree was that they listened to us about Peterborough's primary care reorganisation in 2005. We in Peterborough said that as we had pioneered collaboration between adult social care and primary care it would be ludicrous to throw it away in an unpopular and uncalled-for reorganisation. The Government listened, and the former Secretary of State, the right hon. Member for Leicester, West (Ms Hewitt), threw out the plans.

There were other reasons why we insisted that we should have a city-wide health care body or primary care trust. We in Peterborough have specific health needs and health inequalities. Even in a relatively small area such as Cambridgeshire there is a great gulf between the needs of my constituents and, for instance, those in a relatively wealthy constituency such as Cambridge. We have issues around asthma, chronic obstructive pulmonary disorder, diabetes and heart disease. We have a large ethnic minority population who are predisposed to some chronic conditions. We felt that to be subsumed into a greater Cambridgeshire PCT was not appropriate—the fact that the trust was approximately £30 million in deficit at the time concentrated our minds somewhat, too. The Government listened, and we went forward.

I pay tribute to the PCT in Peterborough and the professionals who work in the organisation, especially Angela Bailey, the chief executive. However, when I read the proposals and listen to the Secretary of State, I am astonished that a Government who exult in the fact that the NHS is 60 years old and that they were responsible for founding the national health service could really be presiding over changes that would give the sickest, the very oldest, the very youngest and the poorest—the least able to speak up for themselves—a second-class primary health care system. As I said earlier, I cannot believe that of a Government who seem to be having a nervous breakdown in their interaction with those who should be their core supporters. We know that the Labour party has always had a rather sanctimonious, smug attitude—only Labour cares about public health, the poorest people in our society and the health service. Of course, that has never, ever been true.

Sir Nicholas Winterton (Macclesfield) (Con): In an area such as Macclesfield, which I represent, where there is an out-of-hours service staffed by GPs at the district general hospital and where all the GP practices in the town came together, with the agreement of the PCT, in a super-surgery to provide the wide range of facilities that the hon. Member for Dartford (Dr. Stoate) described, does my hon. Friend agree that it should be the PCT that takes the decision and not central Government?

Mr. Jackson: I am grateful to my hon. Friend for making the pertinent point, alluding to his constituency, that where we trust NHS professionals and give them authority, autonomy and budgets, they will work for their benefit and the benefit of patients and the whole community. We can see an example of that co-operative work in the primary care sector in Cheshire, particularly in Macclesfield. I pay tribute to my hon. Friend for his role in producing that outcome.

As of March 2009, a polyclinic or health centre, or whatever it is to be called, will be foisted on my constituents in Peterborough, with only partial lip service to democracy—the gloss of democracy—via the city council health overview and scrutiny committee. What is the

strange beast that will be foisted on us? Open 12 hours a day, seven days a week, it will apparently provide a one-stop, multidisciplinary medical assessment, diagnosis and treatment facility, supposedly located in a deprived area of the city. All fine and dandy in principle, but what does one-stop medicine actually mean? Where will the doctors to staff the polyclinic come from? No established doctor who has his or her own family practice will want to give it up to work at a polyclinic. Does that mean that less experienced and capable staff will be recruited? I hope not. When we board an aeroplane we hope it will be flown by a pilot, not an air stewardess. I hope that when my constituents go to a polyclinic they will receive the highest possible standard of primary care from clinicians and NHS professionals.

We have already seen shortages across the country—for example, of fully trained radiographers, as my hon. Friend the Member for Mid-Bedfordshire (Mrs. Dorries) said, and of specialist nurses and hospital doctors. What about X-rays, scans and blood tests? Will there be consultants on site to oversee such work? If so, who will cover their work at Peterborough district hospital and Edith Cavell hospital? What are the resource implications?

Will polyclinics deal only with straightforward cases, such as the young, the wealthy and the only occasionally poorly—Tarquin and Jocasta popping down in their 4x4 before they go off on a business trip? Will polyclinics treat only the so-called worrying well? That may be the case. What about the very old, the poor and people with chronic conditions, such as chronic mental health issues? Will they be welcome at the polyclinic? I am not entirely convinced.

What will be the future of the family doctor service in my constituency? Will those services go the way of local shops and pharmacies? Mention was made earlier of the impact of the 2005 regulations on small pharmacies, which are closing at an alarming rate, giving way to the provision of pharmaceutical services in large supermarkets such as Sainsbury's and Asda. Will those services go the way of NHS dental surgeries and of post offices? We know of the Government's lamentable record of duplicity about post office closures over a number of months and years.

The Department of Health has promised more money for polyclinics, but will it be from existing, struggling NHS local budgets? I beg the indulgence of the House while I make my next point—one with which my hon. Friend the Member for Boston and Skegness (Mark Simmonds) will have some sympathy. We have had a huge influx of EU migration in Peterborough that has put massive strain on surgeries across the city, notably the surgery of Drs. Modha and Modha at Thistlemoor road, New England, and Dr. Prasad's surgery at the Westwood clinic. They are straining under the weight of inward migration from the EU. Will that be taken into account in the national template forced on local PCTs? No one in Peterborough has voted to end the relationship between patients and their local, trusted and—mostly—friendly general practitioners for the sake of those super-surgeries.

We should be opening more family practitioner surgeries in the poorest areas of my constituency. We should not be centralising and putting everything in one place—a place that people who have travel and transportation problems as a result of their illnesses and medical conditions may find it difficult to reach. As always happens under this Government, there will probably end up being a great fanfare and lots of money spent, but at the end of the day there will be depersonalised services, dumbed-down care and a system without comprehensive budgeting, risk assessment or proper consultation.

Mr. Graham Stuart: I apologise for my late return to the debate. I wonder whether my hon. Friend agrees that we may end up with another situation that often arises under this Government. Government Members are fighting against their own tax rates, and Government Members who have voted to close post offices are leading campaigns to protect their local post offices. Does my hon. Friend believe that we will see Labour Members leading protests against the closure of family practices, even though they will doubtless vote for those closures later this afternoon, having had yet another loss of conscience?

Mr. Jackson: Labour Members of Parliament, who are in a weird parallel universe with the Prime Minister, voted against a Conservative motion on post offices in the Lobby, and then ran hotfoot to their constituencies to address public meetings, in which they said how hard they were working to keep post offices open, having issued press releases and put them on their websites. I am an old cynic, but I foresee occasions when my Labour opponent will be fighting tooth and claw to protect surgeries that his own Government have led to be closed.

My admiration for local NHS staff is well known, and we are fortunate to have good managers in our area, but my job as a Member of Parliament is to stick up for the people in my constituency who do not have a voice, and to ask awkward questions. I will continue to ask those questions until we have full, honest and transparent answers from the Government on polyclinics, and until we concentrate on the really important issues—on making the whole of our communities better—instead of on gimmicks that will lead to disaster.

3.2 pm

Mr. Kevin Barron (Rother Valley) (Lab): I declare an interest: I am a lay member of the General Medical Council. First, I want to reply to a comment made by the hon. Member for Wyre Forest (Dr. Taylor) about clinical judgment being superseded by the needs of a company—I think that he was quoting from the NHS campaign group, Keep Our NHS Public. In all my years on the GMC, that has not happened. People who work in the independent sector come before the GMC from time to time, but I have never met anyone in the medical profession who felt that they would have to do something that was against their clinical judgment; that would be wholly wrong and unprofessional. We may argue about one pharmaceutical prescription as opposed to another, but I do not see any proposals that would endanger the patient.

The hon. Member for Peterborough (Mr. Jackson) was a member of the Select Committee on Health a few months ago. We criticised the national health service, and therefore the Government, on work force planning. That is absolutely right. As most people in the national health service would agree, work force planning has been dysfunctional for a long time now. That situation

[Mr. Kevin Barron]

is beginning to get a little bit better—I am pleased about that, and I hope that the Minister of State, Department of Health, the hon. Member for Exeter (Mr. Bradshaw), is, too—but it in no way threatens family doctor services.

I point out to my hon. Friend the Minister that family doctor services have been the backbone of the NHS for the vast majority of our constituents since 1948, and will remain so. It is true to say that those services are not always the first port of call. The hon. Member for Romsey (Sandra Gidley) would probably jump up and tell us that our constituents' first port of call for health care help and professional advice is the local pharmacist, and not the local GP; that will remain the case. The vast majority of doctors who work in family care services are committed to their flock—their patients in the community where they practise. I have no doubt about that, and I do not feel that they are under threat in any way.

Let me say why I do not support the Opposition motion and why I support the Government amendment. In their changes, the Government are investing an extra £250 million to establish more than 250 new primary care services, which will include both GP-run health centres and GP practices. Some 113 of them will be established in some of the most deprived communities in the country which have historically been under-doctored. There will be 152 new state of the art GP-led health centres, which will be open between 8 am and 8 pm, seven days a week. One such structure will be built in a constituency that neighbours mine, but it will serve my constituents well. Those health centres will offer a wide range of health services, including pre-bookable GP appointments and walk-in services for registered and non-registered patients, and a range of specialist services.

I had discussions last September with the local foundation trust. It will bid to provide some of the services that will be offered in the new primary care centre, as we will call it in Rotherham. Those services may not be offered in the district general hospital. Particularly for those who do not have their own transport, it is a lot easier to go to the town centre by bus than it is to get to the local hospital, so it will be a great advantage to urban Rotherham to have that facility, which will be open seven days a week, 12 hours a day.

Mr. Bone: Has the Chairman of the Select Committee had a lot of people in his area writing letters or coming to his advice surgery to demand those extra hours—the Saturday and Sunday service, and for services to be open 12 hours a day? Has there been a lot of demand for that?

Mr. Barron: No, there has not; that is the true and honest answer to the question. Around the time of the last general election, there were problems with the way in which one practice near my constituency office interpreted the 48-hour rule that was introduced a few years ago. That was the only time that anything was said about the health service at the time of the general election. People were upset that they had to phone in the morning for an appointment that day—an impossible task, particularly for people who work and people with young families. I thought that that was a gross misinterpretation of the agreement, and so did the primary care trust. It had to try to negotiate with the GP practice on whether it would relax its strict interpretation of the rule and free-up access in a reasonable way. We were not talking about opening the practice seven days a week, 12 hours a day; we just wanted to free-up access in a reasonable way, so that people who were on that family doctor services list could get seen in a more reasonable time. That was a complaint about one surgery; there were no complaints about the many other GP surgeries in my constituency.

Dr. Stoate: Perhaps I can help my right hon. Friend. The issue is not so much about the number of people who demand such services when they are well as it is about the number of people who are using accident and emergency departments on a Saturday and Sunday, but who would far rather be seen in their local clinic, a bus ride away, by their local GP, pharmacist or practice nurse. The real benefit of opening 12 hours a day, seven days a week, is far more to do with keeping people away from accident and emergency departments—many of which may be 10 or 20 miles away, or even more—that are inappropriate for them. We should localise the care that is appropriate to their needs, so that it is far closer to their homes.

Mr. Barron: I agree. The question posed in the motion, and asked by the hon. Member for South Cambridgeshire (Mr. Lansley), is what about walk-in centres. Our walk-in centre in Rotherham will close. It is based in a pretty old building that used to be a hospital. It is not an acute hospital now, although services such as podiatry are based there. People will instead go to the new primary health care centre—we are not calling it a polyclinic—that will be built in Rotherham. I had an e-mail from the primary care trust earlier this week saying that there will be two new GP practices in there. Those practices will not be transferred; they will be new. It also said that local GPs who want to bid for that contract will have the right to do so. Family doctor services could even expand if they are successful in obtaining an NHS contract to provide that type of service in the Rotherham primary care centre. We should recognise that no matter who runs such centres, those are national health service contracts designed to provide better services for our constituents.

Sir Nicholas Winterton: I am grateful to the current Chairman of the Health Committee, which I had the honour to chair in the past, for giving way. Will he say to the House that polyclinics should not be forced upon areas where there is already adequate cover by way of out-of-hours services, staffed by local GPs—in my case, as I said in an earlier intervention, at the district general hospital? In Macclesfield all the GPs' services have come together in an excellent super-surgery, where they operate separately as individual practices, which is so important to people. Is it not right that a polyclinic should not be forced on areas where there is already adequate coverage?

Mr. Barron: The hon. Gentleman is not the first to cite that example. His better half, the hon. Member for Congleton (Ann Winterton), mentioned family doctor services in Macclesfield earlier. There is and always has

been the flexibility in the national health service for that to happen. The question is whether it does. I shall come to that.

Mr. Graham Stuart: I know that the right hon. Gentleman shares my concern about provision in rural areas. There is, as my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) observed, a fear about the imposition of polyclinics. The policy will go down particularly ill in rural areas where minor injuries units in community hospitals have been shut down or had their hours massively reduced. If Ministers suddenly espouse the need for provision 12 hours a day, seven days a week, people in those communities will not understand why that has been removed from community hospitals throughout the country, and they will not believe that the policy is likely to lead to the improvement in rural areas that the right hon. Gentleman implies will happen.

Mr. Barron: I am no expert on the hon. Gentleman's constituency but, as was said earlier, and not by me, there is and should be flexibility. It might be the local community hospital that delivers the service. That might be a structural matter. Years ago I visited some of the community hospitals outside my constituency; they were so old that they were hardly suitable for the 20th century, let alone the 21st. A decision will have to be taken at local level about how and where the service is provided.

The motion states that the Opposition are against the imposition of polyclinics

"against local health needs and requirements".

What is the evidence? There is little evidence. Most decision making in the national health service could hardly be called evidence-based. On the contrary, it is often a matter of wetting one's finger, putting it up in the air and seeing which way the wind is blowing. This is the first time I have said that, but it is a true representation of how decisions have been taken for the past 59 years.

The hon. Member for Peterborough (Mr. Jackson) mentioned Kaiser Permanente in California. Studies in the US have shown that where there are more primary care practitioners on the ground—not just GPs, but other health professionals as well—there are healthier communities. That may be an international finding and it may not be specific to east Yorkshire or south Yorkshire, but in general, it is likely that by expanding the number of primary care health professionals, not just GPs, better health care will result for the people in that area.

The Opposition motion opposing the imposition of polyclinics

"against local health needs and requirements"

echoes the BMA brief, which states:

"The BMA acknowledges that there may be a case for establishing a polyclinic in some very specific circumstances, such as where local patients and clinicians agree on a proven need in their area."

That has been the subject of debate for 59 years in the national health service. Who takes that decision? How is the need measured?

I represent an area with very high disease burdens. Fifteen years ago it had the highest patient to GP ratio in England and Wales. It is a little less now because of the action that this Government have taken, but are GPs flooding into south Yorkshire to come and work alongside the hard-working GPs dealing with massive problems at every surgery, because of the difficulties that we have, sadly, with smoking, drinking, eating and the scars that industry has left on individuals? If it were not for the Government changing the GP contract, we would have the same patient to GP ratio that we had previously.

I should like to know—I say this to those on both Front Benches and to everyone in the debate—how we measure the needs of communities, if not by looking at the disease burden that they carry and taking the action proposed by the Government to put GP services into those communities? What other way of measuring need is there? I do not know another way. If it is true that in America more primary health care professionals lead to healthier communities, the Government's proposals should be endorsed by everybody, including the medical profession.

Most of the Government's proposals in recent months relating to family doctor services have been grudgingly accepted. One doctor turned up at my constituency surgery to discuss the issue of doctors' hours, which went to ballot. The rest of them get on with doing a very hard job under difficult circumstances because of the size of their patient list and the disease burden that those patients carry. The BMA badly misrepresents GPs, as it did on the issue of extending practice opening by a few hours in the evening and on Saturday. The BMA and the GPs within it are badly led.

One of my constituents sent me a leaflet picked up in a neighbouring constituency. Headed "Your family doctor service is under threat", it states:

"If we don't agree to this, the government has threatened to take this money away from patient services anyway and give it to local Primary Care Trusts (PCT) to fund large town centre 'Superclinics', probably run by private companies for profit. This could be the first stage in privatising all family doctor services and then the whole NHS."

We heard the hon. Member for Wyre Forest say that family doctor services are not and never have been run by the state. They are private businesses that are run under contract to the state.

The hon. Member for Peterborough said that the Labour party always harks back to what happened 60 years ago when the national health service was created. It was on precisely the matter of GPs that Nye Bevan fell out with many people, and I suspect with those on the Labour Benches in the Chamber, although at the time the Chamber had been knocked down for a few years. It was agreed that GPs would not work for the state, although there are some in my constituency and in all other constituencies who work on a salary, and thank goodness they do. That has enabled us to bring down the patient to GP ratio a little.

I have had only two letters on the matter, but leaflets such as the one that I quoted are outrageous and do the profession terrible harm. A similar one was being circulated in neighbouring Doncaster. I am pleased that my right hon. Friend the Secretary of State stuck to his guns and said that, under the new contract and its treatment of doctors, it is reasonable for us to expect that doctors' surgeries should open on a Saturday morning. They always used to do so when I worked in

[Mr. Barron]

industry, before I came to the House, and sometimes in the evening, to make it easier for people to attend.

I am dismayed at the lack of professional leadership that the BMA provides to general practitioners. Dr. Laurence Buckman wrote an article on family service access. I have met him a couple of times and he is obviously an independent-minded person. In the *"Royal College of GP News"* in February 2008, he is quoted as saying:

"If there is a boat I'll rock it...I don't shy away from confrontation – people need to hear our point of view' I first got involved with the BMA because I was an angry young man with something to say and I still feel the same way now."

The last trade union leader to say that was Arthur Scargill, and look what happened to the coal mines. I do not think that the GP surgeries in Rother Valley will suffer the same fate as the coal mines, but that is not good, sensible and responsible leadership. Dr. Buckman went on to say:

"Politicians aren't primarily interested in the health service, they're out for what will be good for themselves and their constituents."

That is absolutely right. After 59 years of being dictated to by those who work in the health service as opposed to those who need to use it, I could not agree more. If that man were representing me, I would be going along to the next branch meeting.

Sandra Gidley: Is this the same gentleman who has one of the highest rates of exempted patients in the country when it comes to calculating QOF points? He has the nerve to say that we are in it for what suits us, but he may be in it for what suits him.

Mr. Barron: I do not know the detail of his QOF points, but the Select Committee will be looking at QOF points later in the year in relation to health inequality. I expect that the debate will be ongoing for a long time, but I come back to how we can assess local health needs other than by measuring the disease burden in communities to determine whether we need more health practitioners, perhaps for preventive reasons or to enable people to be seen more quickly. How do we measure such needs other than by taking such action? Rather than destabilising or closing local GP surgeries, it will give them the opportunity to bid for and to work in the new centre in Rotherham.

The Government seek to take the health service to those who need it so that they can make better use of it than they can at the moment because there are fewer doctors in their areas than there should be and those who are there are working hard with a difficult patient work load. The sooner this is sorted out collectively – it does not look as though we will reach a decision on the matter today – the better it will be for the NHS and our constituents.

DEFERRED DIVISION

Madam Deputy Speaker (Sylvia Heal): I have now to announce the result of the Division deferred on the question relating to immigration. The Ayes were 265, the Noes were 65, so the question was agreed to.

[The Division Lists are published at the end of today's debates.]

Family Doctor Services

Question again proposed.

3.23 pm

Mr. Peter Bone (Wellingborough) (Con): It is a great pleasure to follow the right hon. Member for Rother Valley (Mr. Barron), who is always worth listening to. He is the Chairman of my Select Committee, so I must be nice to him.

This has been an interesting debate. I come to it from the Northamptonshire perspective, but there are variations around the country, which worries me when it comes to the top-down approach of saying that every area must have a health centre or a polyclinic.

I asked my staff to trawl through all our letters to see how many people wanted a centre that was open 12 hours a day, seven days a week, but I have not had a single request for that by telephone or e-mail or at my advice surgery. However, I have had a number of letters from constituents stating their concerns about polyclinics. My staff summarise it as follows:

"Worried about loss of patient-doctor relationship. Seems to be older generation that are particularly concerned. Value relationship with doctor, see same one frequently and they trust and are at ease with the same doctor."

Those are the views coming from my patch.

I have had a number of briefings from doctors on this subject. I went to a town hall-style meeting in the village of Great Doddington that was attended by 100 people, where the local GP spoke with great passion about her worry that the result would be that the village surgery would close. I can see the appeal of having many services on one site, but there is a real concern that centralising provision and making facilities bigger may result in the loss of village practices, which would be to the detriment of my constituents.

I tried to intervene earlier on the Secretary of State. I think that he said that no practices would close as a result of this initiative. *The Guardian* said that there would be a substantial loss of surgeries if the policy was to proceed, so when the Minister replies will he say whether I understood the Secretary of State correctly? That is an important issue.

My second detailed explanation from a GP occurred last Tuesday, and I should explain the circumstances. Last Monday during the recess I did what every good Conservative should do and went out campaigning for Boris for the election, and I got a very good reception on the doorstep. Unfortunately when I had finished that electioneering I fell flat on my face, did my leg in and cracked my ribs and I was covered in blood. I finished up at the GP's surgery, and while she prodded and poked me she had a great opportunity to explain her concerns in some detail. In all the time that I have been a Member of Parliament, when I have been told something by those who are highly respected in the community, I have always taken on board their concerns. In that regard, I have a slight worry about the hon. Member for Dartford (Dr. Stoate). He must have a split personality. Being an MP he is not trusted by anyone, but being a GP he is trusted by everyone.

In Northamptonshire, we have already arranged GP out-of-hours availability at two sites. The one that most of my constituents go to is Keydoc, so there is no problem about seeing a GP out of hours, although one could not see one's own GP. No one seems to want to see a change in that system.

Sandra Gidley: The hon. Gentleman raises an interesting point, because precisely that situation has arisen in many areas other than in Northamptonshire. It works well and there is a service there if people want it. I have been surprised by the number of GPs locally who have written to me saying that they can make a provision, but they object to being told exactly what to do, for how many hours and in what format.

Mr. Bone: That is exactly the feeling in my area. Despite the fact that we have one of the worst ratios of GPs to population in the country, we have made rather a good fist of our arrangements, and our GPs are highly regarded.

My constituents' real fear seems to be the loss of the relationship with the family doctor. Hon. Members say that that will not happen, which is good news if that is so, but I want to give a very real example that affected my family. My wife went to see her local GP, but saw another instead who said she had nothing to worry about. She did not get better, so she saw her own doctor, who knew her history intimately. She had liver cancer, she was immediately referred to the acute hospital and, thanks to the NHS, she was saved. This happened five years ago. My concern is if that situation had involved a polyclinic where she did not know the doctor. I am not sure whether she would have bothered to go back to get a second opinion.

Dr. Stoate: I am interested to hear the hon. Gentleman's examples and am sorry to hear about his cut leg and cracked ribs. If the hon. Gentleman's GP had decided that he needed an X-ray, or if his wife's GP had decided to order a liver ultrasound scan, it would have been far better to have that X-ray or ultrasound scan then and there in the same clinic, rather than waiting for two or three weeks for provision in one of the local hospitals, which might be 20 miles away. Surely it is better to have the ultrasound scanner and the X-ray machine on the same site to deal with such matters as one-stop events?

Mr. Bone: I am grateful to the hon. Gentleman for his intervention, because it takes me to my final point. Everybody in my constituency wants a hospital in the Wellingborough and Rushden area. I have found no one who does not want this. We must travel miles to get to a hospital, and we are in an expansion area where 52,000 new homes are about to be built. We want a hospital. Listening to this debate, my fear is that somebody will say, "They can have a polyclinic, because then we will not have to provide them with a hospital," which would be totally and utterly unacceptable. There are significant variations around the country, so I do not believe in one centrally imposed system. There may be great merit to those health centres, but they should not be centrally imposed everywhere.

3.31 pm

Mark Simmonds (Boston and Skegness) (Con): At times, the debate has been stimulating, and it has been interesting and necessary throughout. Many well-informed contributions highlighted the concerns in

[Mark Simmonds]

many different parts of the country. The key issues to come out of the debate are the disparity in existing provision, the nervousness about future provision and the potential for a break in the important GP-patient relationship. Any decision to improve provision and services should be taken locally and should not be imposed centrally.

My hon. Friend the Member for South Cambridgeshire (Mr. Lansley) opened the debate. He provided a thorough analysis and a detailed, comprehensive and authoritative explanation and understanding of the issues. He was right to highlight his support for family doctors, the importance of GP contracts, the need for GPs to remain as independent contractors and the tensions between primary and secondary care. He was also right to highlight the concerns about the imposition of polyclinics or GP-led health centres—it is whatever the Government have chosen to call them today—which will be centralised, top-down structures that will be unresponsive to local needs in some circumstances and undermine access in rural areas. The issue is about centralising primary care. The Opposition do not oppose polyclinics or GP-led centres, when local needs desire and require them.

The Secretary of State for Health is a disarming man with a charming and calming manner, which is why, I suspect, he has been put in that job.

Mr. Graham Stuart: Where is he?

Mark Simmonds: Sadly, the Secretary of State is not in his place. Unusually for him, the issue has clearly rattled him. He did not set out how he will explain to his constituents that the PCT that covers his constituency has admitted that it sees the imposition of a polyclinic as an opportunity to reconfigure GP services, thereby possibly closing existing practitioners. He did not support the family GP, and, interestingly enough, he did not defend the imposition of health care centres or polyclinics.

In response to my intervention—it will be interesting to see whether he confirms this later—he stated that primary care trusts do not have to have a polyclinic or a GP-led health centre and can therefore use the resources that would have been allocated for other, locally driven services. We will wait and see whether he substantiates that point outside this House.

The hon. Member for North Norfolk (Norman Lamb) once again explained how his party plans to politicise PCTs' expenditure decisions by direct, local political interference. He rightly highlighted low morale among GPs and the need to review the quality assessment framework. He was also right to highlight the importance of preventive health care and the link to health inequalities. We need greater emphasis on public health. The PCTs with the greatest level of deprivation often spend the least resources on public health.

My hon. Friend the Member for Mid-Bedfordshire (Mrs. Dorries) expressed her genuine concerns on behalf of GPs in Bedfordshire and about the imposition of GP-led health care centres in her constituency based on the potential breakdown of the GP-patient relationship. She rightly highlighted the importance of decisions being made locally in Bedfordshire in response to local community needs and questioned the logic behind the imposition of such schemes against local wishes. It will be interesting to hear what the Minister says in response to her points.

The hon. Member for Wyre Forest (Dr. Taylor) is a distinguished and knowledgeable Member of this House who always makes an interesting contribution to health debates, and today was no exception. He was correct to highlight the fact that GPs are independent contractors, but it must be right to harness the independent sector to drive improvements in the provision of health care, which should always take place through the prism of patients rather than through the prism of the delivery mechanism. It is right that the Opposition support any willing provider. I can give the hon. Gentleman the assurance that he seeks: the Opposition passionately believe that the NHS should be free at the point of delivery, and we are completely committed to the objectives and ethos of the NHS.

As the House knows, the hon. Member for Dartford (Dr. Stoate) is a practising general practitioner, and he is extremely knowledgeable about these matters. However, I wish he would use that expertise and knowledge constructively rather than unconditionally supporting Health Ministers in whatever they are trying to do, regardless of whether those things are in patients' interests. He is right to highlight the additional pressure on accident and emergency departments, which was initially a direct result of the Government contracting both extended and out-of-hours services under the GP contract, which came into operation in 2004. Before I move on, I also want to know whether the hon. Member for Dartford is one of the 3 per cent. of GPs who are happy with the Government's handling of the NHS, or whether he is part of the 97 per cent.

The right hon. Member for Rother Valley (Mr. Barron) is a distinguished Chairman of the Health Committee, and his contributions are always thoughtful and serious. He was right to say that GPs are the backbone of the NHS and that less well-represented areas often face serious problems with health inequalities. There is no political difference between the three main political parties that that needs to be addressed. However, the Government amendment deliberately obfuscates and confuses two particular central Government initiatives, which need to be separated and debated independently. As the right hon. Gentleman said, patients demand greater access, and we support that demand where it is necessary. However, we also need to consider why it is there. The reason Members of Parliament found significant constituency concern when the contract was changed was that patients found that access to their GPs was not as it had been before. That concern has died down because patients have found a way of circumventing the problem, by going to accident and emergency and putting additional pressure on ambulance trusts. We need to make sure that the decision in respect of services used is with the patient, not with central Government.

We then heard from my hon. Friend the Member for Wellingborough (Mr. Bone), who made a significant contribution based on experience in Northamptonshire. He was absolutely right to highlight the possible loss of the relationship between GPs and their patients.

I missed out my hon. Friend the Member for Peterborough (Mr. Jackson), but I should not have done—he is an assiduous and tireless defender of his constituency's interests. He was right to highlight the

Government's failure to deliver improvements, particularly in the context of "the significant amount of taxpayers' money that has been invested in the national health service. He was also right to point out the important requirement for GPs and their patients to be consulted properly about the central Government proposals.

My hon. Friend was right, again, to point out the benefits of consultation when Governments listen to what local people want. He gave a direct example of how that had benefited his constituents in Peterborough. My hon. Friend was correct to put on the record the significant inward economic migration, which has affected his constituency and mine and put great stress on public sector services in Peterborough and Boston.

In the time that remains, I want to highlight some of the key issues. I turn first to the GP contract. We should not allow the Government to get away with the view that GPs are somehow responsible for the reduction in out-of-hours and extended hours provision. That reduction was the direct result of the GP contract that was imposed by the Government and effectively led to reduced patient access. Furthermore, the cost of out-of-hours provision has increased by two or three times because the Government have insisted that it should be provided by primary care trusts rather than general practitioners. That has led to announcements, even last week, of cuts in out-of-hours services by contractors to primary care trusts.

The subsequent Government reversal, as they attempted to reinstate what they were responsible for withdrawing, has shattered the relationship between the Government and GPs, resulting in GPs being very upset. In a poll, 98 per cent. of them said that they thought that the Government's methods of negotiation were unacceptable and 97 per cent. said that they had no confidence in the Government's handling of the national health service.

All that is not the responsibility of the current Secretary of State. However, he has exacerbated the problems through his Department's tactics. The Government seriously miscalculated the number of points that GPs would earn. They rewarded GPs for a level of activity that was already in place, and that has been a significant contributory factor in the drop in productivity, leading to an additional cost of £1.76 billion to the taxpayer.

We Conservatives are not against polyclinics or GP health centres; in fact, when they are supported by the local community, via GPs and patients, we support them. However, we are deeply concerned about the Government's plans to impose polyclinics or GP health centres in every primary care trust. That is imposition without consultation or evidence. According to the Department of Health website, the consultation process is supposed to finish on 15 May, three weeks' time. However, in certain circumstances there has, to date, been no consultation at all.

The House must understand that we are not talking about some minor tweak to primary care. The establishment of GP-led health centres and polyclinics will be the largest change to primary care since the establishment of the NHS 60 years ago. We have heard stories about how polyclinics and GP-led health centres will be inconvenient for some individuals. They will be suitable for some, particularly in urban areas, but there is real concern among GPs—and, more importantly, their patients—in rural communities.

The framework for action, which was specifically about London, set out that polyclinics will be cheaper and more convenient. There are arguments against the contention that they will be more convenient, particularly in respect of rural areas. In fact, polyclinics are more expensive than traditional GP surgeries, in respect of not only infrastructure, but the occupancy costs per patient. In addition, the Government must not underestimate the importance of GPs acting as gatekeepers controlling access to expensive secondary care. We Conservatives will not coerce GPs and their patients into polyclinics against their will.

Other mechanisms and structures could be put in place and need to be considered. For example, an innovative system is operating in the floor above the Boots store in the centre of Poole, where a consortium of GPs is providing a range of services that are proving much more accessible than those at the traditional GP practice.

Let me ask a few brief questions. Ministers are not—or were not until the Secretary of State seemed to change the policy earlier—allowing PCTs to consider the appropriateness of a polyclinic or GP-led health centre for their area. Will the Minister confirm his view? Ministers are not insisting on consultation, ensuring consideration of the impact on patient care or basing their decisions on evidence. Ministers are not allowing PCTs to use their money instead to improve the provision of health care through existing practices. Why, for example, will they not allow PCTs to use this money to invest in community hospitals rather than GP-led health centres—the point made by my hon. Friend the Member for Beverley and Holderness (Mr. Stuart)? Why will not they allow non-spearhead PCTs to invest this money for smaller GP practices in socio-economically deprived areas, thereby reducing health inequalities? Why will they not allow this money, if desired by a primary care trust, to be invested in, for example, occupational health?

In short, the Government have been holed below the waterline as regards any suggestion that the central command and control era is over—in fact, it is going in exactly the opposite direction under this Prime Minister. At a time when the Government are closing and downgrading rural services such as post offices, local schools and police stations, we cannot have yet another local service under threat. Local accountability, local decision making, local consultation and local needs and requirements are all being overridden by Ministers. We will change that. We will empower local GPs and patients to reflect local communities' needs and requirements, driven by quality of service and by patient outcomes. Our plans will drive improvement in the provision of health care and deliver a better, more effective, more efficient and patient-focused national health service.

3.46 pm

The Minister of State, Department of Health (Mr. Ben Bradshaw): We have had a good debate, and I will try in the time that is left to respond to some of the specific points that hon. Members have made.

Before I do so, I should like to reaffirm the importance that we place on family doctors. The relationship between a patient and their local GP is one of the most important features of the NHS. As Nye Bevan said,

"The family doctor is in many ways the most important person in the Service."

[Mr. Ben Bradshaw]

We recognise the vital importance of the GP as provider and commissioner of care and as a strong advocate for their patients' health and well-being. The primary care system in this country is the envy of the world. I therefore reject the accusation contained in the Opposition's motion that GPs are undervalued and under-appreciated. In fact, there are today more than 5,000 more GPs than there were in 1997, and their average pay has increased from £46,000 in 1997 to £110,000 in 2005-06. Investment in primary care services has more than doubled from £3 billion in 1997 to £8 billion in 2005-06, and GPs as a whole do a fantastic job.

However, health care can never stand still. Sixty years on, the NHS must react to 21st century challenges, offering services that are responsive to what patients want and need. The NHS next stage review interim report, "Our NHS, our future", which we published last autumn, recognised the need to improve access to primary care and community services, and it set out a number of proposals to make services more equitable and to ensure that patients have real choice. Those included £250 million of new money for new GP practices in the most under-doctored areas, benefiting patients in 50 primary care trust areas, and for more than 150 new GP-run health centres – one in each primary care trust area in England.

Rob Marris: Will my hon. Friend give way?

Mr. Bradshaw: I will not, because I have only a few minutes to respond. The Opposition Front-Bench spokesman took rather longer than I was expecting.

Those health centres will allow any member of the public to pre-book or simply to walk in and be seen by a GP from 8 am to 8 pm every day of the week. They will all have a strong focus on promoting health, particularly to hard-to-reach groups, and on preventing health inequalities. When we talk about developing health centres or when some local parts of the health service describe plans for polyclinics, we are not referring to a single, fixed model of care. These terms describe flexible models for bringing primary care together with a range of other services, be they diagnostic services, specialist care for patients with long-term conditions such as diabetes, or social care. Research shows that the public want services that are more joined up, and it shows that more integrated care produces better health outcomes. But there is no one-size-fits-all solution. What matters is doctors, nurses and other clinicians working with the public to design integrated care to meet local circumstances. That is why the Government are providing investment for the new health centres, and why we have given the local NHS the flexibility to design the services that will be based in those centres.

Although we are not prescribing specifications for the new services – it will be up to SHAs and PCTs to design those with local communities – we are saying that there needs to be a small number of core requirements, which are expected by the public. For GP practices in under-doctored areas, those requirements include extended opening hours, engagement in practice-based commissioning and wide practice boundaries to secure the maximum level of access. For the health centres in every primary care trust area, those include: an easily accessible location; being open from 8 in the morning until 8 in the evening, seven days a week; bookable GP appointments and walk-in services; services for registered and non-registered patients; and a maximisation of the opportunities to integrate and co-locate with other community-based services.

To respond to the question put by the hon. Member for Wyre Forest (Dr. Taylor) about the role of the independent sector, even if every one of the new health centres and all of the extra capacity that we are creating in the NHS at primary care level were won by the independent sector – and that is not what is happening – the proportion of provision of primary care run by the independent sector would amount to only 3 per cent. of the national total. I would add that existing GPs are private contractors.

It was suggested by a number of Conservative Members that the public were not interested in more flexible opening hours for GPs. They claimed that there was no demand for them. I have to tell them that every single poll – not just those done by the Department, but those carried out recently by MORI and by Which – shows that it is a priority for the public. When record investment is going into GP services, they do not consider it unreasonable to be able to visit a GP at a time that is more convenient for them.

The proposals are also popular in rural areas. Dr. Michael Dixon, the chairman of the NHS Alliance, will be well known to many in this House, and he said recently:

"I know that many GPs and others have difficulty with the word 'polyclinic' – but the concept of bringing practices together and providing a greater range of integrated services in the community has to be right. It might be true that small is beautiful, but professional isolation and poorly integrated services are not. Practices need increasingly to work with each other and with other partners in primary care, whether as virtual partners or on one site."

Dr. Dixon, whom I visited with the Secretary of State last week, practises not in inner London or inner Manchester but in rural Devon. His fantastic health centre in Cullompton, far from making it harder for local people to access services, means that many people in the surrounding villages and Cullompton no longer have to travel to Tiverton or further afield to Exeter for treatment. Instead, they can receive them on their doorstep, in their local market town. Moreover, his surgery is about to embrace evening and Saturday morning opening.

When one looks at the London model, one finds that 29 out of the 31 primary care trusts in London are already working on proposals – bottom-up, not top-down – for health centres in their areas. A recent survey by the British Medical Association, no less, found that 70 per cent. of GPs in London said that their premises were "inadequate".

Mr. Lansley: Will the Minister give way?

Mr. Bradshaw: No I will not give way, I am afraid.

The hon. Member for Peterborough (Mr. Jackson) suggests that extended opening will be used only by yuppies in four-wheel drive cars who are about to fly off on holiday. I have to say that where we have had extended opening, whether it is in Barking and Dagenham or Tower Hamlets, the patients accessing

services in the evenings and Saturday mornings are not four-wheel-car-driving yuppies, but blue-collar workers, who otherwise have to take time off work and lose money from their pay packets.

Mr. Lansley *rose*

Mr. Bradshaw: Some are families with young children, and some of them are pensioners, and they appreciate the extended hours delivered by this Labour Government. [HON. MEMBERS: "Give way!"] It is not just in Devon or in London.

Hon. Members: Give way!

Madam Deputy Speaker: Order. It is obvious that the Minister is not giving way. He must be heard.

Mr. Bradshaw: The services are proving popular not only in London and Devon. In South Cambridgeshire, the constituents of the hon. Member for South Cambridgeshire (Mr. Lansley) will get a new GP-led health centre in St. Neots. The Sawston medical centre already offers integrated services, including minor operations and audiology as well as general practice. In Eddisbury, the constituency of my opposite number, the Deane Drive primary care centre has three GP practices, which offer integrated services under one roof. *[Interruption.]* From a sedentary position, the hon. Member for Eddisbury (Mr. O'Brien) admits to opening it in February.

Sheringham, in the constituency of the hon. Member for North Norfolk (Norman Lamb), houses eight GPs, with expanded services, and it recently benefited from a £1.2 million extension under the Government's LIFT programme. In response to a question from the hon. Gentleman, it is not true that the money was conditional on its being spent on extended opening, as he alleged.

As part of our current negotiations with the BMA about the new contract arrangements, we have agreed to invest up to £105 million in new GP services. That will include money to fund the pay recommendations. We reached broad agreement with the BMA on the new services, but I am afraid that I cannot announce them to the House today because the BMA is still challenging the pay recommendations. However, I share the hope of the hon. Member for North Norfolk that we can make a positive announcement along the lines that he said he would like.

The hon. Gentleman is right about the minimum practice income guarantee. As my right hon. Friend the Secretary of State made clear in his opening remarks, we will tackle that when Lord Darzi publishes his final report in the summer. I have asked Westminster primary care trust for an explanation of the arrangements that the hon. Gentleman described at Buckingham palace and Westminster school, but he will accept that they may result from the minimum income guarantee rather than anything less acceptable.

The hon. Gentleman knows that we have been involved in an intensive six-month period of work on practice-based commissioning to encourage better commissioning. The primary care trusts are now responsible for ensuring that practices are properly supported, and we will hold them to account to ensure that they give practices the necessary support to realise practice-based commissioning, to which we remain committed.

The motion must be one of the most extraordinary motions on health tabled by the Conservative party. It follows an astonishing speech by the Leader of the Opposition on Monday, which advocated giving GPs a veto over more convenient opening times, and a Conservative-supported GP petition, which states:

"We...believe that we should be free to determine the opening hours, size and locations of our practices".

The Confederation of British Industry described the Leader of the Opposition's speech as perplexing. It stated:

"Mr. Cameron's speech contains disappointing echoes of the arguments of those who have long opposed any reform of the public sector".

The speech and the motion could have been written at BMA headquarters.

The motion is accompanied by an equally ludicrous press release from Conservative central office, with the headline, "Labour's secret blueprint for polyclinics". The Tories claim to have uncovered guidance that amounted to a threat to family doctors' services throughout the country. The only problem is that my fellow Health Minister, Lord Darzi, announced the guidance in a speech at a national conference in December and it has been publicly available on the Department's website ever since.

Far from being a threat to family doctors' services, our plans will provide 265 new GP practices and GP-led health services throughout the country, on top of the existing 8,500 GP practices, with £250 million of new money. A new health centre that is open from 8 am until 8 pm, seven days a week, will be set up in every PCT area, and 103 new GP practices will be established in 50 of the least well-served areas of the country.

The public say that the ability to see a GP at a time that is more convenient to them is the one further improvement that they would like in the health service. With record investment going into GP surgeries, we on the Government Benches do not believe it unreasonable of the public to expect that improvement, and that is what our proposals will deliver.

It is extraordinary, although not surprising, that the Conservative party is aligning itself so firmly with the forces of conservatism against improving health services for the public. That might curry it some favour with the BMA, but most people can spot producer interest capture when they see it. What an astonishing—and from our point of view welcome—set of affairs that the Conservatives should be positioning themselves so firmly on the wrong side of the health argument. That is why their motion will be defeated. I commend our amendment to the House.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 211, Noes 306.

Division No. 148] **[4 pm**

AYES

Afriyie, Adam	Amess, Mr. David
Ainsworth, Mr. Peter	Ancram, rh Mr. Michael
Alexander, Danny	Arbuthnot, rh Mr. James

Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Bone, Mr. Peter
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Lorely
Butterfill, Sir John
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Dianogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Howarth, David
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Maude, rh Mr. Francis
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Öpik, Lembit
Ottaway, Richard
Penning, Mike
Penrose, John
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rogerson, Dan
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Swink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Matthew
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Wiggin, Bill
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Wiliott, Jenny
Wilshire, Mr. David
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. Crispin Blunt and Michael Fabricant

NOES

Abbott, Ms Diane
Ainger, Nick
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne

Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Elliman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hamilton, Mr. David
Hamilton, Mr. Fabian
Harman, rh Ms Harriet
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Mr. Jim
Hoon, rh Mr. Geoffrey
Hopkins, Kelvin
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rt. Joan
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hallam)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mr. Frank Roy and
Ms Diana R. Johnson

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MADAM DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House welcomes the fact that the Government is providing £250 million, in addition to existing GP services, for 152 new state-of-the-art GP-led health centres open from 8 a.m. to 8 p.m., seven days a week; notes that these will offer a wide range of health services including prebookable GP appointments and walk-in services; further notes that where patients previously had trouble seeing their GP or had to make numerous visits to a variety of health professionals, they will now be able to see a doctor more quickly, collect their prescriptions, get their eyes tested, have a variety of diagnostic tests or see a physiotherapist in the same building and at times convenient to the patient; further welcomes the additional centrally funded 100 GP practices to be located in the most deprived areas which will have a strong focus on promoting health and reducing inequalities;

[Mr. Ruffley]

think. We believe that a new Mayor could drive a new policing plan drawn up in consultation with the Metropolitan Police Commissioner that will, as a priority, slash form filling. It is unacceptable that officers in London spend more time on paperwork than they do on the beat—about one hour in five is spent on the beat compared with the time spent doing other things. That is not acceptable.

Even the commissioner, Sir Ian Blair, has said that the police need "a bonfire of bureaucracy", yet Mr. Livingstone's current policing plan up to 2010 does not list that as any kind of priority.

Simon Hughes (North Southwark and Bermondsey) (LD): As I am a London Member of Parliament, representing more than 100,000 Londoners, will the hon. Gentleman accept that although there are severe problems with which no politicians and police have yet dealt, such as gun crime and the deaths from such crime, he does this city no service by trading statistics that give a wrong impression in many respects and add to the fear of crime? Will he give a commitment that whoever wins the London mayoral election, whoever ends up on the Front Bench and whichever party is in government, his party will seek, along with the other two main parties, to agree the statistics? That would mean that this ridiculous debate, which goes on every year, could be put to bed and we could get on with discussing the issues rather than trading party political points across the Chamber.

Mr. Ruffley: The hon. Gentleman has made half of a good point, in the sense that there is confusion and a bit of argy-bargy about statistics. However, he should have listened carefully to what I was quoting, because he would have realised that the British crime survey and the Metropolitan Police Service are pretty objective sources of data, which the Labour party chooses to ignore when it suits them.

Mrs. Theresa Villiers (Chipping Barnet) (Con): Does my hon. Friend agree with my constituents in Chipping Barnet that neither the Government nor the Mayor of London have taken any kind of effective action to tackle the growing problem of antisocial behaviour and crime on our bus network?

Mr. Ruffley: My hon. Friend is entirely right. I shall come specifically to the point about the rising number of code red calls and the increasing antisocial behaviour figures, provided by the MPS, which she rightly mentions.

Clive Efford (Eltham) (Lab): Would the hon. Gentleman care to comment, in response to the hon. Member for Chipping Barnet (Mrs. Villiers), on Barnet council's website, which says that there has been a 17.5 per cent. reduction in crime between 2005 and 2008? That is a Conservative authority.

Mr. Ruffley: The hon. Gentleman would do well to listen to the BCS London figures and the MPS figures that I have quoted. *[Interruption.]*

Madam Deputy Speaker: Order. Can the debate be conducted in an orderly manner?

Mr. Ruffley: Thank you, Madam Deputy Speaker. I think that it is now time to

Several hon. Members *rose*

Mr. Ruffley: We could trade statistics all day *[Interruption.]*

Madam Deputy Speaker: Order. It is obvious that the hon. Gentleman who is on his feet is not prepared to give way at this moment in time.

Mr. Ruffley: I am grateful, Madam Deputy Speaker.

Solutions are surely what we should be talking about. They also represent a huge divide between the proposals of that lot on the Benches opposite and the constructive, well thought through and well funded proposals of the Conservative opposition in London and in the House of Commons.

Sir Ian Blair is right to identify the amount of paperwork as a problem for the police. How can we make some kind of dent in it? The Metropolitan Police Authority has talked endlessly about cutting the number of forms that need to be filled in, but it has never got around to doing anything about it. It is nonsense to say that it is not the MPA's responsibility, but the Minister for Security, Counter-Terrorism, Crime and Policing could have done much more in that regard. Moreover, any go-getting and serious Mayor who cares about law and order could play a key role in getting police chiefs to cut the amount of paperwork that police have to complete. It can be done.

The Government have been havering about one particular proposal that has been made, but we have stated clearly and unambiguously that we will abolish the stop-and-account form. No ifs, buts, maybes or promises of a review: we will cut it. In the Met area last year, 384,115 people were stopped, and the form involved is a foot long. Estimates vary, but it can take as long as 25 minutes to fill it in. On that basis, we believe that more than 160,000 police hours were taken up last year by the need to fill in a form that we will abolish when we come into power.

Ms Dawn Butler (Brent, South) (Lab): Does the hon. Gentleman agree that the Leader of the Opposition was being extremely disingenuous when he held out a stop-and-account form? He allowed the carbon copy to fall open, but the form itself is not a foot long. The police say that it takes about four minutes on average to fill one in. Does he also accept that it is not too much to ask of a policeman that he spends four minutes establishing a rapport with the person being stopped and searched?

Mr. Ruffley: I direct the hon. Lady to the review by Sir Ronnie Flanagan that was published in the first week of February. I am sure that she has heard of it, but she should try to read it as well. In it, he talks in detail about the length of the form and how long it takes to fill it in. I agree with Sir Ronnie who, being a police officer and the chief of Her Majesty's inspectorate of constabulary, knows a bit more about

these matters than anyone in this building. If she has a problem with the form, I suggest that she take it up with him.

A Conservative Government will get rid of the stop-and-account form, but we also believe that the stop and search procedure needs serious reform. An officer who stops and searches a member of the public will still need to record what we acknowledge will always be an intrusive procedure. However, not enough has been done by the Met or Ministers to put in place a system whereby the essential details of a search are radioed in to a police log at a call centre, where they could be taped.

Using that method, stop and searches would still be recorded, but in a paperless way. That would save time and bureaucracy and, under our proposal, a person unhappy about the circumstances of a search would still be entitled to visit a police station and request the information held about it. What could be easier than that? All that it requires is a bit of the political will so sadly lacking in the Labour party and in the London Mayor who, I believe, has held office for far too long.

With their new laws, targets and forms, this Labour Government have presided over piles of paperwork, both locally and nationally. The Minister repeatedly claims that 9,000 forms have been cut nationally, yet—amazingly—he refuses to publish the list. If his officials have counted that many forms, he must surely have such a list in his possession. Will he publish it today? I bet that the answer is no.

Harry Cohen (Leyton and Wanstead) (Lab): Earlier in his speech, the hon. Gentleman slipped in the remark that, if the Conservatives won the election, they would redistribute parts of the crime budget. That would be their prerogative, but the current Mayor has offered London boroughs some £79 million to help in the provision of youth facilities. In many cases, the areas that would benefit are the ones with the most gun crime. Would the Conservatives cut that money, or redistribute it away from those areas?

Mr. Ruffley: The hon. Gentleman asks a very long question, but it has a very simple answer: we will not cut that money.

London needs proper leadership from a new Mayor who is dedicated to helping the police, but the second problem has to do with how we can make trains and buses safer. In 2007, Mr. Livingstone stated:

"London's buses are a low-crime environment".

I am afraid that the facts tell a radically different story. Tube crimes are on the increase, public disorder offences increased by 33 per cent. between 2005-06 and 2006-07, criminal damage was up by 36.9 per cent., and sex offences on the tube were up by 14.9 per cent. The source for that, if anyone really wants to trade statistics, is the British Transport police's statistical bulletin 2006-07. I was with members of the British Transport police this very lunchtime, and they confirmed those figures to me personally. If any Labour Member wants to intervene on me, I am happy for them to do so. No? Okay.

Tube crime—up. Crime on the buses—up. The London assembly's transport committee found at the beginning of the year that overall crime on buses increased by just over 17 per cent. between 2004-05 and 2005-06. The source for that is the committee's report of January 2008.

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): Will the hon. Gentleman give way?

Mr. Ruffley: If it is to make an intervention on that point.

Ms Buck: I am grateful. If I heard him correctly, the hon. Gentleman was citing figures for 2004-05 and 2005-06. Actually, to give us a common baseline for the most recent year, the figures show an 11 per cent. fall in crime on London's buses. That selective use of statistics, which he accuses other people of, calls his entire argument into disrepute.

Mr. Ruffley: Not in the least, because no one in this House, and I hope that the hon. Lady is not an exception, thinks that crime on the buses or on the tube—*[Interruption.]* Is it higher or lower than when the Mayor came into office? Right, okay. I think we have the answer to that.

Stephen Hammond (Wimbledon) (Con): If we are going to trade statistics about the buses, I shall say that Transport for London's latest press report on numbers, which had a 2006 baseline, indicating the year 2007 numbers, mentioned a 3.4 per cent. increase.

Mr. Ruffley: I am grateful to my hon. Friend.

Assaults on the buses are up. TfL's internal papers confirm that the most recent period showed a 10 per cent. increase in the number of assaults on passengers, staff and members of the public compared with the same period last year. The source for that is the surface advisory panel's documents of 13 February 2008, page 49, for those who might be interested.

Antisocial behaviour on the buses is also up. Under-18s travel free on the buses in London, which is a good thing, but we all know that a minority of under-18s abuse that cherished privilege. TfL's figures show that incidents of code red calls made by bus drivers in London due to antisocial behaviour increased from about 470 cases in August 2005 to 697 cases by the end of 2006. That is from the managing director's report.

Justine Greening (Putney) (Con): I am sure that my hon. Friend also recognises that many of the victims on buses are young. Often, they hope that adults on the bus will get involved, but adults these days do not want to. They feel completely on their own when they are confronted with such problems on buses.

Mr. Ruffley: I agree entirely with my hon. Friend.

Mr. Boris Johnson (Henley) (Con) *rose*—

Mr. Ruffley: I was going to come on to my hon. Friend's proposals to meet the concerns of my hon. Friend the Member for Putney (Justine Greening).

Mr. Johnson: I agree deeply with my hon. Friend's profound analysis of what is going wrong on London transport. The 100 per cent. tolerance of so-called minor disorder and minor crime on the buses and the tubes is aggravating more serious criminality on the streets and leading to the real scandal that a person is

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twice as likely to be mugged on our streets in London today as in New York. That is because we have 100 per cent. tolerance of so-called minor crime.

Mr. Ruffley: As ever, my hon. Friend gets it absolutely spot on. Like many on the Conservative Benches, he has learned the lesson that if one cracks down on so-called low-level crime in a zero-tolerance fashion, that inevitably leads to a cut in much more serious offences, as night follows day. That is what the empirical evidence around the world demonstrates. It is taking my hon. Friend to speak out and say that London needs a Mayor who believes in that policy. The current Mayor clearly and palpably does not.

Robert Neill (Bromley and Chislehurst) (Con): Are not my hon. Friend's last point and the point made by my hon. Friend the Member for Putney (Justine Greening) reinforced by the extraordinary development that, when a London headmaster wrote to the Mayor complaining of abuse of the free travel pass leading to attacks on the school pupils for whom he had responsibility, the Mayor's response was to have the arrogance and temerity to describe that decent headmaster as a Victor Meldrew? What sort of political lead is that from the Mayor of London?

Mr. Ruffley: It is no kind of leadership and my hon. Friend's point, like that of my hon. Friend the Member for Putney, speaks to arrogance and complacency about antisocial behaviour in public spaces, especially in London transport settings.

From the start of the travel pass scheme in September 2005 until July 2007, only 394 bus passes were permanently withdrawn from under-18s despite the fact that there is clearly a problem, as has been demonstrated both in Putney and in Bromley. The TfL behaviour code defines antisocial behaviour in ways we would all recognise—using offensive or threatening language, smoking, playing music very loudly, damaging or defacing photo cards, physical or verbal abuse, unlawfully carrying a weapon and drug use. TfL figures show the staggering statistic that 65 per cent. of Londoners have experienced or witnessed antisocial behaviour on buses or tubes in the past two years—two out of three Londoners. That is a fatally depressing statistic of which Mr. Livingstone should be wholly ashamed.

We need a new London Mayor to tackle that level of dissatisfaction.

Mr. Graham Stuart (Beverley and Holderness) (Con): It is not surprising that the Mayor is not in sympathy with the naturally law-abiding citizens of London because in earlier years he preferred to spend time with Sinn Fein rather than with Ulster's police force. London people were prepared to forgive him that and give him a chance. They hoped that he had changed; but as he has shown that currently he prefers the company of homophobic, hate-filled extremists to that of people interested in community safety we can see why his character is not suitable to be Mayor of the city.

Mr. Ruffley: My hon. Friend makes a typically powerful point. The current London Mayor—I hope we do not have him for too long—is tolerant not only of low-level crime but of serious crime and he should go.

In addition to the sanctions we believe should be attendant on under-18s' antisocial misbehaviour, which breaks the behaviour code, there should be permanent withdrawal of their bus passes until they participate in a restorative justice programme to earn them back. That is an excellent and original idea proposed by my hon. Friend the Member for Henley.

As well as those sanctions, we want more police visibility, which we can pay for in part by employing fewer press and communications officers. According to the Central Office of Information, Mr. Livingstone has more press officers than the Prime Minister, although as his popularity rating is almost as dire as the Prime Minister's we might wonder whether that is a good use of Londoners' money. Transport for London forecasts that it will spend £66 million on advertising, marketing and communications in 2007-08. It would be a sensible idea to cap that spending in real terms rather than going ahead with the £84 million requested by Mr. Livingstone. Those figures are from the Greater London authority group budget report, 2008-09. Under our proposal, £16.5 million of the money saved would be redirected to the existing safer transport teams and would pay for approximately 440 police community support officers, delivering more visible presence on our transport network—approximately doubling their strength.

Police support officers are valued by the Conservatives; they could particularly help to crack down on one of the low-level issues identified by my hon. Friend the Member for Henley—fare evasion. Why? Punish the smaller offences and the larger ones will diminish in number. The example that we have already mentioned is New York, but there are other examples in cities around the world.

In 2006, fare evasion in London rose from about 2.3 per cent. to 3.18 per cent on conventional buses, with a cost to the taxpayer of £36.7 million. On bendy buses, fare evasion rose by a much bigger amount, rising from 7.8 per cent. to 9.3 per cent. That is more than double the rate on conventional buses. Those are figures that my hon. Friend the Member for Henley has delved into, and they are quite worrying. The revenue loss on bendy buses alone was £8 million, and the total loss for all buses was in the region of £46 million. That is about £1 million a week in lost revenue. Every criminal who evades their fare and is not caught is a criminal who may have form for more serious offences, so the issue is not just about lost revenue.

TFL deploys about 300 revenue protection inspectors on its entire bus network, about 200 revenue control officers on the underground, and about 200 traffic enforcement staff. Considering that there are about 7,700 normal buses and about 300 bendy buses, there is a minimal chance of people being caught, and offenders know it. We hope that a new London Mayor will be able to direct the Metropolitan Police Authority to investigate, in partnership with TFL, giving revenue protection inspectors new and better powers, including, for the first time, the power to take names and addresses, so fare-dodgers can truly be held to account.

Joan Ryan (Enfield, North) (Lab): I should tell the hon. Gentleman that we have police community support officers on our buses already. I am all in favour of dealing with what he calls low-level crime, but no one

could take seriously what he and his party's mayoral candidate say about policing in London and about chairing the MPA unless they answer the serious questions that they are trying to dodge. Why did he and the hon. Member for Henley (Mr. Johnson) vote against mandatory five-year sentences for illegally carrying a gun? Why did the hon. Member for Bury St. Edmunds (Mr. Ruffley) vote against antisocial behaviour legislation? Admittedly, the hon. Member for Henley makes a very good game show host, but I do not think that he is a serious candidate for London Mayor.

Mr. Ruffley: I am afraid that that was not a serious intervention.

Moving on from buses to suburban railway stations, the London assembly's transport committee recently expressed its dismay at the "glaring loopholes" often

"left in the security net"

in relation to suburban railway stations. Many outer London station platforms are often unmanned by quite an early time in the evening.

As I have said, I had the privilege of visiting the British Transport police today; I was with them up until this debate started. They cover a huge rail network, which extends way beyond London, with a mere 427 fully warranted officers and 303 PCSOs and support staff. In 2003-04, just over 15,000 offences were committed at overground stations, but by 2005-06, that figure had risen to more than 19,300. We propose that about £3.1 million earmarked for the MPS advertising and spin doctor budget be released to fund approximately 50 extra fully warranted officers.

Those new officers could patrol suburban station platforms, particularly the stations with the highest levels of crime. We are talking about not just the inner city but the outer parts of London, which, sadly, the Mayor treats with arrogant disdain. He seems to think that his heartlands are in the allegedly tough, hard areas of the inner city. We want some attention to be paid to the suburbs of this great city, and the proposal of my hon. Friend the Member for Henley would ensure just that.

Closed circuit television has been deployed and used by the London authorities, but we believe that more can be done. We propose that £150,000 – a modest sum that could be found from the more wasteful parts of the Mayor's already rather wasteful budget – be used for a CCTV trial for 20 of the most dangerous bus routes in London, lasting approximately six months. The capital cost for new equipment is about £3,000 to £3,500 a bus. Running costs for the cameras, aside from the capital element, would be about £45.

Mr. Boris Johnson: It may help my hon. Friend to know that the proposal is for live CCTV on buses. As I think the right hon. Member for Enfield, North (Joan Ryan) is about to say, there already is CCTV on buses, but in only 5 per cent. of cases is that CCTV made available when a crime has been committed.

Mr. Ruffley: My hon. Friend anticipates me. Our proposal is for instant access real-time live CCTV. It has taken my hon. Friend to come up with this innovative idea. The Mayor has had eight years in which to roll it out. Instant access real-time live CCTV would be particularly useful where a code red call is received. We could then prioritise calls that required emergency police assistance. Subject to the trial working as we believe it will, police officers would have the ability to dial into the system to see what was going on in real time, using mobile technology where that was available.

The police could also record the footage in real time and use it as instant evidence, rather than having to wait for the bus companies to send them recorded footage, as they do at present, which wastes huge amounts of time. I heard only this morning that one of the problems – an evidential problem – is that often the Crown Prosecution Service will not charge until it has reviewed the CCTV evidence, which can take weeks to reach the CPS and the police at the station. Everybody knows that. My hon. Friend has a solution to the problem; the Labour party in London has had eight years and done nothing about it.

Keith Vaz (Leicester, East) (Lab): Has the hon. Gentleman had the opportunity to see the evidence given to the Home Affairs Committee in our inquiry on the surveillance society? He is right. There is a demand for more cameras, but there are additional costs in viewing the footage. It is not just a matter of installing the cameras and making sure that the footage is viewed live. The resources are needed to enable people to look at that footage before they make the decision to prosecute.

Mr. Ruffley: The right hon. Gentleman is right, but he surely recognises that viewing must take place anyway. We argue that real time gives advantages, and that waiting three weeks for the hard copy to arrive through the post is not acceptable. I am not entirely sure that I understand his point.

Thirdly, we propose that new measures on violent crime, particularly in relation to knife and gun crime, be taken. On the Mayor's own figures, 10 gun crimes a day take place in London, which is higher than when he took office. We believe that more should be done in relation to hand-held scanners. We all know that the British Transport police began Operation Shield in London to tackle the scourge of the carrying of offensive weapons through the use of hand-held metal detectors and walk-through detection arches.

We have looked at the Metropolitan Police Authority reserve, particularly the contingency reserve where we believe that 2 per cent. of net revenue is squirreled away. The current budget proposal includes a reserve of about 2.4 per cent. We would reduce that to 2.3 per cent. That could release up to £2.5 million for more detectors. The British Transport police are using one model of metal detector for Operation Shield. The Met have a preferred model, AD11-2, which is a lot cheaper. Depending which option we went for, our £2.5 million, which we show we can provide, would pay for up to an additional 26,000 hand-held scanners.

Not enough cognisance has been taken by the current London Mayor of best practice established by the Association of Chief Police Officers. ACPO's Secured By Design standards result in a quarter less crime in housing estates than in non-Secured By Design housing estates. Those standards cut crime and the fear of crime. Despite Mr. Livingstone's two terms in city hall, there is not much sign of that being made a priority.

[Mr. Ruffley]

Our fourth proposal concerns rape crisis centres. Only one for the whole of London based in zone 5 is woefully inadequate and does not acknowledge the fact that sex offences have risen in the capital. There were 546 more sex offences during 2006-07 than in 2000-01.

We have a fifth and final proposal. We believe that the police service should be made more accountable to Londoners and we have said that for the first time there will be online crime mapping by street and neighbourhood. We have inadequate, unhelpful and difficult-to-access crime maps, of which the biggest two are in the west midlands and West Yorkshire. It is high time that the greatest city on earth had online access so that people do not have to read dodgy Government statistics, but can see crime street by street, neighbourhood by neighbourhood. That will improve their confidence in police figures and allow them to hold their local basic command unit commanders to account.

We see a Labour Mayor and a Labour Prime Minister out of ideas and out of excuses when it comes to their failing crime record. The Opposition believe that it is possible to take the handcuffs off the police and give Londoners the law and order policies that they so richly deserve.

4.55 pm

The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Tony McNulty): I promise faithfully, Madam Deputy Speaker, that I shall not call you Madam Deputy Mayor, at any stage during our deliberations as I did some time ago.

What we have just heard was quite shameful and pathetic. The hon. Member for North Southwark and Bermondsey (Simon Hughes) is right to suggest that whatever the failings of London, it does no one in the House any good to indulge in the sort of hysterical caterwauling that we have just heard, rooted in bogus statistics, invented to scare, petrify and frighten.

Mr. Ruffley: Will the right hon. Gentleman give way?

Mr. McNulty: Absolutely not, given the hysterical nonsense that we have just had, and I will come on to why it was.

Mr. Evennett: Rattled.

Mr. McNulty: I do not lose my rattle.

Madam Deputy Speaker: Order. May we please have this debate conducted in an orderly fashion?

Ms Buck *rose—*

Mr. McNulty: I will give way to my hon. Friend in a moment, but let me finish this point. Serious crimes are committed in London—

Mr. Evennett: Rattled.

Mr. McNulty: Not rattled. Grow up.

Mr. Evennett: Tetchy.

Mr. McNulty: Not tetchy either, thank you very much; serious.

Madam Deputy Speaker: Order. If Members wish to intervene, they should do so in the correct manner.

Mr. McNulty: I am trying to inject a degree of seriousness into the debate that has been sorely lacking.

Mr. Ruffley: Still is.

Mr. McNulty: The hon. Gentleman will hang himself from his own mouth; that is not my business.

In 2001-02, to acclamation, the Government introduced the national criminal recording standards. The National Audit Office, all professionals, everybody, said that that was a far better way to count crime. Among other things, if there was an affray in London or elsewhere before the introduction of NCRS, however many people were involved, however many victims, it would have been treated as one crime. After the introduction of NCRS, they were treated as five victims and five crimes, quite rightly. The hon. Gentleman knows that. That is why making comparisons with before 2003 is utterly erroneous and utterly bogus.

I note that the hon. Member for Henley (Mr. Johnson) has left the Chamber. I hope that the crisis in Oxfordshire is momentary and that he will be able to join us again. He gave London about an hour in an Opposition day debate. Let us have the debate, but let us have it, as the hon. Member for North Southwark and Bermondsey suggests, on serious terms with serious figures.

Ms Buck: In the annual guide to what one pays and what one gets, my Conservative-controlled borough of Westminster records as No. 1 in its top 10 achievements for 2007-08 a fall in total crime figures, including a 6.8 per cent. reduction in burglary. Kensington and Chelsea, a borough for which I am also Member of Parliament, also announces that burglaries have been slashed and says that Kensington and Chelsea residents are less likely to be victims of burglary today than at any other time this century, and that burglary figures have halved in just seven years. Does my right hon. Friend agree that even those who dispute the Metropolitan police figures, even those who dispute the crime statistics that were all welcomed in 2000, might pay some regard to figures that have come from their own Conservative local authorities?

Mr. McNulty: I agree, and my own borough is in the same position. The Opposition motion states:

"That this House supports the dedication of police officers in the City of London Police, the Metropolitan Police Service and the British Transport Police",

which we all do. However, there is a fine line when politicians play foolish and bogus statistical games, which, by the bye, is to treat Londoners as idiots. There is also a fine line on traducing the work of not only every single policeman and woman who is out on the beat in our capital city, but every council of whatever hue working through crime and disorder reduction partnerships to secure those figures. Does that mean complacency? No, of course it does not. Does it mean that there is not a whole lot more to do in a range of areas, which I shall discuss later? Of course it does not.

Let us get serious about London. I do not blame the hon. Member for Bury St. Edmunds (Mr. Ruffley), who is from Suffolk and who could not care less about London. However, London Members should be serious, because it does not do London justice to play around with bogus figures.

Simon Hughes: I commend the Minister on his approach. I am not here to defend the current Mayor in the election campaign or to speak in favour of Labour policy, but a former Labour Home Secretary sought to establish an agreement across the parties with the Office for National Statistics on crime figures. Does he agree that it would be worth while to seek to do that again? Will he condemn those people in any party in any London borough who seek for party political purposes to misrepresent crime generally, and violent crime specifically, as going up, when it is going down, which increases the fear of crime among ordinary people on the street?

Mr. McNulty: Many of the recommendations in the Smith review came out of that cross-party initiative on criminal statistics, which included Liberal Democrats and Conservatives, and has been implemented on my watch. Some of the recommendations have not been implemented, because there are difficult issues surrounding, for example, the definition of an assault—it involves harassment and other areas. Grown-up politicians in this House now agree on the figures. Let us—mayoral candidates and otherwise—debate the policies and the substance; but we should not debate the basic statistics, which is utterly shameful.

Mr. Nick Hurd (Ruislip-Northwood) (Con): My constituents are not idiots, and they probably tune out the ding-dong on statistics. However, they are genuinely concerned to read that Hillingdon has the third highest crime rate in London and that crime is running at the record level of 72 crimes a day. They also recognise that public finances are considerably stretched. Will the Minister guarantee that numbers of sworn police officers will not be cut in the borough of Hillingdon and that there will be no review of the policy of full-strength safer neighbourhood teams across every ward in the borough?

Mr. McNulty: I can give that guarantee, but only if Ken Livingstone is Mayor on 2 May. I cannot give such a guarantee given the erratic nature of the Conservative candidate, who has made it clear that he has not got a clue about finance and London generally.

Returning to the hon. Gentleman, Hillingdon council—it is one of his rather than one of mine—has stated that

"crime figures are at a 5-year low. Personal robbery is at its lowest for 3 years, vehicle crime is at its lowest for 5 years and assaults are at their lowest for 5 years."

The hon. Gentleman should join me in congratulating Conservative Hillingdon on all it has done working with the Metropolitan police under the Mayor's tutelage to achieve those figures.

Mr. Love: Will my right hon. Friend congratulate the Mayor of London on not only the significant increase in the number of police officers in London, but the introduction of safer neighbourhood teams across the capital, which have made such a difference to crime at a local level?

Mr. McNulty: Absolutely. In terms of the pace of introduction, that took place in the teeth of Conservative opposition. Conservatives said that it could not be done London-wide in the original time frame, let alone a year early. As an outer London, suburban MP—my constituency is next door to that of the hon. Member for Ruislip-Northwood (Mr. Hurd)—safer neighbourhood teams are making as much of a difference in the outer London suburbs as they are in inner London. The notion that the past eight years have all been about a zone 1 mayoralty is nonsense.

Ms Butler: In my constituency in Brent, murders decreased from 10 to four in 2006-07, which is the reality of the extra investment that has gone into the police. The Opposition need to discuss statistics in terms of the reality for people on the ground. That is still four murders too many, but there has been a huge reduction. Will my right hon. Friend discuss the British Transport police? When Transport for London took over the Bakerloo line, there were 50 additional British Transport police, the stations were cleaned, the number of guards was increased and fare evasion was cut by more than half.

Mr. McNulty: Again, I agree; my hon. Friend has mentioned another dimension. I agree absolutely that four murders are four too many—27 young people murdered are 27 too many. But again, Londoners should not be treated like idiots. If Boris Johnson is the Mayor on 2 May, that appalling—

Mr. Deputy Speaker (Sir Michael Lord): Order. The Minister knows what I am about to say; perhaps he would like to correct himself.

Mr. McNulty: If you, Mr. Deputy Speaker, did not correct me, my right hon. Friend the Minister for London would have, according to the press—I probably owe her a fine. If the hon. Member for Henley becomes Mayor on 2 May, nothing will change dramatically in the magical way suggested by the pretty little package on crime. Most of its policies are overheated or already being done. London will deal with the issues together. It is absolutely false to suggest that the hon. Gentleman has some magic bullet, rooted as his policy is in the load of bogus figures from the hon. Member for Bury St. Edmunds.

Angela Watkinson (Upminster) (Con): Will the Minister acknowledge that crime statistics from whatever source—a council, the Metropolitan police or the Home Office—have their limitations? They relate only to recorded crime. Does he acknowledge that a large amount of crime goes unreported?

Mr. McNulty: Yes, of course I accept that; that is partly what the changes to the national crime recording standard are all about. However, I do not accept entirely fallacious comparisons before and after significant changes in the statistics. I agree with the import of the hon. Lady's observation: we should not be squabbling about statistics, other than when they are

[Mr. McNulty]

as flagrantly abused as they have been today. We should, and I want to, look to the policies and substantial ways in which we collectively – Tory borough, Labour borough, Liberal Democrat borough and all Members of this House – can deal with the issue so that London remains, and improves as, the best city on the entire planet.

Simon Hughes: I am very grateful to the Minister. I shall not intervene on him again. Many of us, across the parties, have tried to deal with crime in this city. It is still far too high, although it is going down. Some of us find it absolutely amazing that on a day when the Conservatives have chosen the subject and time of this debate, and allocated only three hours to it, the person whom they put forward to speak on this issue does not even give London the courtesy of being here for those three hours. That is absolutely disgraceful and symptomatic of a completely irresponsible Johnny-come-lately attitude on the part of the hon. Member for Henley (Mr. Johnson).

Mr. McNulty: Let us be fair: the hon. Member for Henley gave us 40 minutes, which probably stretched his attention span. Let us not be unduly ungenerous.

Mr. Dismore: To square the circle, the hon. Member for Henley (Mr. Johnson) was hardly here the last time we debated policing in London – nor was he here for the housing debate that we had immediately before this one. I want to put to my right hon. Friend the point that I wanted to put to the hon. Member for Bury St. Edmunds (Mr. Ruffley). My right hon. Friend talked about the safer neighbourhood teams; does he also welcome the safer transport teams?

In Barnet, we have a team of 22 officers and police community support officers. My borough commander has praised it as effective in combating crime, providing reassurance and collecting intelligence. Will my right hon. Friend condemn Brian Coleman, the Greater London assembly member for Barnet and Camden, who described the new team as a gimmick when it was introduced? How does that square with what the Conservative party says about safer transport teams? It now says that they are a good thing.

Mr. McNulty: I am afraid that we get that sort of thing all the time. Much of the antisocial behaviour legislation that the hon. Member for Bury St. Edmunds prays in aid as somehow magically discovered by the hon. Member for Henley was dismissed at the time of introduction as an utter gimmick that would not tackle the real issues in London's boroughs. I fully accept what my hon. Friend says and happily condemn Brian Coleman in all sorts of ways, including for the reason given by my hon. Friend.

For the record, I should say that £140 million a year is being spent by the Labour Mayor on transport policing. That means 1,200 officers in the transport operational command unit, 450 additional uniformed officers in safer transport teams, as my hon. Friend mentioned – mostly rooted in outer London suburbs such as his borough and mine. There are more than 700 uniformed British Transport police officers on the underground and docklands light railway and 100 such officers on the overground rail system in London. They provide reassurance and rapid deployment to crime hot spots. Furthermore, the Government have put in place a whole series of antisocial behaviour powers specific to the BTP, with the Mayor working very closely with it and the Metropolitan Police Service in that regard.

Joan Ryan: I do not know whether my right hon. Friend has yet had time to read "Enfield Council News", which tells us, as I am sure that he will be pleased to know, that the overall reduction in crime in Enfield has been 5.3 per cent. Perhaps more important than that percentage figure is the fact that that means that there are 1,386 fewer victims of crime. That is a very important figure. Not all Conservatives are as deerying or churlish about that success in fighting crime as those in the Chamber. The cabinet member for community safety and the voluntary sector, who is a Conservative member, says:

"This is excellent news. Our colleagues in the Met have been working extremely hard to make sure that those who commit crime are caught and brought to justice swiftly and effectively."

I echo those words. Will my right hon. Friend comment on the degree to which this is being replicated across London boroughs?

Mr. McNulty: I can tell my right hon. Friend that it has been replicated across London boroughs. The most interesting thing is that three of my hon. Friends in the Chamber are from outer London boroughs – the areas supposedly being starved of resources and attention by the Mayor. I am afraid that I am a rather impatient man, so I did not wait for the latest edition of "Enfield Council News" but went on to the website, which refers to offences having fallen by nearly 10 per cent. between 2003-04 and 2006-07 – a trend that continues in 2007-08. That matters in terms of substance, as it goes on to talk about notable changes such as motor vehicle crime being down by 17.6 per cent., residential burglary down by 8.9 per cent., and sexual offences down by 22.5 per cent.

Robert Neill *rose*

Mr. McNulty: Those statistics matter and show what is going on in reality.

Robert Neill: Will the Minister give way?

Mr. McNulty: I was not sure if the hon. Gentleman was rising – of course I will.

Robert Neill: I thank the Minister for giving way in his ever-courteous manner. Given that he claims that the Government have had so much success and invested such a large amount of resources, why were 27 teenagers murdered in London last year as opposed to 17 the year before? How is that a measure of success?

Mr. McNulty: That is almost beyond contempt and quite shameful in the context of 27 times pain and tragedy for local families. The notion that the record level of police officers who are on our streets would, if somehow further increased, reduce those tragedies is complete and utter nonsense.

Robert Neill: Pontius Pilate.

Mr. McNulty: No—absolutely not Pontius Pilate.

Mr. Deputy Speaker: Order. May I suggest to the House that we try to lower the temperature a little? Nothing is gained by personalising these matters or arguing for ever about statistics. I know that other things are happening outside this Chamber, but the House should also bear it in mind that this debate is really about what this House has responsibilities for. I should be grateful if the Minister and all hon. Members would bear those thoughts in mind as we proceed.

Mr. McNulty: I take your admonition entirely, Mr. Deputy Speaker.

In the third or fourth paragraph that I read, and in my response to my hon. Friend the Member for Brent, South (Ms Butler), I said that the four murders last year in her borough were four too many. No Labour Members, or, I think, Members in most parts of this House, are washing their hands of the levels of crime in this fair city of ours. To be very serious, up to about eight years ago, when we first recaptured a London police authority, and in my own Department in the '70s, '80s and '90s, there was perhaps far too much washing of hands and coping with acceptable levels of crime instead of dealing with it. That is not what has prevailed over the past 10 years, even on the sort of figures that the hon. Member for Bromley and Chislehurst (Robert Neill) introduces and overcooks. There has been a significant decrease in crime, according to the Met's own figures. That has been repeated quite happily by a range of Conservative councils throughout London, and I pay credit to them for assisting in that process, along with Labour and Liberal Democrat councils. We cannot have it all ways. We cannot traduce the figures, and by traducing them, traduce what every single policeman and woman does in service to London, nor can we have a series of policies proffered that treat London as though nothing has happened for the past eight or 10 years—as if it were year zero.

It was suggested that we get rid of the stop-and-search account. That is going to be done. The Government accept fully what Ronnie Flanagan says about the stop-and-search account. That will be done—so nothing new there. Section 30, section 60 and section 44 stop-and-search details are being looked at as we speak. Section 44 of the Terrorism Act 2000 is certainly being looked at; I initiated the consultation myself some months ago. There has also been an undertaking by the Metropolitan Police Authority, under the Mayor's tutelage, to look in great detail at every aspect of stop-and-search in London.

There are more police, with a greater uniformed presence on our buses and trains and in public spaces, such as stations. That process has been going on for quite a while. I had a hand in it myself some time ago, when I was the Minister responsible for London's transport and I worked closely with the Mayor. He is a Mayor who, I might say, understands entirely how much a bus costs and how much it costs to run. As a starting premise, we should accept what our police, our police community support officers, our councils and the people of London have done, working together with our Mayor.

Mr. Evennett: I shall try to be constructive, but is it not true that the police are spending less time on patrol and on front-line policing than they were? Is the Minister looking at that, with a view to getting more police on patrol?

Mr. McNulty: Yes we are, as Ronnie Flanagan said in his report and, I hope, as we will say in some depth in the forthcoming policing Green Paper in the spring. I take some of the hon. Gentleman's point to heart. More and more of our policing teams need to be out on the front line, and increasingly they are. We have heard a rather bogus slicing of figures this way and that by the hon. Member for Bury St. Edmunds, who used them rather obtusely instead of just using the figures themselves. I do, however, accept the starting premise of the hon. Member for Bexleyheath and Crayford (Mr. Evennett).

The absolute key has been getting neighbourhood policing teams in place in every ward in London. By any token, that is an astonishing feat in the defence of law and order. It is to the great credit of the Mayor and the leadership of the Metropolitan police, and it should not be traduced lightly by Johnny-come-latelies of any description, whether they can be bothered to attend these debates or not.

By the bye, Conservatives' debates on crime in London are rather Olympian in nature. I have checked, and this is the third Opposition day debate on crime in London that they have managed during my 10 years in the House. They come along every four years. We had one in 2000, just before the mayoral election. I understand the hon. Member for North Southwark and Bermondsey will know far better than I. There was one in 2004, after the election, and we are having one now. We are pleased that momentarily, perhaps every four years, the Opposition show some concern about crime in London. I do not decry that, but perhaps it might be helpful if they did so a bit more often.

We broadly agree with the other points made by the hon. Member for Bury St. Edmunds about sorting out crime in London, largely because many of them are being dealt with already. We have already made sure that the Met and other police services are moving towards ensuring that local crime information is provided so that communities can hold basic command unit commanders to account. There might not yet be a pretty little map, but if the extent of the contribution of the hon. Member for Henley to policing in London is that there should be a pretty little crime map as well as the information, God bless him.

With regard to substance, it is quite right that more and more is being done on our transport network and in our town centres. In many areas, councils working with the police are doubling—and more—the number of safer neighbourhood teams in specific town centres. That is all built on a good record that stands up to any sort of scrutiny. It is not sufficient and does no one credit to dismiss measures as gimmicks when they are introduced, yet now say they are the best things since sliced bread.

The Mayor of London has made it clear for some years that he wants the formula under the Proceeds of Crime Act 2002 to be recalibrated so that more goes to the Metropolitan police and local policing services, rather than to the judiciary, the prosecution or the

[Mr. McNulty]

Home Office. My right hon. Friend the Home Secretary said that she was minded to consider that, especially in the context of drug seizures, and to ensure that it happened. At the time—barely weeks ago—the right hon. Member for Haliemprice and Howden (David Davis) dismissed it as a gimmick, yet the hon. Member for Henley now apparently thinks that it is a good idea. Perhaps if the two connected now and again, we could get some consensus and have a proper debate about how that would help London.

An enormous amount of work has been done, although it is not enough—God knows enough tragedies happen that show that it is not enough. However, the tackling guns and gangs action programme has done much work, which led to Operation Kartel. Action took place during the February half-term in 11 boroughs, supported by TGGAT, which led to a 50 per cent. reduction in gun-enabled crime compared with the same period in 2007; a 26 per cent. reduction in knife-enabled crimes; 542 fewer personal robbery offences, and the seizure of 170 weapons, a good deal of cash and a kilo of cannabis. We are already considering purchasing 200 hand-held search wands for several operations targeting those who carry weapons. Those measures are not panaceas. Taken together, they will help to drive down crime and liberate our communities from its impact.

We are considering establishing a mediation service to prevent gun feuds from escalating. We are working with colleagues from the Department for Children, Schools and Families to try to ensure that the youth action plan and our tackling violent crime action plan knit together the contributions from a range of central and local authorities. No doubt that will be helped by the Mayor's plans to bring a further 1,000 officers into the Met and by working with London's communities to listen to and tackle their concerns, not least through the neighbourhood policing teams, which matter, as I think everyone would agree.

In London, the security and safety of all our communities is our No. 1 priority and I contend that it is the No. 1 priority of the Mayor of London.

Mr. Dismore: I am pleased that the Mayor, if he is re-elected, has identified the resources for an extra 1,000 police officers. However, is my right hon. Friend aware that Richard Barnes, the Conservative leader of the London assembly, said that he did not think that so much money should be spent on police in London? Of course, he knows that the hon. Member for Henley (Mr. Johnson) said that the police and transport should be subjected to cuts.

Mr. McNulty: My hon. Friend is right. On a range of other policies, we have heard nothing substantially new.

The Opposition tell us that withdrawing free bus passes from young people would be new and novel, yet almost 10,000 have already been withdrawn. We are told that action under the Proceeds of Crime Act and fighting for London's assets are new ideas, yet the hon. Member for Henley voted to weaken the provisions in the Act and cannot afford us more than 40 minutes of his time. All those matters are far too important for anything other than a broad consensus on what unites us in fighting crime and offending in our communities. That consensus appears to exist among most MPA and GLA members. London is ill served by trivialisation and shroud-waving by the hon. Member for Bury St. Edmunds and the hon. Member for Henley, who will remain the hon. Member for Henley and nothing more after 2 May. I commend the amendment to the House.

5.24 pm

Tom Brake (Carshalton and Wallington) (LD): This is definitely the debate that Londoners want us to have just one week ahead of the mayoral elections on 1 May. Like my hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes), I am astounded to see that the one mayoral candidate who could be here to take part in this debate has not taken full advantage of the opportunity. I also wonder whether some of the more diligent Conservative Members of Parliament representing London, whom I see in the Chamber regularly, might not be feeling that the hon. Member for Henley (Mr. Johnson) is letting the side down very badly.

Like many hon. Members present, I was elected in 1997. At that time and for some years afterwards, there was a tendency among Liberal Democrat and Labour Members to blame the previous Administration for every fault that we encountered. We have moved on since then and it is now, rightly, this Labour Government's responsibility if they have failed to tackle crime. However, it is also worth reminding hon. Members of a few salient facts, because we need to consider what the Conservative Opposition are saying alongside their track record when they were last in government and in a position to deliver an agenda of cutting crime.

Hon. Members will remember that in the five years of the last Conservative Parliament, police numbers fell throughout the country as a whole and even more dramatically in London. Hon. Members will know that John Major specifically promised to increase police numbers by 5,000, yet police numbers fell. It is perfectly legitimate to remind ourselves of those facts when we consider the pledges, plans and promises put forward by the Conservative party. The lesson that we have all learnt is that they need to be taken with a huge pinch of salt.

It is perhaps more legitimate to consider the credentials of the hon. Member for Henley, who has put himself forward as the Conservative mayoral candidate, and to examine in what respects his experience will be relevant to being the Mayor of London. I have here a helpful crib sheet, which is being sent out across London, that sets out the hon. Gentleman's CV, which reads as follows:

"Sacked as a Trainee Reporter for falsifying a quotation.

Sacked as a Columnist. His Editor said 'he wasn't exactly Mr Deadline'".

We know that he was sacked from the Conservative Front Bench—

Mr. Deputy Speaker: Order. I suggest to the hon. Gentleman that he think about the matters that we are debating today and how the points that he is making are relevant to the overall situation.

Tom Brake: Thank you for that intervention, Mr. Deputy Speaker. I had concluded those remarks. The hon. Member for Henley is putting himself forward as a

candidate for Mayor, with responsibility for policing among other matters, but I will indeed move on. According to the hon. Gentleman's manifesto—he has at least produced a manifesto—he will apparently use his influence to tear up red tape and needless form-filling. Presumably what he had in mind was needless P45 form-filling, of which he has some experience.

Let me move on to the Labour Mayor's position. The incumbent, Ken Livingstone, is keen to distance himself from the Government when appropriate, but at other times he is keen to make himself known as the Labour Mayor. We have to take the two together. I am happy to put on record the fact that the combination of the Government and the Mayor has enjoyed some successes, the biggest example of which is the safer neighbourhood teams. Like probably all hon. Members present, I have been round with the safer neighbourhood teams in a number of my wards and seen their impact on the ground. I can see that they are delivering the reassurance that people need and are beginning to eat seriously into crime levels.

I am told that the biggest problem for the safer neighbourhood teams in some of the leafier suburbs—Government Members should please not quote me on this—is that there is no crime for them to deal with. If safer neighbourhood teams are telling me and other hon. Members, as I suspect they are, that there are times when things are relatively quiet and they would like some other challenges, we might need to consider giving them a more flexible structure.

Robert Neill: The hon. Gentleman has made an interesting point about safer neighbourhood teams. Perhaps he will be interested to learn that one of the teams in my borough, although it does excellent work, needs a safer neighbourhood base to patrol from. The Metropolitan police acquired suitable premises about six months ago and have been paying rent and rates on them ever since, but the premises remain empty because the bureaucrats at Scotland Yard made a muck-up of the procurement process and had to restart it. That money has therefore been wasted and the team does not have a base. Is not that a strong argument for a much more direct political drive and direction of the Metropolitan police service, as is being proposed by my hon. Friend the Member for Henley (Mr. Johnson)?

Tom Brake: It is certainly a case for ensuring that the procurement process works correctly. I am sure that all hon. Members support the idea, which the Minister mentioned in our last topical debate on this subject, that the safer neighbourhood teams should have bases in their wards, so that they are more accessible and visible and do not have to travel so far. The hon. Gentleman was quite right to raise that point, and no doubt he will be issuing an appropriate press release to his local paper confirming that he has quite rightly raised the matter in Parliament.

There have been successes, but there are also some concerns. I was about to mention the estates strategy to which the hon. Gentleman has just referred. That is clearly a programme that is going to last five or six years, so, although the comprehensive spending review has given visibility to what will happen in the next three years, there is a question mark over whether the remainder of the strategy will be able to be delivered in the following three years. I do not want to have to turn round and say to people in a few years' time, "I know the Metropolitan police promised that your new police station would be opened before the old one closed, but actually they have run out of money so they have simply closed the old one and not opened the new one." We need some certainty on that question.

Simon Hughes: All these things are important, but does my hon. Friend accept that what matters most to all our constituents is that there should be an effective and speedy response when crimes are committed? For example, I still get too many complaints from people who have been attacked, perhaps in a pub or in a house, and who have found that no one comes for many minutes and sometimes for half an hour or longer. Also, we must ensure that, when an investigation takes place, it is done well. Again, I have had far too many complaints that serious allegations—including allegations of rape—have been badly handled by the police and/or the Crown Prosecution Service, with the result that justice is not done and victims are not looked after.

Tom Brake: I thank my hon. Friend for that intervention. I do not want to give the impression that everything is functioning well. We have all had examples of constituents who have been the victim of a crime and who have, unfortunately, had to wait a considerable length of time for a response. Sometimes that response has not been forthcoming at all and, ultimately, it has been the safer neighbourhood team that has had to respond a few days later. There is still a need to ensure that the response is timely.

There have been some failures.

Chris Bryant (Rhondda) (Lab): Before the hon. Gentleman moved on to the failures, he was talking about some successes. Does he agree that there has been another significant success in the past eight years, namely the radical transformation of the relationship between the police in London and the black and minority ethnic communities and, for that matter, the lesbian and gay community in London? This has resulted in many more people having a strong relationship with the police, which the police have been able to use in ensuring our security. Does the hon. Gentleman think that that might be threatened if the new person in charge of the police in London was someone who had referred to "picaninnies" and "watermelon smiles"?

Mr. Deputy Speaker: Order. I think that that is probably sufficient.

Tom Brake: I thank the hon. Gentleman for his intervention. Londoners, who live in a very diverse community, will be looking very carefully at what the different mayoral candidates have said, and I think that they will draw their own conclusions from the comments that have been made in the past. Our candidate, Brian Paddick, has certainly done his best to support the work that the hon. Gentleman describes and to ensure that those relationships with the black and minority ethnic communities and the lesbian and gay communities are enhanced and strengthened.

[Tom Brake]

I am afraid that I was about to come on to some failures. We had a pledge in 2005 to increase the number of community support officers to up to 24,000—a pledge that has been reduced to 16,000, with a direct impact in London of a reduction from 6,400 to 5,600 such officers. Serious concerns were raised by Sir Norman Bettison of the Association of Chief Police Officers when he gave evidence to the Home Affairs Committee a couple of days ago. He spoke about a funding gap, particularly for tackling serious and organised crime.

Members have referred to another significant problem—that of gun and knife crime. I take the Minister's point and I am not going to say that it is all down to police numbers, but clearly the problem is increasing and it is particularly significant for young people, whether as perpetrators or victims. It may not all be due to police numbers, but it is a problem that needs to be resolved, whether by the Government, local authorities, communities or, indeed, individuals.

Harry Cohen: I would like to raise with the hon. Gentleman the issue that I raised with the hon. Member for Bury St. Edmunds (Mr. Ruffley): the matter of the Mayor's London youth offer of £79 million. I praise the Mayor for that, as it was greatly needed. The Conservative Front-Bench spokesman said that the Conservatives would not cap it, but does the hon. Gentleman feel that there is a real risk of their redistributing it away from the deprived areas where there is youth gun and knife crime into the more leafy suburbs where it would not have the same effect?

Tom Brake: I thank the hon. Gentleman for his intervention. I am afraid, however, that it is not really appropriate for me to respond to a point about what a future Conservative Mayor—if, indeed, there ever is one—intends to do with funding. The hon. Gentleman has, however, reminded me that the Home Office needs to address one particular aspect of tackling gun and knife crime—the research carried out into the effectiveness of different projects. The range of projects currently runs from perhaps a single ex-offender who has taken it on his or herself to organise something at a very local level through to much larger funded projects. On the basis of a conversation with a member of the Metropolitan Police Authority, I know that not much research has been done into which of those projects really deliver and which deliver value for money. I hope that when the Minister responds, he will be able to say a little about what research the Home Office is either carrying out now without my knowledge, or intends to carry out to assess which projects deliver the best value in tackling this very serious problem.

Mr. Love: This is, indeed, an incredibly serious problem. I want sincerely to ask the hon. Gentleman whether there are any shortcomings in what the authorities are doing—I mean the Metropolitan police or the Government through their violent crime action plan or various other initiatives, including those talked about by the Mayor and others—to take young people off the streets and give them an alternative to the gang culture. Are there any other things that we should be doing to try to address what is an extremely serious problem for London?

Tom Brake: I thank the hon. Gentleman for his very helpful intervention. I have just highlighted one thing that we should be doing—looking at the different projects and assessing which are the most effective in tackling the problem. Another proposal that I would put to the hon. Gentleman is the idea of giving one of the officers in the safer neighbourhood teams specific training in youth issues in order to provide the link with young people. If it were needed to deal with disadvantaged youths or others outside the system, an officer would then have the necessary training to make contact and perhaps forge a more positive relationship with them. Those are two proposals that I would put to the hon. Gentleman.

Angela Watkinson: In my constituency and, I am sure, those of most other London Members, there is a range of activities in which young people can involve themselves, such as clubs run by the council, young people's uniformed organisations such as the scouts and guides, art, sport, music and drama. The problem is not a lack of facilities, but the fact that a hard core of young people do not want to participate.

Tom Brake: I agree. Provision varies from one local authority to another, but many provide a variety of options for young people, for instance through youth centres or uniformed organisations. As the hon. Lady says, there is a group who will not take advantage of such services, but we might be able to find ways of providing diversionary activities in which they do want to participate. If that means giving them authorisation to do parkour running around an estate, perhaps we should facilitate the process. We need to ensure that the range of options offered to young people allows them all to access activities that interest them.

Simon Hughes: Will my hon. Friend give way?

Tom Brake: I will give way once more; then I think I should make some progress.

Simon Hughes: I wanted to respond to the last three interventions. I know that the Government are considering whether, rather than change the membership of a safer neighbourhood team, they should enable someone who has the skills to target characters who need work to carry out detached youth operations in each ward. That person would focus particularly on young people between 15 and 21 who are not employed, studying, training or in an apprenticeship, because they are the ones who give the grief: they can afford to be out all night causing trouble because they have nothing to do in the daytime.

Tom Brake: I agree. That echoes what was said by the hon. Member for Upminster (Angela Watkinson) about the hard-core group who are not in the system and do not want to be, but with whom it might be possible to engage if they were offered appropriate activities. Perhaps the Minister will be able to update us on what is happening to dormant accounts. I assumed that they would start to provide a level of funding that is not in the system at present, and might create opportunities for engagement with that group of people.

I have described some Government successes and some areas of concern and failures. Regrettably, there are also some areas of spin. I am afraid that the only

reason why we shall not be able to support the Government amendment is a phrase to which other Members have referred, suggesting that the House

"welcomes the aim of the Mayor of London to add 1,000 more"

police officers. We cannot support that proposition, because we know that it is not the Mayor who will be doing that. It is the boroughs and the Home Office. We need some honesty about who will provide funds. The Mayor will not be providing those 1,000 extra officers, and I think that credit should be given where it is due.

Justine Greening: Might not another piece of honesty have appeared in the amendment—the admission that band D taxpayers in London who were paying around £55 a year in precept to fund the Met in 1996 and 1997 paid £224 in 2007-08? My part of town, Wandsworth, has fewer warranted officers patrolling the streets than it had a decade ago—and we do not think that we have been given value for money.

Tom Brake: I recall that the hon. Lady made the same point during a topical debate a few weeks ago. There is clearly an issue over the gearing of the precept—how much it contributes in real terms, and how much is contributed by the Home Office. But we need a visible police presence on the streets, and the hon. Lady is right to argue on behalf of her constituents that there should be more visible deterrence.

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): While we are at it, could we have a third piece of honesty? Should not the Conservative party admit that it opposed funding increases? Conservative councils—and probably Liberal Democrat councils as well—consistently take credit for the falls in crime for which they opposed funding, and continue to claim that tax rises are unnecessary when they are exactly what paid for those extra police officers.

Tom Brake: I seem to be playing piggy-in-the-middle, trying to act as a third party and defend a policy that is not ours. Perhaps the hon. Gentleman will find an opportunity to intervene on a Conservative Member and make a similar point.

We do require honesty in the debate and in how the figures are produced. My hon. Friend the Member for North Southwark and Bermondsey made the valid point that we need to agree which statistics are firm and fair, and reflect the changes that have been made to how crimes are counted, so that the debate is not about the statistics but about how officers are deployed or whether they are doing too much administration. That would be better than a rather sterile debate about the statistics.

I hope that Members on both sides of the House would agree that the British crime survey figures provide us with a consistent level of reporting for crime and may therefore be much more accurate than other figures. They are not dependent on a change to the way in which the offences are calculated. Regrettably, it is clear from those figures that London as a region is doing very badly compared with other regions, whether on violent crime, vehicle crime or burglary. There is an issue as to how London compares with other parts of the country, even if the background is that crime is falling. London still has more than its fair share.

On 1 May, Londoners will choose whom they want to put in charge of the police, to cut crime and to tackle antisocial behaviour in our capital city. They could choose the hon. Member for Henley, who in his first six years in Parliament expressed no interest in London. We looked at all the parliamentary questions that he had tabled and not one of them—

Clive Efford: Just one.

Tom Brake: I apologise. The hon. Gentleman tabled one question about London in six years, but Londoners will not be taken in by that. He seems to have more experience of flouting the law than of imposing it. If anyone wants to challenge me on that point, I refer back to the leaflet that I mentioned earlier, which shows the hon. Gentleman riding his bike while making a mobile phone call.

Mr. Dismore: The hon. Gentleman has been coruscating about the mayoral pitch by the hon. Member for Henley (Mr. Johnson). Perhaps the hon. Gentleman could say how he would advise Liberal Democrats to use their second preference vote.

Tom Brake: It will come as no surprise to the hon. Gentleman that I shall not express a second preference.

Then we have the Labour Mayor, who four years ago promised to cut crime by 50 per cent., but who, at the last count, had delivered only an 18.5 per cent. reduction in crime. Or we have the ex-policeman Liberal Democrat candidate, Brian Paddick, who has 30 years of experience in tackling crime, from the Brixton riots to cracking down on hard drugs dealers. Even Conservative and Labour Members will realise that the choice is a no-brainer. Brian Paddick has the serious solutions for London and that is who people will vote for on 1 May.

5.48 pm

Clive Efford (Eltham) (Lab): Crime has fallen in each of the past five years. It has fallen by an average of 5.5 per cent. in the past three years, despite what the hon. Member for Bury St. Edmunds (Mr. Ruffley) said in his opening remarks. Those are the irrefutable facts about policing in London.

We can bandy figures around, but a trawl around the websites of Conservative local authorities in London makes interesting reading. They are not consistent with anything that we have heard from the Opposition today. Barnet council says that it has seen a 17.5 per cent. reduction in crime between 2005 and 2008. Croydon council boasts that the borough has experienced a 5.2 per cent. decrease in recorded violent crime. Enfield council states that offences have

"fallen by nearly 10 per cent. between 2003-04 and 2006-07".

We are grateful to Councillor Greg Smith of Hammersmith and Fulham council, who welcomed the safer neighbourhoods teams rolled out by Ken Livingstone. He said:

"More Bobbies in Fulham Broadway and Shepherds Bush Green are resulting in more arrests and less crime, with no evidence of any displacement to neighbouring wards. We have seen some staggering results, for example, in Shepherds Bush, robbery is down by a colossal 46 per cent and in Fulham Broadway, total crime is down by 10 per cent, with burglary down 27 per cent."

[Clive Efford]

brief description of them and later on find that a crime was committed by someone who fits their description, we have a record that we can follow up." That approach has led to the clearing up of a lot of crime in local communities. The idea that the forms are a waste of time and resources is completely bogus. It is not accurate at all.

The hon. Gentleman said that the Conservatives would spend money on hand-held scanners, so will the police stop people in the street, scan them with no explanation, keep no record of who has been stopped and why and let them go on their merry way? When there is an incident the police will have no record of who has been stopped. If somebody wants to check why they were stopped and make a formal complaint there will be no formal record of what has taken place. It does not make sense. It does not add up. The Conservatives say that they want to get rid of bureaucracy and to make the police more effective, but they would take away a tool that is essential for the operational efficiency of the police. They claim that they want to make the police more accountable, but they would take away the form that allows an individual to check why they were stopped and what intelligence was gathered about them.

Mr. Slaughter: Does my hon. Friend agree that by reducing police accountability over stop and search the Conservative party is aiming for a return to the bad old days of the 1980s when there was no trust between many communities and the police, which was a recipe for poor policing? Local Conservatives in my area have said exactly that, and it is to be deplored.

Clive Efford: I agree absolutely. People from all sections of our communities need confidence in their police force. Stop and search was one of the things that undermined not only the relationship between police and local communities but police efficiency. To go back to it would be a retrograde step.

As the Member of Parliament for Eltham, I paid close attention to the issues brought out by the Macpherson report. One of the factors that came out loud and clear from members of ethnic minority communities was that they wanted better and more police accountability. Woe betide anybody who wants to go back on that in the future.

My local authority wants to deal with the rise in crime among young people, which is clearly a problem. Young people are the victims of crime committed by young people and everyone is rightly concerned about that. My local authority will invest £1 million in setting up a taskforce to tackle the problem in partnership with the local police, but local Conservative councillors oppose the plan even though it is a priority for the whole community. If we ask people what concerns them most about crime in their community we realise that it is not necessarily fear of being a victim of crime; they are actually concerned about young people.

We are attempting to deal with the problem. Young people have been murdered in Greenwich and the council is responding, but the Conservative response to that attempt to work in partnership with the police is to oppose the £1 million investment and say that the Mayor should pay for the taskforce. That is okay, but I cannot see £1 million for tackling those crimes in Greenwich in the Conservative mayoral candidate's budget for London—I cannot see it anywhere. Again, there is inconsistency and local opportunism from the Conservatives.

My final point is about leadership. We have talked about stop and search and the confidence of ethnic minority communities. It is essential for police operations that the police have the confidence of all sections of our community. If the Mayor is to be the chair of the Metropolitan police authority, as the hon. Member for Henley (Mr. Johnson) tells us, he will be at the forefront, encouraging people from all sections of the community, including ethnic minority communities, to join the police force. If he attends a parade at Hendon police training college, will he expect the qualified police officers who are turning out to celebrate him, their having been called "flag-waving picaninnies"? Would he expect any black police officers to smile at him—*[Interruption.]*

Mr. Deputy Speaker: Order. I have already said to the House that the tone of the debate should be thought through very carefully by Members. If the hon. Member is bringing his remarks to a conclusion, as I suspect he is, he might want to bear those comments in mind before he finishes.

Clive Efford: I will take your guidance, Mr. Deputy Speaker, but this is an important issue for London. We are talking about someone who wants to—

Mr. Deputy Speaker: Order. The point that I am making is on an important issue for the House. I wish the hon. Gentleman to take my remarks very seriously.

Clive Efford: Mr. Deputy Speaker, there is no denying that the remarks that I quoted were written down. They are on record for anyone who wants to read them. The fact is, Mr. Mayor—[HON. MEMBERS: "Mr. Deputy Speaker."]—Mr. Deputy Speaker, is that the debate is taking place because the Conservative campaign for London Mayor has faltered, and the Conservatives are desperate to try to score some political points. Their candidate is fraying at the edges. In every public debate, he humiliates himself. The man has had an Eton and Oxbridge education but cannot add up; there is a £440,000 hole in his budget. He wants to pay for extra police community support officers, but the money is not there. There is a £140 million hole in his transport budget. Out of generosity, we should start a campaign to get back the money spent on his education, as it was clearly wasted. That is clearly the biggest crime to debate tonight. This debate is taking place because the Conservatives' campaign has faltered, and we have proved why it has done so in this debate on crime in London.

6.11 pm

Mr. Lee Scott (Ilford, North) (Con): I hope to please hon. Members in all parts of the House with my speech, as I do not intend to read statistics or to insult any candidate standing in the mayoral elections next week. I am sure that everyone in all parts of the House will know who I am supporting: the hon. Member for Henley (Mr. Johnson).

I start by paying tribute to my local borough commander, Dave Grant, and his police force and police community support officers, who do a wonderful job in my constituency of Ilford, North, and across Redbridge. The hon. Member for Eltham (Clive Efford) read out statistics relating to my local borough and said that in Redbridge crime had dropped. We should commend the Conservative council in Redbridge for taking over when the Government stopped its funding for street wardens, and for paying for those wardens with local taxpayers' money, and not from the Mayor's budget. We should pay full tribute to those who deserve it—to Councillor Weinberg and the council in Redbridge.

People want to hear us discussing today the issues that are important to them. Putting aside what the statistics show, last Wednesday night I attended an area committee and a crime forum in my constituency, and I heard people say what they are honestly concerned about. That is what I want to talk about today. Whether we are talking about crime or a fear of crime, people are worried. Elderly people come to me and say that they are concerned about going out in the evenings. Recently, I went round some of my local underground stations. My constituency has one of the highest number of underground stations of any constituency outside central London. I was quite upset to find that some of them are not manned; there was no one there. We recently found that some CCTV cameras, the introduction of which was lauded by all, including me, were not actually plugged in. They were not recording anything, either live or for playback later.

We have to be realistic, and we have to react to the issues that our constituents across London are concerned about. Colleagues in all parts of the House will forgive me if I say that sometimes I get concerned, and that I fully understand why people do not vote in any elections—a problem that we should all be worried about. The reason they do not vote is the way we conduct ourselves sometimes. On occasions, we should be ashamed of ourselves for that.

Bus usage has gone up, which is good. Train usage is up, too. However, crime relating to buses and trains, no matter how low level it is, is going up, too, and it has to be tackled.

What do I mean by that? A few weeks ago I was at a station in my constituency where I felt intimidated by groups of youths hanging around. I am sure the hon. Member for Leyton and Wanstead (Harry Cohen) will understand what I mean, because the station is only a few stops from his constituency. If I felt intimidated—I like to think that I can look after myself—what would somebody more elderly or, indeed, younger, feel?

The police should be given the powers that they need. On a recent occasion I accompanied my local police force. They made an arrest and spent hours afterwards filling in forms. That is wrong. As was said earlier, the handcuffs should be taken off our police and they should be allowed to do the job that they are there to do and arrest criminals.

In the outer suburbs of London antisocial behaviour is a major issue. I do not believe that many of the youths who congregate want to commit crime or even mean to commit crime. They do not realise how they intimidate people in various housing areas in my constituency. I met them one Sunday and asked whether they would like their grandparents to experience the sort of abuse and intimidation to which they were subjecting people. None of them wanted that. I asked them what they wanted. They wanted an area where they could play football and an area where they could be away from other people.

Again, I commend the London borough of Redbridge under its Conservative administration for building a skate park and a cycle track and for setting up a drop-in centre where the youths can go, to stop some of the antisocial behaviour. In the area where that had happened, the ward had seen a dramatic drop of up to 60 per cent. in antisocial behaviour. I believe that that is due to the input going in, backed by councillors of all political parties on Redbridge council.

Harry Cohen: I agree with the hon. Gentleman's initial comments and join him in paying tribute to Chief Superintendent Dave Grant and all his officers in Redbridge. Is not one of the key matters the London Mayor's youth offer, which would give Redbridge more than £1 million for the youth facilities that, I agree, are so needed in the borough? The hon. Gentleman keeps paying tribute to the local Conservative council, but it has cut grants to the voluntary sector by 5 per cent., some of which would have dealt with young people, and it has had a failed policy on swimming pools. I think there is just one swimming pool in the whole of Redbridge. Young people could use swimming pools if they were available in the borough.

Mr. Scott: I thank the hon. Gentleman for his comments. I should be delighted to answer his remarks about swimming pools. There are two swimming pools in Redbridge, one of which has major health and safety problems. The council is committed to building a new swimming pool to replace it. Unfortunately, that is opposed by the Labour councillors in the London borough of Redbridge, but the council is pressing ahead none the less.

On funding, I agree with the hon. Gentleman. I heard my hon. Friend the Member for Henley (Mr. Johnson) give a commitment that he would not cut the funding, and I heard nothing about any redistribution. He said that the funding would not be cut.

I shall move on, as I am aware that others wish to speak. Businesses and people in my constituency tell me that low level crime is not being reported, for a number of different reasons. It could be because people cannot get through to the police. That is no fault of the police, who are trying to react as best they can with the powers that they have, and they have to set priorities. A lot of crime—I do not like to call it petty crime, because it is not petty to the victims of it—is unreported. That skews the statistics, but I shall not go into the statistics because I do not think that matters. People in London believe that crime is an issue. We are duty bound to tackle it. Whoever is Mayor of London on 2 May is duty bound to tackle it. I, for one, pledge to do everything I can to do so.

Several hon. Members *rose*—

Mr. Deputy Speaker: Order. Before I call the next speaker, may I say that we do not have a great deal of time left? If contributions are brief, I will try to call as many hon. Members as possible.

6.19 pm

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): Three children have died as a result of knife crime in my constituency in a little over a year—Kodjo Yenga, Jevon Henry and Amro Elbadawi. I have sat with the parents of the two children who were my constituents, as has Ken Livingstone, who made a private visit, not making political capital, unaccompanied by the media and cameras. I have listened to their grief and to what they had to say about young people and the culture and the problems that have led in some instances to gangs and in some instances to conflicts that have got out of hand.

This problem, which has claimed the lives of 27 young people, is monstrously misrepresented as a failure of the Mayor of London and the Government. It has its roots in something wider and deeper, which requires a co-ordinated, strategic and investment approach, on which we must all work and reflect on the gravity of the situation. We should by all means have a political debate about why such things are happening, but we cannot reduce this to slogans, as we have sadly heard again to some extent this afternoon.

It is distressing to have listened to the mayoral debates, to have watched some of the media coverage of the mayoral contest and seen the Mayor of London accused of ignoring, belittling and failing to grasp what has happened to our young people. An example of that was when a London newspaper ran a story in January 2008 saying that Ken Livingstone had announced new measures to deal with youth and knife crime, and then a week ago ran a story saying that he was speaking out for the first time on knife crime. I do not have the articles with me, but that is part of a calculated misrepresentation of the response of the Mayor of London and other agencies to a deeply worrying trend that we must deal with together.

In response to that, we must continue with that non-accidental choice of investing in effective policing on the streets—the 10,000 additional police officers that have been put on the streets of London by the Mayor and the Government since 2000, reversing the long-term trend that my hon. Friend the Member for Eltham (Clive Efford) described so clearly as having gone into reverse in the 1990s. Our safer neighbourhoods police are doing a superb job, not just in helping to bring down crime, as they have done, but in building up relationships and intelligence about what is happening in the streets, which is so important.

They must continue to use their enforcement powers as effectively as they can and we can constantly refine the strategies for so continuing, as the Flanagan report helps us to do. They must use the new powers that we have given them, including stop and search, which is a vital tool, and stop and account, and they must ensure that never again do we return to that calamitous collapse in confidence and trust between the communities, particularly our minority ethnic communities, and the police that occurred in the 1980s, because that does not work. Whether people choose to bandy around the term political correctness, as they so frequently do on these occasions, let us just remind ourselves that that collapse of trust, confidence and community intelligence leads to more crime and lower detection rates. It fails on its own terms. We must all do better, which includes my local authorities, at integrating services and information between schools, youth services, housing managers, residents and the police. We must continue rebuilding our youth services, which were shattered, and the £79 million investment by the Mayor will help. It is no good having youth clubs, if they are not open.

Angela Watkinson: Will the hon. Lady give way?

Ms Buck: I will not, because I want to finish my contribution to allow others to participate.

It is no good having youth services, if we do not have skilled outreach workers on the streets. We must ensure that we have not only warm words, but money to increase access to sport, rather than introducing charges that deter people from taking part.

I urge the Minister to laugh in the face of the dismissal by the hon. Member for Henley (Mr. Johnson) of the

"anti-yobbo programme, parenting classes and all"

and press ahead with preventive work with families. Unusually for me, I support the leader of Westminster City council, Sir Simon Milton, on this issue, who has said that he wants

"to continue important work tackling family breakdown ... meeting the desperate need for support to improve their and their children's chances of living positive and fulfilling lives."

He clearly disagrees with the dismissal of parenting classes and family work advocated by the hon. Member for Henley.

Crime is coming down, because extra policing works. It has not happened by accident; it has happened because we have invested in the police, youth services and preventive work. Every crime is one too many, but it is critical that we do not fall into the trap set by Conservative Members, who say that nothing works and that nothing can be done. They selectively quote statistics to try to indicate that crime is rising, when crime is falling.

6.26 pm

Justine Greening (Putney) (Con): I am grateful for the opportunity to contribute to this important debate on an issue of great concern to many of my constituents, who regularly get in touch with me about it. Like many hon. Members, I have been disappointed by the tone of the debate. I am also disappointed that I am again the only Wandsworth MP to contribute to a debate about crime in London, which is a concern not only for my constituents, but across my London borough. My constituents have a number of concerns about crime. They are worried about their children; they are worried when they come home from work late, which I do when we have late votes here; and my constituents who run businesses are concerned about the lack of policing when they open their shops late, which I shall briefly discuss later.

Although we have heard a lot of talk about safer neighbourhood policing—we welcome our local safer neighbourhood teams—beat policing is nothing new. For years, having the police out in the community has been the bedrock of keeping crime down in communities across England, let alone London. The Government have rebranded beat police as safer neighbourhood teams, but community beat police officers are critical whatever name is used to describe specific teams in specific wards. In my part of London, we have to wait

far too long for our safer neighbourhood teams to get their full complement. As I have said, compared with the number of warranted officers in the Wandsworth borough command unit a decade ago, we have fewer officers. We have police community support officers, who play a vital role in tackling crime locally, but they were never meant to be a substitute for the officers whom we have lost in Wandsworth. When my constituents find that their London precept for the Met has quadrupled to fund a lower level of warranted police officers in their local community, they do not think that they have got a good deal.

The officers work extremely hard. I pay tribute to the safer neighbourhood team in Roehampton, which is led by Sergeant Pete Salmon. Given the number of officers, it has done a fantastic job in getting out into the community. They work with the local community in not only places such as the Alton estate and the Lennox estate, but the university of Roehampton, which forms an increasing part of the Roehampton community as it grows. The team's problem—and one that we as a community have in areas such as Roehampton—is that although it works hard, there is not enough of a police presence alongside it. I am thinking not only of the day time, when many of the safer neighbourhood teams operate; I am thinking particularly of the night time, when there are an increasing number of crime-related issues across my constituency. Safer neighbourhood teams that patrol during the day are simply not there at night, so they cannot address those issues.

I particularly want to talk about local businesses. Like many London constituencies, my constituency, which includes places such as Putney, Roehampton and Southfields, does not contain large companies. The lifeblood of our local economy is small businesses, which are particularly prone to crime. The window of the Putney Tandoori on the Lower Richmond road, for example, has been smashed two or three times. Time and money has to be spent, and the shop has to be shut down, for the windows to be repaired. That has a real impact on the profitability of a business. When businesses on Danebury avenue are constantly being raided, the circumstances do not make for viable businesses; I know that Greggs bakery there has had such problems. If we are to regenerate parts of London—and we certainly want to regenerate Roehampton—clamping down on crime and making sure that people feel safe at any time of the day or night is really important.

My concern about today's debate is that it has not been on behalf of people; frankly, too much of it has been about point scoring by the Labour Benches. If any of my neighbour MPs in Wandsworth had been here to speak in this debate, they would have been able to make the points that the hon. Member for Eltham (Clive Efford) was left to read out. I look forward to finally having a debate on crime in London in which my colleagues—

Mr. Slaughter: On a point of order, Mr. Deputy Speaker. That is the second time that the hon. Lady has criticised fellow Members, including my hon. Friend the Member for Tooting (Mr. Khan), for not being here. She knows full well that he is a Whip and cannot take part in this debate. Her point is very unfair.

Mr. Deputy Speaker: Comments about who is or is not in the Chamber are always really a waste of time.

Justine Greening: I am grateful for that, Mr. Deputy Speaker. However, I have to say that issues have been raised about the commitment of my hon. Friend the Member for Henley (Mr. Johnson); apparently, that does not cut both ways. *[Interruption.]* Well, I could ask where the hon. Member for Battersea (Martin Linton) is. What I am saying is that we can all make such points.

Crime is an issue for my constituency. When I conducted a crime survey, more than 3,000 people responded. They largely said that they felt as if their local area was getting less safe. They raised issues of antisocial behaviour, being mugged, their children being mugged and crime on transport. My constituents want those issues to be tackled because they do not feel that they are being so at the moment.

Nor do they feel that the money that they are paying as part of the mayoral precept is giving them any sort of return in terms of policing per pound. In the eight-year period of the London mayoralty, my constituents have paid £66 million more than before into the Met police precept. We have not had any sort of return on the money that we have invested. Frankly, we would rather have spent the money locally and had more police, who can arrest people on our streets, to complement the PCSOs. That has not happened. Most of my constituents want a Mayor who will genuinely try to make the city safer instead of living by headlines. We want a Mayor who will seriously tackle youth crime, about which parents in my constituency worry every day.

I shall finish by citing one statistic. In recent years, about one in 20 secondary-school-aged children who live in Wandsworth reported having been a victim of mugging. That statistic is surely unacceptable to any of us in this House, whichever side we sit on. If we can at least agree on one thing, it is that crime is too high and that we need to bear down on it by spending our money smartly so that communities such as my own can feel safer.

6.34 pm

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): I will use the little time that I have to express my disdain at the motivation of the Conservatives in their conduct of this debate. It is a perfect example of calling a debate to obscure and confuse the issue under discussion.

I am grateful to my hon. Friend the Minister for laying to rest some of the bogus facts that have been put forward about the undeniable fall in crime of 20 per cent. over the past five years and the record numbers of police—35,000, with a further 1,000 promised. The double standards of the Conservatives show that they are confused and in denial. As my hon. Friend the Member for Eltham (Clive Efford) said, they claim credit locally for falls in crime but, on a London basis, claim that crime has not fallen. They oppose the investment that has gone in. We just heard the hon. Member for Putney (Justine Greening) say that she does not believe that anything has changed in London and that community policing is exactly what it was previously, but we know that there has been huge investment and that that is connected to what has happened to crime rates.

[Mr. Andy Slaughter]

I am afraid that the hon. Member for Putney and my hon. Friend the Member for Eltham know less about the situation in Hammersmith and Fulham than I do because I am the only MP here from that borough. In reality, the money for the police officers who were put into the ward, as mentioned by my hon. Friend, was taken out of another ward that had even higher crime, the reason being that, under the Labour council, those officers had been paid for by the council, but the Conservatives have moved them into wards that receive Government funding through the new deal for communities or section 106 moneys. Once again, they are using statistics and money to manipulate figures in a way that can disadvantage people locally.

I agree with my hon. Friend the Member for Eltham that if this debate is about reviving a flagging campaign, it certainly has not worked. I would say in defence of the hon. Member for Henley (Mr. Johnson) that perhaps the reason why he walked out of the Chamber was that he was listening to his own policies being recited by Conservative Front Benchers. When one compares 1,000 extra police officers with being given maps or ending accountable stop and search, I am not surprised that he decided to leave the Chamber.

When people vote in London next Thursday, they will vote on the issue of crime, and they will make a decision primarily about whether Ken Livingstone or the hon. Member for Henley is in a better position to deal with that. They will see on the one hand somebody who has a track record of investing in and reducing crime and on the other somebody who is not fit to take over that role—somebody whose own record does not allow him to take over that role. I refer in particular to the disgraceful episode that is documented on tape, where the hon. Member for Henley agreed to give details of a journalist to someone who became a convicted fraudster, on the basis that he was an old school friend of his, in order to allow that journalist to be beaten up. Somebody who is prepared to do that—*[Interruption.]* I can quote the details if hon. Members want. The only things in that conversation

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The hon. Gentleman has made a very serious charge. *[Interruption.]* Order. In this House, we ought to debate matters in a calm way. I am not sure that the proximity of elections of whatever kind helps to enhance the reputation of the House. It would help if the hon. Gentleman said that he would put those words aside; he has already put them on the record in a way. It does not help when we have the kind of exchanges that have been going on this afternoon.

Mr. Slaughter: I entirely accept what you say, Mr. Deputy Speaker. I do, however, have the transcript of that conversation in front of me, and I am prepared to make it available to any other hon. Members, who can make their own judgment about it. I simply say that I do not believe that the hon. Member for Henley is a person Londoners would trust to run policing because of his own personal record as dictated in that phone conversation.

6.38 pm

Robert Neill (Bromley and Chislehurst) (Con): I shall be very brief and not go down the route taken by the hon. Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter). I think that the tetchiness that we have seen from Labour Members indicates that a raw nerve has been struck and that our points have hit home.

I do not seek to talk London down or to denigrate good work that is done in London. However, I want to know, as do all of us who have constituents in London, how we can make things better and why, against this background, London's great competitor city of New York has done better at dealing with crime than we have and is now safer than London. I have two key points to make on that.

First, I went to New York recently and spoke to a precinct captain in the Red Hook district of Brooklyn—a tough area. He made the point that the political commitment of Mayor Giuliani and Mayor Bloomberg was a key factor in giving the drive necessary to support police officers and the community as a whole in tackling crime.

Secondly, the specific technical advantages of the CompStat system and crime mapping had given the police and the community the material that they needed to work together to tackle crime in one of the hardest parts of New York. I am sorry that that proposal from my hon. Friend the Member for Henley (Mr. Johnson) has been so airily dismissed by Labour Members. London deserves better than that. It is a serious proposal, accepted by serious people tackling crime in another city. I would have hoped that we were broad-minded enough to work together and take that on board. I would have thought that we all wanted to do justice to the tackling of crime in this city in such a constructive spirit. I am sorry that that has not always been achieved in this debate.

6.40 pm

James Brokenshire (Hornchurch) (Con): It is a pleasure to follow my hon. Friend the Member for Bromley and Chislehurst (Robert Neill), who made an important point in his comparison of London and New York.

I join other hon. Members in paying tribute to the work of all police officers in the capital in their daily fight against crime. The Metropolitan police, the City of London police and the British Transport police all work hard on our behalf to secure the protection of everyone who lives and works in the capital. It is right that we should recognise their service, commitment and dedication to duty. But the inescapable fact highlighted by the debate is that the Labour Mayor and the Labour Government are letting London down on crime. Violence against the person is up, with over 3,300 crimes committed each week. Drug offences, with their links to organised crime and gang violence, have increased by an astonishing 200 per cent. since the Mayor came to office, and nearly half of Londoners say that they simply do not feel safe in their communities at night. If that is a measure of success it shows just how out of touch the Government and the Mayor are with reality and with real Londoners.

The hon. Member for Carshalton and Wallington (Tom Brake) made some important points about gun and knife crime and the serious issues that arise from it. The hon. Member for Regent's Park and Kensington, North (Ms Buck) brought those issues home in her description of the tragic deaths of her constituents. I am sure that the whole House wishes to pass on its condolences to the families of those involved in those

terrible incidents. The hon. Member for Eltham (Clive Efford) sounded at times as if he were reading from the telephone directory, rather than reading a speech. Instead of lecturing my party about the stop-and-account form, he should look at the Flanagan review, commissioned by his own Government, which recommended that the form be abolished.

My hon. Friend the Member for Ilford, North (Mr. Scott) made some important points about the way in which local initiatives can make a difference, and about how, in Redbridge, locally funded street wardens are helping to deal with antisocial behaviour in his constituency. That point about local community action and how it can make a difference was also raised by my hon. Friend the Member for Putney (Justine Greening).

Sadly, I have to say to the hon. Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) that he does himself no favours by making personal smear attacks. There are very serious issues to be debated, and rather than this party being confused or being in denial on those issues, I suggest that his criticisms should be directed to his party and the Mayor.

Many hon. Members have highlighted the shocking number of teenagers killed on London's streets in the last year: 27 teenagers were murdered, with 11 murders of young people in 2008 already. One of the most disturbing trends is that both the victims of these crimes and those suspected of carrying out the offences are getting younger. Analysis from Trident has shown that in certain cases the age of those involved is as low as 14, with more teenagers being charged for murders and shootings. I have spoken previously about the organised gang culture, supported by the trade in class A drugs, that lies behind a significant proportion of these crimes.

One of the most insidious aspects of the organised criminal gang structure is the conscious focus of those who recruit new gang members on some of the most vulnerable in society—those with poor educational attainment and weak family support structures, and those who suffer from addiction, mental illness and unemployment. They are targeted to deal drugs to give them an income. That is why the utter failure to control drug crime in the capital is so serious and why simply giving out more cautions for drug offences—with the number doubling in the past two years—sends out the wrong message.

Other fundamentally wrong messages are being conveyed. I stress to the Minister in the starkest terms that police trying to negotiate with the gangs, as some recent statements from the Metropolitan police suggest, is not the solution. We need strengthened communities and families, and visible and robust policing. We also need to tackle the underlying problems of addiction.

The Government have opted simply to maintain addiction rather than lift people out of it, with London's bill for methadone prescriptions running at £2.5 million a year.

We need proper, abstinence-based rehabilitation for offenders, not a slap on the wrist and a prescription for the pharmacist. The police also need effective tools—that is why we believe that it is right to revise the current powers of stop and search to give police sergeants, who are at the heart of safer neighbourhood teams in their communities, the right to authorise general stops and searches in a designated area, where weapons are thought to be present or crimes of violence are thought to be about to occur, for a period of up to six hours.

However, the problem is not only the most serious offences, but the everyday experiences of Londoners on their streets, in their communities and even in their homes.

For too many, the impact of antisocial behaviour and what some describe as "low level" crime is significant. There is nothing low level about the impact of antisocial behaviour on people's quality of life. For many, especially the elderly or vulnerable, their street, shops or neighbourhoods do not feel safe. That picture is reflected in the opinion surveys of London residents and hardly alleviated by the comments of the Home Secretary or the actions of the Leader of the House.

However, young people are more likely to feel the effects of antisocial behaviour and crime. Around a third of all street robberies are committed against the under-16s. Some Labour Members have rightly highlighted the number of young people who are mugged in London. It is absurd that the Government continue to drag their feet in recognising crimes against the under-16s in the British crime survey. As we have heard, such offences often occur on the buses, the tube and other forms of public transport with mobile phones, iPods and other valuables being stolen.

My hon. Friend the Member for Henley (Mr. Johnson) rightly identified a more visible police presence, the use of real-time CCTV and tougher measures to tackle fare evasion and the abuse of the transport system as important measures to restore public confidence.

The Government have completely lost their way in cracking down on antisocial behaviour. Their rigid, centralised, bureaucratic command and control structures have driven the police in the wrong direction, chasing meaningless targets for "bringing crimes to justice", involving issuing penalty notices like glorified parking tickets. In 2006, nearly 21,000 penalty notices were issued in the capital—yet only four out of 10 were paid in full. It is difficult to identify the "justice" in that.

Even the Metropolitan Police Commissioner, Sir Ian Blair, has hit out at the system that has grown up around him. Yet neither the Government nor the Mayor has acted on that. So much for the bonfire of the regulations, for which the Metropolitan Police Commissioner called. That is why my hon. Friend the Member for Henley is absolutely right to identify the need to scrap the unnecessary stop form, freeing around 160,000 hours, which the police could spend on the beat, protecting Londoners and catching criminals.

The Government's supposed measures to improve community safety have made things worse, not better. London's A and E departments are feeling the strain from the impact of the Government's 24-hour drinking laws. Since the introduction of those changes, London hospital casualty admissions for alcohol-related problems have increased by a third. That highlights how cavalierly the Government introduced 24-hour licensing. But since 2000 the police precept has increased by around £400 million—an increase for the taxpayer of 150 per cent. per person. That is why we need to give Londoners proper details of police performance in their areas, through effective crime mapping in their neighbourhoods.

[James Brokenshire]

That way, communities can play a more active part in holding the police to account.

The real question, however, is how committed the Government are to neighbourhood policing. As we have heard, the Flanagan review states that the current police numbers are "unsustainable". The Government have welcomed the report, so presumably they welcome the cuts in police numbers that it underlines. The clear message is that police numbers are at risk. Violent crime in London is up, while drug crime has rocketed under Labour. Londoners deserve better than the tired offerings of a tired Mayor and a tired Government. It is time for a change. It is time for concerted action to make this city a safer place. It is time for a Conservative Mayor of London.

6.50 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): I thank all hon. Members who have taken part in this debate. I would have welcomed a contribution from the hon. Member for Henley (Mr. Johnson), who was no doubt the reason it was called, but he managed to turn up for only 40 minutes of it.

I thank my hon. Friends the Members for Eltham (Clive Efford), for Regent's Park and Kensington, North (Ms Buck) and for Ealing, Acton and Shepherd's Bush (Mr. Slaughter), who all spoke in the debate, and all my hon. Friends who asked questions. I should also point out that although my hon. Friend the Member for Tooting (Mr. Khan) has been here for much of the debate, he is unable to speak in debates as a Government Whip.

The points that all my hon. Friends made stood in stark contrast to the two contributions that we heard from the Opposition Front Bench. That marks the difference in what this debate is about. All that we heard from the Opposition Front Bench was a story about the real issues of crime in London. We heard no reflection at all on the statistics with which the Metropolitan Police Service has provided us. Instead, we heard an attempt to whip up fear about crime and to portray London as a city where there are people roaming every street who will attack anybody at a moment's notice. That was the picture that Opposition Members were trying to portray. My hon. Friends pointed out, as I will point out in a moment, what the Metropolitan Police Service's statistics actually say. Of course there are challenges, but let us try to move forward on the basis of facts, not spurious exhortations to the public to believe that we are all doomed.

Keith Vaz: On the issue of facts, when Sir Ronnie Flanagan gave evidence to the Select Committee on Home Affairs, he did not talk about a reduction in police numbers. He welcomed the resources that the Government had given over the past 10 years and talked about the more efficient use of resources. The hon. Member for Hornchurch (James Brokenshire) is wrong to misquote Sir Ronnie as he did.

Mr. Coaker: My right hon. Friend puts the issue well. Let me read out some facts, so that we can get them on the record. Police numbers in London are at record levels. Since 2000, there has been an increase of more than 10,000, which has been made possible by the Government's and the Mayor of London's investment. The figure of 35,000 is made up of more than 31,000 police officers and more than 4,000 PCSOs. The Mayor's budget for 2008-09 includes an additional 1,000 police officers. Let me also put it on the record that those are the figures from the Metropolitan Police Service. They are the figures that the Opposition seemed to traduce, when they said that there were not real figures or figures to be trusted. I will tell you what, Mr. Deputy Speaker, if I am going to trust any figures, I am going to trust the Metropolitan Police Service's figures on recorded crime.

It was interesting that the hon. Member for Bury St. Edmunds (Mr. Ruffley) would not go back to 2002-03, but used 1998-99 as his baseline. The reason is that there was a different way of counting crime in 1998-99. Let me go through the figures, just as the Metropolitan Police Service has, from 2002-03 to this year, which are all counted in exactly the same way, so that the people of London know exactly what is happening. Between 2002-03 and this year, there was a more than 20 per cent. reduction in crime. There has been a reduction in the total number of murders in London since 2002-03 of 17.5 per cent., and a reduction in the total number of knife-enabled offences of more than 30 per cent. during that period. The year-on-year figures from the Metropolitan Police Service also show considerable reductions in crime. We need to ensure that the people of London know about these reductions, not because we want to be complacent or because the job is done, but because we want to move forward on the basis of facts.

My hon. Friend the Member for Eltham took great delight in reading out what Tory-controlled authorities in London were saying about crime in their local newsletters and on their websites, and I do not blame him for doing so. What they are saying is totally at odds with what those on the Opposition Front Bench have suggested. Let me defend some of those Tory borough councils in London for what they have said about crime. Tory-controlled Barnet council says that it has seen a 17.5 per cent. reduction in crime, while Enfield council's website states:

"The number of offences in Enfield has fallen by nearly 10 per cent."

Many other Tory-controlled authorities right across the city are congratulating themselves on falls in crime and telling their residents about them. That is completely at odds with the picture that the Tory mayoral candidate and the Opposition Front-Bench spokespeople are trying to paint.

Why have we seen this reduction in crime? Why have we seen such an increase in confidence among people in London in this regard? It is partly a result of the introduction of the safer neighbourhood teams, which were introduced with the wholehearted support of the Mayor. Indeed, with his support, they were introduced a year earlier in London than in much of the rest of the country. We now have visible, accessible, responsive policing on our streets in all 600 wards in London. Let us also be clear that a key part of the safer neighbourhood teams in each and every ward is played by the police

community support officers, whose introduction was opposed by the Conservatives, including the hon. Member for Henley.

Alongside the safer neighbourhood teams, we need to see tough enforcement of the law, and we have indeed seen special police operations taking place alongside the work of the teams. Let us also remember that tough enforcement of the law includes tough sentencing. One of the toughest sentences that the people of London support is the minimum sentence for the possession of unauthorised firearms, which was also opposed by the hon. Member for Henley.

While we are talking about the need for tough enforcement, let us also reflect on what contributes to the reduction in crime, and on what makes a difference. Alongside the tough enforcement approach and the safer neighbourhood teams comes partnership and prevention. If we are to continue to reduce crime and to tackle gun and knife crime, we also need to invest in youth services and the partnerships involved in them. The Mayor of London has led the way in supporting initiatives across the city to prevent young people in particular from becoming involved in crime. He has been particularly involved in trying to divert young people away from crime in the first place. With the Government, he has set up a new £75 million youth offer, which will make a considerable difference in tackling these issues in our communities across London. It will give support to the parents and young people who need it, and it will develop the services that are so important if we are to continue to bear down on

Mr. Patrick McLoughlin (West Derbyshire) (Con) *rose in his place and claimed to move*, That the Question be now put.

Question, That the Question be now put, *put and agreed to*.

Question put accordingly, That the original words stand part of the Question:

The House divided: Ayes 193, Noes 308.

Division No. 149] **[6.59 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Bercow, John
Beresford, Sir Paul
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Duddridge, James
Duncan, Alan
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, David
Hughes, Simon
Huhne, Chris
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maude, rh Mr. Francis
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Opik, Lembit
Ottaway, Richard
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Mr. Ian
Taylor, Matthew
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny

Wilshire, Mr David
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr Tim

Tellers for the Ayes:
Mr. Crispin Blunt and
Mr. Richard Benyon

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr Bob
Allen, Mr Graham
Anderson, Mr David
Anderson, Janet
Armstrong, rh Hilary
Austin, Mr Ian
Austin, John
Bailey, Mr Adrian
Baird, Vera
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berry, Roger
Betts, Mr Clive
Blackman, Ms
Blears, rh Hazel
Blizzard, Mr Bob
Borrow, Mr David S
Bradshaw, Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Ms Dawn
Byers, rh Mr Stephen
Byrne, Mr Liam
Caborn, rh Mr Richard
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Mr Martin
Cawsey, Mr Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr Charles
Clarke, rh Mr Tom
Clelland, Mr David
Clwyd, rh Ann
Coaker, Mr Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr David
Cruddas, Jon
Cryer, Mrs Ann
Cummings, John
Cunningham, Mr Jim
Curtis-Thomas, Mrs Claire
David, Mr Wayne
Davidson, Mr Ian
Davies, Mr Dai
Davies, Mr Quentin
Dean, Mrs Janet
Devine, Mr Jim
Dhanda, Mr Parmjit
Dismore, Mr Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr Brian H
Doran, Mr Frank
Dowd, Jim
Drew, Mr David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
George, rh Mr Bruce
Gibson, Dr Ian
Godsiff, Mr Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Grogan, Mr John
Gwynne, Andrew
Hain, rh Mr Peter
Hall, Mr Mike
Hall, Patrick
Hamilton, Mr David
Hamilton, Mr Fabian
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, John
Henderson, Mr Doug
Hendrick, Mr Mark
Hepburn, Mr Stephen
Heppell, Mr John
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hoon, rh Mr Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr George
Howells, Dr Kim
Hoyle, Mr Lindsay
Hughes, rh Beverley
Humble, Mrs Joan
Hutton, rh Mr John
Iddon, Dr Brian
Illsley, Mr Eric
Ingram, rh Mr Adam
Irranca-Davies, Huw
James, Mrs Siân C
Jenkins, Mr Brian
Johnson, rh Alan
Johnson, Ms Diana R
Jones, Helen
Jones, Mr Kevan
Jones, Lynne
Jowell, rh Tessa
Joyce, Mr Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kemp, Mr Fraser
Kennedy, rh Jane
Khan, Mr Sadiq
Kidney, Mr David
Kilfoyle, Mr Peter
Knight, Jim
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lammy, Mr David
Laxton, Mr Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr Ivan
Linton, Martin
Lloyd, Tony
Love, Mr Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Malik, Mr Shahid
Mallaber, Judy
Marris, Rob
Marsden, Mr Gordon
Martlew, Mr Eric
McAvoy, rh Mr Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, Mr Pat
McFall, rh John
McGovern, Mr Jim
McGuire, Mrs Anne
McKenna, Rosemary
McNulty, rh Mr Tony
Meacher, rh Mr Michael
Meale, Mr Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs Madeleine
Morgan, Julie
Morley, rh Mr Elliot
Mountford, Kali
Mudie, Mr George
Mullin, Mr Chris
Munn, Meg
Murphy, Mr Denis
Murphy, rh Mr Paul
Naysmith, Dr Doug
Norris, Dan
O'Brien, Mr Mike
O'Hara, Mr Edward
Olner, Mr Bill
Osborne, Sandra
Palmer, Dr Nick
Pearson, Ian
Plaskitt, Mr James
Pope, Mr Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr Gordon
Prescott, rh Mr John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr Nick
Reed, Mr Andy
Reed, Mr Jamie
Reid, rh John
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rooney, Mr Terry
Roy, Mr Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr Virendra
Shaw, Jonathan
Sheerman, Mr Barry
Sheridan, Jim
Simon, Mr Siôn
Simpson, Alan
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Ms Angela C *(Sheffield, Hillsborough)*
Smith, Angela E *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr John
Starkey, Dr Phyllis
Stewart, Ian
Stoate, Dr Howard
Strang, rh Dr Gavin

Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Taylor, Dr. Richard
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Tony Cunningham and
Mr. Dave Watts

Question accordingly negatived

Question, That the proposed words be there added, *put forthwith*, pursuant to *Standing Order No. 31*

Question on amendment

The House divided: Ayes 303, Noes 181

Division No. 150] **[7.13 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Copper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Harman, rh Ms Harriet
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Lynne
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Pickthall, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon

Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Taylor, Dr. Richard
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Tony Cunningham and Mr. Dave Watts

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Bercow, John
Beresford, Sir Paul
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clapoison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Duddridge, James
Duncan, Alan
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, David
Hughes, Simon
Huhne, Chris
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maude, rh Mr. Francis
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Opik, Lembit
Ottaway, Richard
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Mr. Ian
Taylor, Matthew
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim

Tellers for the Noes:
Mr. Crispin Blunt and Mr. Richard Benyon

Question accordingly agreed to.

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House recognises the commitment and enthusiasm of the police officers of the Metropolitan Police Service, the City of London Police and the British Transport Police and further recognises the valuable contribution made by police community support officers and police staff to cutting crime in London; notes that police numbers in London now stand at record levels; welcomes the aim of the Mayor of London to add 1,000 more as part of his clear commitment to making London one of the world's safest capital cities; supports the introduction of Neighbourhood Policing Teams in all 600 wards in London to give communities greater access to policing in their areas; praises the work of the Metropolitan Police Service, which enjoys high levels of public satisfaction; further recognises the success of its enforcement operations and actions to tackle violent crime which have led to major reductions in gun and knife crime; acknowledges the importance of community and faith organisations in helping to make communities safer; welcomes the significant falls in overall recorded crime in London; and notes that homicide levels in London are at their lowest for nine years.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Committees),

REDUCTION OF GREENHOUSE GAS EMISSIONS BY 2020 AND REVIEW OF THE EMISSIONS TRADING SCHEME

That this House takes note of European Union Documents No. 5849/08 and Addendum 1, Draft Decision on the effort of Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments up to 2020 and No. 5862/08 and Addenda 1 to 3, Draft Directive amending Directive 2003/87/EC so as to improve and extend the greenhouse gas emission allowance trading system in the Community; and supports the Government's aim of contributing positively towards the negotiation of both instruments to maintain the ambition of the Commission's legislative package and the strong EU leadership in tackling climate change and putting the EU on track to become a low-carbon economy. *[Liz Blackman.]*

Question agreed to.

DRAFT CONSTITUTIONAL RENEWAL BILL (JOINT COMMITTEE)

Resolved,

That this House concurs with the Lords Message of 20th March, that it is expedient that a Joint Committee of Lords and Commons be appointed to consider and report on any draft Constitutional Renewal Bill presented to both Houses.

Ordered,

That a Select Committee of eleven Members be appointed to join with the Committee appointed by the Lords to consider the draft Constitutional Renewal Bill (Cm. 7342).

That the Committee should report on the draft Bill by 17th July 2008.

That the Committee shall have power

(i) to send for persons, papers and records;

(ii) to sit notwithstanding any adjournment of the House;

(iii) to report from time to time;

(iv) to appoint specialist advisers; and

(v) to adjourn from place to place within the United Kingdom.

That Mr Alistair Carmichael, Mr Geoffrey Cox, Michael Jabez Foster, Mark Lazarowicz, Martin Linton, Ian Lucas, Fiona Mactaggart, Mr Virendra Sharma, Emily Thornberry, Mr Andrew Tyrie and Sir George Young be members of the Committee. *[Liz Blackman.]*

Hon. Members: Object.

[John Hemming]

A case in Oldham – the judgment was anonymous, which is very good – caused a mother to have an abortion to avoid care proceedings. In that case, a child was taken away at an early stage because of allegations that the child had been harmed by the parents. After massive legal and medical wrangling, and an attempt to get a second opinion – the opinion was initially refused by the court of first instance and by the court of appeal, but then accepted by the court of appeal – the parents were proved innocent. They were not just not guilty; it was proved that it was not a shaken-baby-syndrome-type case, for those who study these things. There was no justification for the intervention whatever, but the child and the parents suffered, and the mother had an abortion to prevent the same thing from happening to another child.

We really need to carry out proper, rational risk analysis. The intervention of the state is almost invariably damaging. We need to minimise the damage caused by intervening while any investigation is going on. Most foster carers are good people, but we have to stop covering up situations where foster carers abuse the children in their care. The Care Leavers Association wants a public inquiry on the issue, and we should accede to its demand. We also need to revisit the idea of supporting families, rather than using the hammer.

The system is far more badly broken than I expected it to be when I started studying it. The way in which the child protection system operates has wide ramifications for society. The evidence is clear in the number of prisoners who have been in care. It is also clear that the removal of children from mothers who are victims of domestic violence is causing them not to report that violence. The procedures followed after multi-agency risk assessment conferences, which are carried out in response to 392 forms, are causing concern among mothers who are victims. People suffer in silence rather than having to handle the consequences of asking for help.

We cannot continue leaving the details to the practitioners. Proper scrutiny and accountability are essential. The system is supposed to have as a priority keeping families together. Why, then, are they split up in England, but kept together in Scotland? The Prime Minister said that the difference came from a difference in social work practice. Clearly, the system does not do what it says on the box. It does not protect children properly or support keeping families together properly. The evidence is there, north of the border.

We have systematically excluded grandparents from the decision-making process. That is ludicrous, as they are the normal source of back-up child care. Early-day motion 1199, which I tabled, focuses on the issue, following suggestions from the GrandParents Association and various other lobby groups. I am pleased to say that a motion has been tabled at the Council of Europe leading towards an investigation into family law in England and Wales. It would be good if we could have such an investigation in this country and not rely on the Council of Europe to sort out our problems.

Yesterday, we heard of the number of families destroyed by the system, often for no reason other than financial reward. Today we must start debating the issues, and tomorrow we need to reform public family law and stop such things ever happening again.

7.40 pm

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): I congratulate the hon. Member for Birmingham, Yardley (John Hemming) on securing a debate on an issue that is important to everyone in the House and outside – an issue that we should examine with care and consideration. Instead of ranting, we should take a comprehensive, considered and objective view of what we can do to make life better for those who are among the most vulnerable in our society. I am pleased, therefore, to have the opportunity to speak about the proceedings for children and to reiterate and emphasise the Government's commitment to helping and supporting vulnerable children.

Fortunately, the number of children in need in this country is relatively low compared to the total number of children in the country, but that does not mean that we should be or are any less committed to addressing those children's problems. We take our responsibilities in that regard extremely seriously. I shall summarise the recent background to the way we deal with matters relating to children and young people. In 2003, we published the "Every Child Matters" Green Paper, which set out five outcomes that we want to see achieved for all children. It is worth remembering that one of those outcomes was that children should be protected from harm and neglect so that they stay safe.

Things have not stood still since 2003. The Children Act 2004 put in place new structures to help us deliver those five outcomes. Also in 2004 we published "Every Child Matters: Change for Children", which set out a continuing national programme of change, outlining how the reforms were to be implemented. At the heart of that programme was the goal of ensuring that all children, especially the most vulnerable, are able to stay safe. I agree with the hon. Gentleman in one respect. Our starting point is that state intervention is and must always be a last resort. We firmly believe that children should live with their parents, provided it is safe, and that, where necessary, families should be given extra support to help them stay together.

On 1 April this year, I made a written statement to the House detailing two key reforms to the wider care proceedings system, which came into force on that day. The first of those was the revised Children Act statutory guidance to local authorities, issued by my colleagues in the Department for Children, Schools and Families and the Welsh Executive. It underlined to local authorities the need for them to work more closely with families and others to find alternative solutions to entering legal proceedings at all, always, of course, on the basis that it is safe to do so.

The guidance stressed that local authorities must explore all safe and suitable alternatives. Those should include targeted support for parents to enable children to remain at home and, another option that is hugely important in our diverse society, the possibility of the child being cared for within the wider family, whether by grandparents, aunts, uncles or even older siblings.

Of course, that was already a requirement in the Children Act 1989, but it was re-emphasised, and I hope will be continually re-emphasised, under the guidance published a few weeks ago. That said, where the local authority has immediate concerns about safety, they are able to apply for an emergency protection order or to

make an immediate application in care proceedings. We know—something to which the hon. Gentleman referred—that the longer-term prospects for children who remain with their extended birth family where it is established that it is safe, can be much better than for children who are in care.

At the same time in April, a second reform, the public law outline, also came into effect. This is a new judicial case management tool that dovetails precisely with the statutory guidance. It provides a more streamlined procedure for the way in which courts handle care applications, so that cases can be resolved more rapidly when a local authority decides that the only safe solution is to seek an order through the court.

The outline makes it clear to local authorities what the courts expect of them. Local authorities will have to demonstrate to the court that they have thoroughly explored all suitable and safe alternatives. They will also have to show the court what steps they have taken to work with families to try to enable the child to remain within his family home or within the wider family. In that way, the outline will, to all intents and purposes, provide an additional check on the actions of local authorities that issue proceedings.

I want to share with the House some of the things that were said at the formal launch of those reforms on 1 April. I sat and listened to the three representatives of the Children and Family Court Advisory and Support Service young people's board who talked more eloquently than any politician or professional about their hopes and aspirations for the way in which the reforms will impact on their lives.

One of them said:

"You will be working with us as active partners in our own case...listening to us, understanding us, moving at our own pace...sometimes faster, sometimes slower."

So I take issue with the hon. Gentleman when he says that we are not listening to what young people have to say. He will know that I have a particular interest in ensuring that young people's voices are heard in this place in terms of extending our democracy, and in terms of those who are vulnerable and who need the state's systems to protect them.

Another of the young people said, "Sise does matter." Sise is: see us, inform us, support us, empower us. It is true that in the past it has been all to easy sometimes to forget that what we do, we do to protect children, and that children's voices can often be swamped in the adult noise. Of course the Children Act underlined that when it said that the welfare of the child must be paramount in the decisions of the court. I believe that the Children Act strikes the right balance; a balance between the complex set of rights and responsibilities, the rights of a child to be safe from harm, and the responsibilities of parents. It also makes it clear that the state has a duty to intervene, when a child's welfare demands it.

We have introduced the Children and Young Persons Bill, which is a key part of our agenda to improve outcomes for children in care. Our aspirations for children in care must be as high as those for our own children. We must ensure stability in every aspect of care, and there must be good parenting from all those working with children in care, in the same way as we work on improving parenting for those children who remain with their families. There must also be a stronger individual and collective voice for every child in care. The Bill will provide the legislative base to deliver many of the changes set out in the White Paper, "Care Matters: Transforming the Lives of Children and Young People in Care", to make that vision a reality.

The hon. Gentleman has raised a number of individual cases, although he could not refer to some of them in detail. I do not believe that there is systematic corruption and unprofessionalism throughout the social services, local authorities, the courts or elsewhere. He is being unfair to those who work closely with children who need our help and support, and who ensure that those children receive that help and support. The president of the Association of Directors of Children's Services "flatly rejects" the odious claims surrounding so-called forced adoptions. There is no coherent evidence to support those claims, and the notion that honest, skilled and hard-working professionals would seek to cause children to be adopted unnecessarily is unacceptable. I believe that she holds that view honestly and professionally, and the Government and I support it. Our underlying theme will always be that the welfare of the child is paramount, which is what we seek to achieve.

Question put and agreed to.

Adjourned accordingly at eight minutes to Eight o'clock.

Deferred Division

IMMIGRATION

That the draft Immigration (Biometric Registration) (Pilot) Regulations 2008, which were laid before this House on 11th March, be approved.

The House divided: Ayes 265, Noes 65.

Division No. 147]

AYES

Ainger, Nick
Alexander, rh Mr. Douglas
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Banks, Gordon
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Harman, rh Ms Harriet
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hopkins, Kelvin
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Walley, Joan
Waltho, Lynda
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie

Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

NOES

Alexander, Danny
Baker, Norman
Barrett, John
Beith, rh Mr. Alan
Brake, Tom
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burstow, Mr. Paul
Burt, Lorely
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Cash, Mr. William
Clegg, rh Mr. Nick
Corbyn, Jeremy
Davey, Mr. Edward
Davies, Mr. Dai
Dodds, Mr. Nigel
Farron, Tim
Foster, Mr. Don
George, Andrew
Gidley, Sandra
Goldsworthy, Julia
Hancock, Mr. Mike
Harvey, Nick
Heath, Mr. David
Hemming, John
Holmes, Paul
Howarth, David
Huhne, Chris
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Laws, Mr. David
Leech, Mr. John
Llwyd, Mr. Elfyn
MacNeil, Mr. Angus
McCrea, Dr. William
Moore, Mr. Michael
Mulholland, Greg
Öpik, Lembit
Price, Adam
Pugh, Dr. John
Reid, Mr. Alan
Rennie, Willie
Robertson, Angus
Robinson, Mrs. Iris
Rogerson, Dan
Russell, Bob
Sanders, Mr. Adrian
Shepherd, Mr. Richard
Simpson, David
Smith, Sir Robert
Stunell, Andrew
Swinson, Jo
Taylor, Matthew
Teather, Sarah
Thurso, John
Tredinnick, David
Webb, Steve
Weir, Mr. Mike
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Sammy

Question accordingly agreed to.

House of Commons

Thursday 24 April 2008

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

BROADS AUTHORITY BILL *(BY ORDER)*

Order for Third Reading read.

To be read the Third time on 7 May.

BOURNEMOUTH BOROUGH COUNCIL BILL *[LORDS] (BY ORDER)*

CANTERBURY CITY COUNCIL BILL *(BY ORDER)*

LEEDS CITY COUNCIL BILL *(BY ORDER)*

LONDON LOCAL AUTHORITIES (SHOPPING BAGS) BILL *(BY ORDER)*

MANCHESTER CITY COUNCIL BILL *[LORDS] (BY ORDER)*

NOTTINGHAM CITY COUNCIL BILL *(BY ORDER)*

READING BOROUGH COUNCIL BILL *(BY ORDER)*

Orders for Second Reading read.

To be read a Second time on 1 May.

Oral Answers to Questions

TREASURY

The Chancellor of the Exchequer was asked—

Tax Avoidance

1. **Kelvin Hopkins** (Luton, North) (Lab): What his policy is on reducing Exchequer revenue forgone arising from tax avoidance and tax planning; and if he will make a statement. [200859]

The Financial Secretary to the Treasury (Jane Kennedy): "Protecting Tax Revenues", which was published by Her Majesty's Revenue and Customs alongside the Budget, sets out the progress made so far and how HMRC is responding to new challenges by further strengthening the strategy. Let me be clear: our approach is based on providing a modern and competitive tax system, which promotes opportunity and enterprise while ensuring that everyone pays their fair share.

Kelvin Hopkins: I thank my right hon. Friend for her answer, but she will be aware of the recent TUC report, "The Missing Billions", which identifies at least £33 billion of lost revenue per annum. If even a third of that money were collected, we could easily compensate the 10 per cent. tax losers, immediately restore the earnings link to pensions and pay for free long-term care for all, among other things. Does this not simply require a modicum of political will to collect the money?

Jane Kennedy: First, I do not accept the TUC's figures, which include reliefs from savings and enterprise and are based on a range of speculative assumptions. It is difficult to measure tax losses that arise from the use of avoidance devices. I hope that my hon. Friend accepts that all recent Budgets have included measures to close down avoidance schemes with a potential cost of between £1 billion to £1.5 billion a year. There have been notable successes, such as halving excise fraud. The measures have already reduced underpayments of tax by more than £5 billion a year compared with five years ago. I therefore hope that he accepts that there is a concerted effort to do exactly as he suggests.

Mr. Jim Devine (Livingston) (Lab): I wonder whether, in our modern and transparent taxation system, we can look at the bonuses that are paid to City workers. Last year, it was estimated that the amount increased to more than £1 billion. Some individuals got a £50 million bonus every year. Such pay increases not only distort housing prices in London and the south-east, but distort society.

Jane Kennedy: I hear what my hon. Friend says—it was more of a statement than a question. All such workers pay their taxes, as expected, and I believe that their enterprise and effort should be rewarded appropriately.

David Taylor (North-West Leicestershire) (Lab/Co-op): Despite what the Financial Secretary has said, there are many higher estimates for tax avoidance than the figure that my hon. Friend the Member for Luton, North (Kelvin Hopkins) suggested. In *The Guardian* this week, the estimable Prem Sikka estimates it to be between 20 and 30 per cent. of tax take. Is there not more that we can do? Will my right hon. Friend consider setting up a working party, including my hon. Friends the Members for Luton, North and for Great Grimsby (Mr. Mitchell), and advised by Prem Sikka? Perhaps then we could avoid some of the angst and heartache that we have seen this week in the days leading up to today.

Jane Kennedy: I am not sure that that would mean that I avoided anxiety and heartache, but I am more than happy to meet any of my Labour colleagues to discuss those and other matters as they arise.

Energy Prices

2. **Dr. Brian Iddon** (Bolton, South-East) (Lab): What recent representations he has received on the effects on the economy of rising energy prices. [200860]

10. **Barry Gardiner** (Brent, North) (Lab): What assessment he has made of the effects on the economy of the recent rise in energy prices. [200868]

The Chancellor of the Exchequer (Mr. Alistair Darling): High energy prices continue to affect all economies, and at the recent G7, International Monetary Fund and World Bank meetings, we called for urgent international

action by those bodies to improve the functioning of the oil markets, including increasing transparency and investment, as well as supply of oil.

Dr. Iddon: The Warm Front scheme has been welcome in reducing fuel poverty, but what efforts is my right hon. Friend making to reduce the costs of the preferred contractors, especially in light of the growing evidence that local contractors can do the same work for far less money? Has he also considered the criticism that the scheme is just not flexible enough?

Mr. Darling: I am grateful to my hon. Friend for his welcome of scheme in general. I think that about 7,000 households in his constituency have been affected by measures to help conserve energy through greater insulation. The point that he raises is a real concern, especially at a time when the industry is about to enter a major programme, through the carbon emissions reduction target, to insulate homes throughout the country. It would be a pity if contractors were to take advantage of that and charge more than ought to be charged. His other point was about ensuring adequate competition so that local contractors and others can get the work, which would also help drive down prices. He raises a real concern, which I want to look into, to make sure that all the work is not only done, but done as cheaply and efficiently as possible.

Barry Gardiner: In the Chancellor's reply to me on Monday, he stressed that rating agencies should not be relied on as a definitive guide in judging the stability of energy companies and other utilities. Given the high levels of leverage in energy companies, will he discuss with the regulator, Ofgem, what measures can be taken to ensure long-term stability, so that crises will not precipitate a collapse of those companies, due to the levels of debt that they are currently incurring?

Mr. Darling: I will certainly raise the matter with Ofgem. As my hon. Friend said, he raised it with me on Monday. Whether we are talking about a utility company or a bank, I am clear that a credit rating agency should be relied upon to give advice that will help inform directors' decisions, but it should not be taken as the last piece of advice. In other words, the decision should not be taken by the credit rating agency; it must be one for the directors to take.

The other thing that would greatly help utility companies in this country, particularly in relation to energy supply, is for us to ensure that the supply of energy in the European Union is truly opened up so that we can actually see what is going on. The Commission has taken some welcome steps, which Neelie Kroes initiated a year or so ago, but frankly the progress is far too slow. It is important that we do everything we can to ensure that the market is more open, because that will help British energy companies and therefore, importantly, consumers, whether businesses or individuals.

Dr. Vincent Cable (Twickenham) (LD): Why is it that three months after the Chancellor's high-profile intervention on electricity prices no action has been taken to refer to the big, vertically integrated producers that suppress competition the Competition Commission or to stop the blatant price discrimination against low-income metered consumers? Is that not another case, as with the banks, of powerful companies running rings round ineffectual regulators and Ministers?

Mr. Darling: No, I do not accept that. What is clearly the case, especially over the past year or so, is that the prices being paid by businesses and consumers have gone up. A lot of that is to do with very high oil prices, which have remained far higher than people forecast even a year ago. Oil prices are significantly higher than they were then. We have a competitive market, but as the hon. Gentleman knows, Ofgem is looking into the situation. I raised it with Ofgem at the turn of the year, because I want to ensure that our market is competitive and that there are no anti-competitive practices.

Since then, the Government have also engaged with energy companies to get them to increase the amount of money that they spend on customers with low incomes and, crucially, to do something about the unfair high payments that were imposed upon customers with pre-payment meters who, by definition, were on lower incomes than everybody else. Action is being taken, but rather like with the hon. Gentleman's fairy tale on Monday, he might want to look at all the facts and not just some of them.

Mr. Andy Reed (Loughborough) (Lab/Co-op): Although I welcome the interim and short-term measures that my right hon. Friend is taking, is he also considering alternative energies, such as those of the Energy Technologies Institute, which is based at Loughborough university, at the hub of a £1 billion investment? Those are the things that will reduce our reliance on oil in the long term, especially at $120 a barrel, at which it could remain for the foreseeable future. Will he ensure increased investment in those alternatives, not only for the long-term security of the nation's energy, but for all of us suffering from the increased energy prices caused by changes currently taking place in the world?

Mr. Darling: I agree with my hon. Friend. Indeed, the thrust of the energy White Paper that I published last summer was, first, to reduce our demand for energy, through increased conservation and measures to ensure that businesses and we as individuals use less energy, which is critical. The second thing is that we need to reduce our dependence on carbon sources of energy. That is one of the reasons that the Government believe that we should rebuild nuclear capacity. However, my hon. Friend is quite right that renewable energy must play a crucial role. The renewables obligation helps the growth of renewable energy. Indeed, we have seen a huge increase over the past few years, although we have a long way to go.

The problem with renewable energy that we also need to tackle is that sooner or later people must face up to the fact that if we want renewable energy, we have to give the go-ahead to wind farms onshore or offshore. The problem, certainly in this House, is that there are people who say, "Yes, we want to be greener", but who then go on to say, "But not anywhere near me." That is something that we as a country are going to have to resolve. I agree with my hon. Friend, however, that conserving energy and getting more renewable energy must be two of the centrepieces of any energy strategy if we are serious about tackling climate change and reducing bills for consumers, whether they are businesses or individuals.

Miss Anne McIntosh (Vale of York) (Con): The Chancellor will know that the high price of energy is hitting those on fixed incomes particularly hard, especially older and more vulnerable people. When will he be in a position to give the House details of the extra help announced yesterday that is to be given to 60 to 65-year-olds?

Mr. Darling: I hope that I can do that in the reasonably near future, but I want to make sure that we have bottomed out exactly how these payments can be made and what mechanism will be used. It will almost certainly be done through the winter fuel payment mechanism, because it is already there and we would not need to legislate for anything different. The hon. Lady will recall that, in the Budget, I increased the amount of money going to people over the age of 60 by £50 for this year, over and above the winter fuel payment. That was partly to reflect the fact that, as she has pointed out, people over the age of 60 are often, although not always, on fixed incomes. That payment will help them and will be widely welcomed. Those payments will go out in the autumn.

Julie Morgan (Cardiff, North) (Lab): Is my right hon. Friend aware that electricity bills in south Wales are 10 per cent. higher than in England, causing obvious problems to individual constituents and businesses? Has he made any assessment of the effect of those higher bills on the Welsh economy?

Mr. Darling: As I said earlier, the higher energy bills are affecting all parts of the UK, although I note what my hon. Friend has said about south Wales. They are also affecting every other country in the world. This is a matter of major concern, which is why we need to do three things. The first is to ensure that we have a genuinely competitive market. While we have made strides in this country—far more than many other countries, particularly in the European Union—we need to do far more to ensure that there is no anti-competitive behaviour. Secondly, we need to ensure that we take action to become more efficient with the amount of energy that we use. The third element, given that the root cause of the problem internationally is the continuing high price of oil, is that we need to take action to increase the production of crude oil, to increase our refining capacity, and to make those markets far more open than they are at present. All those things need to be done, because energy prices are crucial, particularly for heavy industry in south Wales as well as for consumers. I am very conscious of this issue, and we need to take action here as well as internationally.

Sir Patrick Cormack (South Staffordshire) (Con): When the Chancellor is considering alternative forms of energy, will he bear in mind his responsibility for the stewardship of the economy in general? Will he reflect that the erection of onshore wind farms can often despoil the countryside, deter tourists and have a bad effect on revenue as a consequence?

Mr. Darling: The hon. Gentleman amplifies the point that I made a few moments ago. Of course we have to balance our need to generate electricity, whether from coal-fired, gas-fired or nuclear power stations or from onshore wind farms, with the fact that we need to take environmental considerations into account. If we want more renewable energy, however, we have to put it somewhere—*[Interruption.]* Someone says from a sedentary position, "Offshore." Yes, indeed. However, our experience is that there have been almost as many objections to offshore wind farms as there are to onshore wind farms—*[Interruption.]* Not from the fish, but often from people with quite legitimate concerns that need to be addressed. If we are serious about getting more renewable energy, we actually have to build it. I would say to some, although not all, Opposition Members who say that they want renewable energy that they will need to reconcile that with their often robust opposition to building any more wind farms.

Paddy Tipping (Sherwood) (Lab): The Government have an excellent record on tackling fuel poverty, but the challenging targets to eliminate fuel poverty by 2016 are now looking difficult to achieve. Energy companies are increasing the amount that they spend on social tariffs to £150 million. Is the Chancellor confident that the voluntary approach is going to work and does he rule out mandatory tariffs?

Mr. Darling: My hon. Friend is quite right that we have reached an agreement with the energy companies to increase the amount of money they spend on social tariffs. It is far easier to proceed on the basis of voluntary agreement because it avoids all sorts of difficulties, and I very much hope that electricity companies will recognise that people feel very strongly about this approach and that it is something that they want to see, and I want to see that agreement implemented.

Vehicle Excise Duty

3. **Mr. Andrew Turner** (Isle of Wight) (Con): What the percentage change in vehicle excise duty for a Nissan Micra will be as a result of the changes to vehicle excise duty announced in Budget 2008. [200861]

4. **Sir Nicholas Winterton** (Macclesfield) (Con): What the percentage change in vehicle excise duty for a Nissan Micra will be as a result of the changes to vehicle excise duty announced in Budget 2008. [200862]

The Exchequer Secretary to the Treasury (Angela Eagle): Nissan produces a number of different models of Micra, which have a range of carbon dioxide emission outputs—from 125 g to 175 g a kilometre. Using 2008-09 rates of vehicle excise duty, the percentage change for Micras varies between minus 25 and plus 25 in 2009-10, and between minus 21 per cent. and plus 24 per cent. in 2010-11, reflecting the fact that there are a range of emissions choices with this model of car, as there are with many others.

Mr. Turner: While the smallest cars get a tiny benefit from the vehicle excise duty changes, even many Nissan Micras are subject to a rising band of VED rather than a smaller one. Is there any hope for these smaller cars?

Angela Eagle: The issue is that the VED rate changes are designed to increase the incentive for people to buy the least emitting—the best—car in a class, which is

why they are designed to reward those who buy best in class with respect to emissions by giving them a reduction in their VED rates.

Mr. Speaker: I call Sir Nicholas Winterton.

Sir Nicholas Winterton: Micra man. *[Laughter.]*

Does not the Minister accept that a very large number of motorists believe that the changes to VED bands to be introduced from 2009-10 are merely yet another stealth tax on cars, that the duty increases are in the main excessive and that they take no account of those people in my constituency—the farming community of Macclesfield and those in the hill country of the area—who need to use 4x4s? Will the Government look again into the need for 4x4s in many parts of the country?

Angela Eagle: I know that the hon. Gentleman is the epitome of Range Rover man. What I would like him and his constituents to do is be able to drive Range Rovers that emit lower amounts of CO_2. That is what the changes are designed to achieve.

Justine Greening (Putney) (Con): We now know that the changes to vehicle excise duty announced in the Budget were not a green tax; in fact, they were more of a brown tax or an eco-stealth tax. The reality is that we now know that the changes will raise £4 billion over the next three years. The Treasury admitted in parliamentary questions that motor vehicle CO_2 emissions will be reduced—by 2020, I should add—by one tenth of 1 per cent. That is a disgrace: it has nothing to do with saving the planet and everything to do with—

Mr. Speaker: Order. Perhaps the hon. Lady should ask a question.

Justine Greening: I will do. We also know—*[Laughter.]* I am coming to it, Mr. Speaker. Of the £4 billion raised, £2.5 billion will go on low-income families and £375 million will be paid next year. Will the Minister add the band A to J losers to the 10p compensation package review? The Government have reviewed capital gains tax and non-doms, so is it not time to review vehicle excise duty?

Angela Eagle: I am not sure quite how to categorise the emissions that we have just heard from the hon. Lady, so I had better not try. I can, however, tell her that as a result of these changes, in respect of 15 of the 30 best-selling cars of 2006 drivers will be better off, and in respect of nine they will be no worse off, while 55 per cent. of drivers will be better off or no worse off.

Northern Rock

5. **James Brokenshire** (Hornchurch) (Con): What is his most recent assessment of Northern Rock's business plan. [200863]

7. **Mr. Greg Hands** (Hammersmith and Fulham) (Con): What recent assessment he has made of Northern Rock's business plan. [200865]

The Chancellor of the Exchequer (Mr. Alistair Darling): During the period of temporary public ownership, Northern Rock will be managed on an arm's length commercial basis. On 31 March, its board published a detailed business plan that meets the Government's objectives.

James Brokenshire: In his recent ministerial statement the Chancellor said that the Government would hold the board accountable for performance against the business plan, but one of the commitments in the plan is that the bank will treat all customers fairly. In the light of today's expected test-case judgment, can the Chancellor explain how the Government intend to hold the board to account over the bank's fair treatment of its customers in respect of its charges?

Mr. Darling: As the hon. Gentleman says, we are expecting the result of that case today, and until we see the findings it would be premature to comment on how we will respond to them.

Mr. Hands: If the Chancellor cannot make his own bank cut its mortgage rate, what hope is there of anyone else doing so?

Mr. Darling: As I told the House on Monday, the measures announced by the Bank of England will take a great deal of pressure off banks. As I said then, they are a further step towards stabilising the financial markets. The benefits of the reductions in the Bank of England's rate, and the other support that it has introduced, can be passed on.

As for mortgage rates, it is important for two things to happen. It is important for institutions to rebuild their capital position, and we want banks and building societies to be robust enough to be able to continue to do that. As I said, I should like the benefits to be passed on, but as the hon. Gentleman will realise when he has had an opportunity to sit down and think about it, it is important for institutions to examine their own capital positions so that they can strengthen them, especially at a time when we are undergoing so much turbulence and uncertainty. The measures that we announced on Monday, together with the other steps taken by the Bank of England, will help to reduce the pressure that we face, and help those benefits to be passed on to consumers.

Mr. Philip Dunne (Ludlow) (Con): During the recess, the Chief Secretary wrote to me admitting that the independent valuer should treat Northern Rock as though it were in administration. Has the Chancellor appointed a valuer? Does he expect ordinary shareholders to receive any value, given that they rank below £400 million-worth of preference shareholders? And does he now recognise that Northern Rock is effectively in administration?

Mr. Darling: It is not, and—as the hon. Gentleman knows, because he follows these matters—the compensation regime was set down in the Banking (Special Provisions) Act 2008, which Parliament passed in February. However, it is right for the valuation of the bank to be based on the fact that it owes rather a lot of money to the Bank of England. That was the reason for our proposals, which were accepted by the House. I

believe that Members in all parts of the House accept that this is a bank that got into huge difficulties, and that if the Bank of England had not intervened it would have gone under. We must be fair not just to people who are involved with the bank, but to taxpayers as a whole.

Mr. Mark Hoban (Fareham) (Con): May I take the Chancellor back to his answer to my hon. Friend the Member for Hammersmith and Fulham (Mr. Hands)? Why has a bank that he nationalised refused to heed his calls to reduce its mortgage rate and pass on the reductions in the Bank of England base rate? Why has a bank that the Government put into public ownership not listened to his advice?

Mr. Darling: At our last Question Time, the Conservatives complained that Northern Rock was offering rates that were more competitive than those in the rest of the banking sector. Today they are complaining that it is not. Right from the start, the Conservatives' position on Northern Rock has been all over the place. They have had different positions for every week of the year, most of them contradictory.

As I told the House earlier this week, I believe that the Government have put in place, through the Bank of England, measures that will help to stabilise the financial markets. We are already seeing some evidence of that, but the financial markets are going through a period of unprecedented uncertainty and turbulence, and it is important that the banks—Northern Rock or any other—make sure that they have a secure base on which to proceed. As I have said, I hope that the benefits of both the reduction in interest rates and the additional money and support that the Bank of England has been able to give will be passed on, particularly to mortgage payers.

Welfare Tax Credits

6. **Mr. David Kidney** (Stafford) (Lab): What recent estimate he has made of take-up rates of child tax credit and working tax credit. [200864]

The Financial Secretary to the Treasury (Jane Kennedy): The latest published figures show that in 2005-06, 91 per cent. of the money for child tax credit and 82 per cent. of the money for working tax credit has been claimed.

Mr. Kidney: I thank my right hon. Friend for her answer. Will she confirm that since 2005 the Government have made changes to these tax credits which mean that there are far fewer reclaims of overpayment of child tax credit and far more childless workers eligible to receive working tax credit? Why cannot the Treasury and the Revenue make it automatic that people receive the tax credit to which they are entitled, and if that is not possible, will they engage with Members of Parliament, trade unions, employers, local government and third sector organisations such as Citizens Advice in raising awareness of the availability of these tax credits and campaigning for their take-up?

Jane Kennedy: I am grateful to my hon. Friend for the first suggestion in his question, although I think he will find that legislation requires people to claim—to make an application for—their tax credits. I recognise that more needs to be done to boost take-up of working tax credit by those without children. That is a particularly hard group to reach. I hope I can reassure my hon. Friend by telling him that Her Majesty's Revenue and Customs has been conducting a campaign aimed at this group. It plans to repeat it in the autumn, increasing its intensity so that it reaches more than 7.5 million households within the priority areas where it believes many people in these groups live, and about 3 million households will receive door-drop leaflets. In addition, HMRC is targeting employers in sectors where it expects there will be high eligibility, and we are also working with the trade unions. Promoting the take-up of tax credit is not a new interest of mine; we have been working hard on it. I am grateful to him for his interest, and I would be happy to discuss what further measures we might be able to take.

Mr. Michael Jack (Fylde) (Con): The Government have prayed in aid the use of tax credits in dealing with the removal of the 10p tax rate. Notwithstanding what the right hon. Lady has just said by way of an answer and the statements of the Chancellor and the Prime Minister yesterday, will she tell the House how many million people will still be losers by virtue of the removal of the 10p tax rate who will not be able to be helped by virtue of tax credits?

Jane Kennedy: The right hon. Gentleman will have heard the comments yesterday and through this week of my right hon. Friends the Chancellor and the Prime Minister, and he will know that I have had a long-standing interest in improving the take-up of working tax credits—as, indeed, has my predecessor. More work remains to be done in this area and we are redoubling our efforts. I do not at present have the details to respond to the specifics of the right hon. Gentleman's question, but that will be part of the work we will do going forward.

Ms Katy Clark (North Ayrshire and Arran) (Lab): Does the Minister accept that some people on low incomes have in the past had difficulty in coping with tax credit overpayments and that that is acting as a disincentive to some for claiming tax credits? We need a strategy to deal with this matter, to make sure they claim what they are entitled to.

Jane Kennedy: Absolutely, and I am grateful to my hon. Friend for raising that point. HMRC has developed a series of initiatives through the tax credits transformation programme, including increased support for those renewing their claims—particularly people who have had difficulty in renewing in the past—and enhanced assistance for those making new claims, which involves longer conversations with tax credit office support staff and better training and support for staff in tax credit call centres, to make sure that the customer experiences in renewing their claims and making new claims mean that customers get the tax credits they are entitled to as quickly as possible.

Greg Clark (Tunbridge Wells) (Con): As well as aiming to reduce poverty, do the Government aim to reduce the number of people who rely on benefits to escape it?

Jane Kennedy: Yes, we have said for many years that we believe the best route out of poverty is through work. The support that we have in place is designed to assist people not only to find jobs through our active labour market policies, which the hon. Gentleman will have noted have had considerable success, but to ensure that work pays and provides the benefits that one would expect once people are in work.

Ms Sally Keeble (Northampton, North) (Lab): Is my right hon. Friend aware that a Library paper prepared for me shows that families who earn up to £520 a week where one adult works for 30 hours and there are two children gain £10 a week through the changes to the tax and tax credits system? There has been a lot of debate about this Budget, but what will she do to ensure that a large number of families who might not have thought about claiming tax credits know that they will benefit a great deal from it?

Jane Kennedy: I am grateful for my hon. Friend's question. She and I have discussed this subject, and I am interested in the further evidence that she has brought to the attention of the House. I hope that she will be pleased to learn that I am encouraging Her Majesty's Revenue and Customs to do further work through the transformation programme, including work on new guidance for families, work on more accessible information and work with the national network of children's centres that is now in place. I am grateful to the staff at the tax credits offices, who are so enthusiastically taking up these improvements in how they work in order to benefit the customers whom they serve.

Mr. David Gauke (South-West Hertfordshire) (Con): In March 2007, the Prime Minister told the Select Committee on Treasury that take-up of working tax credits by households without children had increased by 100,000 since 2004-05 and that, partly as a consequence of that, it was incorrect to say that 5.3 million households would lose out as a result of the doubling of the 10p rate. Will the Financial Secretary confirm that the Prime Minister was wrong to say that working tax credit take-up had increased by 100,000 and wrong to deny that 5.3 million households were losing out from the scrapping of the 10p rate? Will she confirm that the problem in trying to use working tax credits for households without children to cobble together a compensation package for the 5.3 million households who are losing out is that the take-up rate is only 22 per cent?

Jane Kennedy: No, the hon. Gentleman knows that the rate of take-up of tax credits is higher than that of any previous system of income-related financial support for working families. The take-up rate was 50 per cent. in the early years of family income support and only 57 per cent. for family credit, but it is 62 per cent. for working families tax credit. This system is successful, although I accept, as I have said repeatedly this morning, that there is further work to do in respect of households without children. HMRC and I are working hard to improve take-up—*[Interruption.]* He says 22 per cent. from a sedentary position. That fact is in the public domain and I do not quarrel with it, which is why I have said repeatedly to him, his colleagues and Labour Members that there is work to do and we are committed to taking it forward.

Hospitals (Expenditure)

8. **Mrs. Joan Humble** (Blackpool, North and Fleetwood) (Lab): What recent assessment he has made of the effects on the economy of expenditure on hospitals. [200866]

The Chief Secretary to the Treasury (Yvette Cooper): Investment in the health service improves facilities and care, and it helps the local economy both directly, by providing employment, and through improving the health of the local work force.

Mrs. Humble: I can confirm to my right hon. Friend that exactly that is happening in Blackpool. Is she aware that in recent years, £70 million of capital investment has been made in Blackpool Victoria hospital to create new cardiac care and haematology units and much more? Not only has that created new jobs in the economy for contractors and providers, and for 100 new nurses, but, of course, it has improved health care. Will she continue that investment and her good work?

Yvette Cooper: I assure my hon. Friend that the Government intend to continue making significant increases; there is provision for a 4 per cent. real increase in health spending during this comprehensive spending review period. We recognise the benefits that health care investment can bring to the local economy. As she says, it means jobs for nurses, but it also means improvements in health. There has been a 17 per cent. drop in cancer deaths over the past few years as a result of much of the extra investment in the national health service, which has gone into providing new drugs and better treatment facilities.

Mr. Mark Field (Cities of London and Westminster) (Con): Given that so much expenditure on hospitals in recent years has been through off-balance sheet private finance initiative and public-private partnership projects, is the Minister comfortable with the notion that, effectively, the next generation of taxpayers will have to pay for jam today in hospitals and other areas of public expenditure?

Yvette Cooper: I am astonished to hear that the hon. Gentleman seems to be against new hospitals, PFI projects and the chance of investment in the future. It is often right to borrow to invest in the future and to deliver the kinds of services from which people will benefit for many generations to come. We are proud of that level of investment. I am sorry—I think his constituents will be sorry, too—if he is setting his face against the new and important capital investment in the NHS.

Welfare Tax Credits

9. **Simon Hughes** (North Southwark and Bermondsey) (LD): What steps he is taking to make award notices for tax credit claimants easier to understand. [200867]

The Financial Secretary to the Treasury (Jane Kennedy): I am so pleased that the hon. Gentleman could join us. He may not have heard me comment that the tax credit system is now working well for the 6 million families who benefit from tax credits, but I continue to look for opportunities to improve their experience. A revised

version of the award notice, reflecting comments from the voluntary and community sectors, has, as he knows, been in use since April 2006.

Simon Hughes: I was here for the whole of the previous exchange, which I noted. I noted in particular that three quarters of people who are entitled to working tax credit do not claim it. I also know that nearly 1 million people were not given the amount that they should have received. Given that there are two four-page forms and that, as the Minister says, the target audience is the people who are most likely not to get the forms right, what will she do, rather than merely saying she is committed, which I do not doubt, to ensure that the system delivers, if it is meant to be the answer to all the Government's new-found difficulties?

Jane Kennedy: My apologies. I did not see that the hon. Gentleman was here for the earlier discussion. He certainly was not here at the outset of questions. He will have heard me refer to the fact that HMRC has

Mr. Jeremy Browne (Taunton) (LD): Talk about Liverpool council.

Jane Kennedy: I can talk about Liverpool if the hon. Gentleman wants me to. HMRC has already conducted a campaign aimed specifically at one group: families without children who should potentially be receiving working tax credit. I hope that the hon. Member for North Southwark and Bermondsey (Simon Hughes) will accept that this is a particularly hard group to reach and to encourage to claim. It is for precisely that reason that HMRC has focused its effort. It is working with three different groups in which it believes that we could improve take-up: new mums, some ethnic minority groups and the group that I just mentioned. HMRC realises that there is more work to be done.

It is not just a matter of words; HMRC is making a real effort. It deserves to be commended for its work. It is too early yet to see the outcome of that increased effort, but there is no doubt that the effort is being made not only through the leaflet campaign to which I referred, but through targeted radio promoting the use of tax credits to those groups. We believe that they listen to local radio programmes more than other perhaps more conventional methods of advertising.

Miss Anne Begg (Aberdeen, South) (Lab): It became clear from the correspondence that I received about the abolition of the 10p tax rate that there was still a large amount of ignorance about who could claim and who qualified for working tax credit. That might help to explain why take-up is so low. Another explanation is that people with disabilities find it difficult to get more than the number of hours that must be worked in order to qualify for tax credit, on top of the complication of filling out the form. Will my right hon. Friend reconsider the qualifications for working tax credit for those with disabilities, to make it easier for them to qualify without having to work the 30 hours, which they find a high hurdle to overcome? That would also help to address the group that is losing out as a result of the abolition of the 10p tax rate.

Jane Kennedy: My hon. Friend makes a valuable point, which I am happy to consider. I will closely examine the whole area as we go forward to ensure that all those who are entitled to receive working tax credit, whether or not they are impacted on by the questions around the 10p tax rate, can do so. Equally, I want to examine how we can help people in the way that my hon. Friend has suggested. I will consider whether it will be advisable to do so through the tax credit system or perhaps some other means.

Savings Ratio

11. **Ann Winterton** (Congleton) (Con): What assessment he has made of the long-term consequences for the economy of the savings ratio. [200869]

The Chief Secretary to the Treasury (Yvette Cooper): The savings ratio is affected by the macro-economic conditions, the financial market conditions and consumer attitudes at any one time. The Government are currently forecasting an increase in the household savings ratio, partly in response to current economic conditions.

Ann Winterton: Why did the Chancellor abandon prudence some nine years ago to increase dramatically the size and cost of Government and public expenditure, while discouraging saving by a combination of inflation and high personal taxation? Now that the housing market has gone virtually from boom to bust, and it is estimated that UK personal indebtedness is rising by £1 million every five minutes, what further action will the Chancellor take to improve the savings ratio, which is so important for stability in the economy?

Yvette Cooper: I have to say that I completely disagree with the hon. Lady's diagnosis of the economic situation. We have invested, it is true, in schools, hospitals, education, health care and transport infrastructure, and that has had a very big impact on things like standards in school and the number of deaths from heart disease and cancer. We have also seen big improvements in our economic prosperity. We have gone from being at the bottom of the G7 league to being second from the top in prosperity per head of population. That is a very big improvement in our economic wealth and well-being, and it is as a result of the investment and macro-economic decisions that this Government have taken.

Topical Questions

T1. [200849] **John Penrose** (Weston-super-Mare) (Con): If he will make a statement on his departmental responsibilities.

The Chancellor of the Exchequer (Mr. Alistair Darling): The core purpose of the Treasury remains to ensure the stability of the economy, to promote growth and to manage the public finances. Last week, the new figures showed that employment in the United Kingdom had reached a new record of 29.5 million people, which demonstrates the underlying strength and resilience of our economy.

John Penrose: In an earlier response, the hon. Member for North Ayrshire and Arran (Ms Clark) responded to a question about the rescue package for the 10p rate of tax by saying that she could not reveal, or did not know, all the details in that package. Given the sensitivities on both sides of the House, and given the fact that another member of the Chancellor's

stations in Kirkwall, the price this morning is 123p for unleaded, and 131p for diesel. Will he meet a delegation from the National Farmers Union Scotland and local businesses to hear from them about the crippling impact that high prices are having on local businesses, and to see what the Government can do, as one of the largest contributors to that price, to help local people?

Mr. Darling: I appreciate the point that the hon. Gentleman makes and, if I may show my usual lack of partisanship, I know that the hon. Member for Na h-Eileanan an Iar (Mr. MacNeil) would have raised the issue had we got to his question. Having filled my car up with diesel in Lewis just a couple of weeks ago, I am acutely aware of how high the petrol prices are. There are two things that I can say. First, I cannot promise to do so myself, but I am sure that one of my ministerial colleagues will be happy to meet the hon. Member for Orkney and Shetland (Mr. Carmichael).

Secondly, I am struck by the variation in petrol prices across the highlands and islands; they vary substantially. I noticed an excellent article in the *Stornoway Gazette* a couple of weeks ago—I like to keep informed—that drew attention to the fact that the price of diesel seems to vary quite a bit depending on which side of the Minch one is on. The hon. Member for Na h-Eileanan an Iar has, I think, raised the matter with the Office of Fair Trading, but the fact that there is such variation, when it is not abundantly clear why that is, is something that perhaps all of us ought to have a look at.

T6. [200856] **Mr. Mark Harper** (Forest of Dean) (Con): I listened carefully to the exchanges between the shadow Chancellor and the Chancellor. Is it not obvious that the Prime Minister has done a deal to buy off Labour MPs next Monday, and that the Chancellor of the Exchequer is in the process of reneging on it? Labour Members will find that they have been conned.

Mr. Darling: Absolute nonsense. The Conservative party ought to continue to reflect on the fact that on this issue, as on so many others, its positions are completely contradictory. The Conservative party has absolutely no coherent strategies for helping people on low incomes, for getting children out of poverty, or for helping older people and people on low incomes who do not have children. We do. We are determined to improve people's living standards, and that is precisely what we will do.

Business of the House

11.33 am

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): Will the Deputy Leader of the House give the forthcoming business?

The Deputy Leader of the House of Commons (Helen Goodman): The business for the week commencing 28 April will be:

MONDAY 28 APRIL—Consideration in Committee of the Finance Bill.

TUESDAY 29 APRIL—Conclusion of consideration in Committee of the Finance Bill.

WEDNESDAY 30 APRIL—Remaining stages of the Energy Bill.

THURSDAY 1 MAY—Topical debate: subject to be announced, followed by a general debate on child poverty in Scotland.

FRIDAY 2 MAY—The House will not be sitting.

The provisional business for the week commencing 5 May will include:

MONDAY 5 MAY—The House will not be sitting.

TUESDAY 6 MAY—Consideration of Lords amendments to the Criminal Justice and Immigration Bill.

WEDNESDAY 7 MAY—Opposition Day [11th allotted day][First part]. There will be a debate on an Opposition motion, subject to be announced. After that, the Chairman of Ways and Means will name opposed private business for consideration. If necessary, that will be followed by consideration of Lords amendments. The House will not adjourn until the Speaker has signified Royal Assent.

THURSDAY 8 MAY—Topical debate: subject to be announced, followed by a general debate on defence in the world.

FRIDAY 9 MAY—Private Members' Bills.

I should also like to inform the House that the business in Westminster Hall for 1 May and 8 May will be:

THURSDAY 1 MAY—A debate on the report from the International Development Committee on sanitation and water.

THURSDAY 8 MAY—A debate on the report from the Health Committee on the National Institute for Health and Clinical Excellence.

Mr. Vara: I express my thanks for that information.

This morning, the Leader of the House issued a written statement on topical debates. Given the importance of those debates, an oral statement would be more appropriate, giving Members an opportunity to question her proposals. This morning the Prime Minister, too, issued a written statement to report on the NATO summit in Bucharest. To date, the Government have come to the House to make an oral statement following such a meeting. Why did we not have an oral statement this time? What is the Prime Minister trying to hide? Yesterday, the Chancellor announced a U-turn on the 10p tax in a letter to the Treasury Committee, instead of making an oral statement to the House. Will the Deputy Leader of the House give Members an assurance that her colleagues will start practising what they preach and treat Parliament with the respect that it deserves?

Last week, the Home Secretary said that police forces under pressure from migrants settling in their areas would get extra funds, but we now know there is to be no additional money, and that the fund had already been announced by the Home Office in February. We need a statement from the Home Secretary apologising for recycling a statement and for trying to gain cheap political advantage during the local election campaign.

On Tuesday, the Work and Pensions Secretary announced that poverty figures, due to be published in March, but then delayed until early May, have been delayed again until June. Given public concern over rising prices, particularly on food and fuel, that procrastination does little to allay people's fears. The Secretary of State needs to explain the impact of soaring prices on Britain's poorest families, and may I suggest that the subject of next week's topical debate should be the cost of living?

On the subject of the cost of living, Ken Livingstone said that he would not put up tube fares, but it is reported that he has done a secret deal to do just that—another reason why the man is not fit to be Mayor of London. Can we have a debate on honesty in politics?

The Public Accounts Committee has said that the Government were "entirely unrealistic" when they made their original estimate of the cost of the 2012 Olympics. The massive rise in the budget was a result of their ignoring basic considerations such as contingency provision, VAT and security measures. The Minister for the Olympics has some serious explaining to do, and she should make a statement about costly incompetence in her Department.

The Office for National Statistics has announced that it will make house visits to interview nearly half a million people every year and ask a range of personal and intimate questions at an annual cost to the taxpayer of £3.5 million. There will be questions on salaries, 35 questions on contraception, and questions on former sexual partners—a subject on which we know the leader of the Lib Dems is more than happy to respond. Those questions are extraordinarily intrusive—

Chris Bryant (Rhondda) (Lab): Why is the hon. Gentleman raising them, then?

Mr. Vara: I am raising them because of the Government's incompetence in not allowing questions to be asked in the first place. Those questions are extraordinarily intrusive, and it is widely accepted that such surveys are inaccurate. The Secretary of State for Communities and Local Government should come to the House and explain this scandalous waste of taxpayers' money.

Yesterday, on St. George's day, we read in the papers that England has been wiped off a map of Europe drawn up by Brussels bureaucrats. The map makes no reference to England, or indeed Britain, and has even renamed the English channel the "Channel Sea". It is all very well the Prime Minister putting up patriotic flags on top of No. 10 Downing street, but he needs to make an urgent statement to tell us what he is doing to protect Britain's interests in Europe and Britain's identity.

[Mr. Vara]

So, Mr. Speaker, there you have it. We have a Government who dither, who spend millions on sex surveys while millions of their people worry about the cost of food, and who betray their people by refusing to stand up for them in Europe.

Helen Goodman: Once again, the hon. Gentleman has gone completely over the top. Every week at business questions we have to listen to wild hyperbole. Last time I looked, England was still on the map.

The public will not be taken in by crocodile tears from a party which, while it claims to be concerned about the low paid, opposed the minimum wage, and which, while it claims to be concerned about economic insecurity, produced 3 million unemployed. I shall not delay the House further. Instead, I shall move on to the substantive points that the hon. Gentleman found time to make.

On topical debates, as the hon. Gentleman knows, we have instituted a review. We would be pleased to have the views of hon. Members on the way topical debates are going. Members are welcome to come and see the Leader of the House or to write to us.

With reference to the oral statement relating to the European Council

Mr. Andrew Mackay (Bracknell) (Con): NATO.

Helen Goodman: Oh, it was NATO; I am sorry. I misheard what the hon. Member for North-West Cambridgeshire (Mr. Vara) said.

On the 10p rate, the hon. Gentleman asked why the Chancellor of the Exchequer had written to the Treasury Committee, rather than producing an oral statement. We have had ample opportunity and we will continue to have ample opportunity to discuss the matter. The Prime Minister answered questions yesterday. As the hon. Member for North-West Cambridgeshire knows, the Chancellor was standing at the Dispatch Box about five minutes ago answering questions on the matter. On Monday there will be a debate on clause 3 of the Finance Bill, when all the issues can be fully aired.

The Home Secretary's announcement about policing was perfectly in accordance with the rules because it related to national, not local, issues. As I am sure the hon. Gentleman knows if he has read properly the written ministerial statement from my right hon. Friend the Secretary of State for Work and Pensions, the delay to the publication of the statistics about households on low incomes is due to a technical difficulty with the statisticians. The decision was taken by officials and had nothing to do with Ministers.

I accept the hon. Gentleman's suggestion for a topical debate for next week. We will accept that alongside all the other suggestions that we receive.

The hon. Gentleman made a point about the candidates for the mayoralty of London. He failed to take account of the fact that Ken Livingstone has been at the forefront of developing public transport in London, unlike the candidate whom the hon. Gentleman supports, who did not even have time to make a speech when his own colleagues had given him an opportunity to do so yesterday in a debate on crime in London.

The hon. Gentleman raised the issue of the costings for the Olympic games. He should be aware that the costings were established not in the most recent National Audit Office report, but more than a year ago, in January 2007. The fact that we have a full NAO report and that the PAC has an opportunity to consider it shows that there is adequate parliamentary scrutiny. The hon. Gentleman knows perfectly well that the Office for National Statistics has now been set up as an independent body and that it is undertaking those surveys to produce statistics. However, I am sure that the head of statistics will read his remarks in *Hansard*.

Before I sit down, I should like to pay tribute to Gwyneth Dunwoody, who was a regular at business questions. More than that, she was a remarkable woman, a great parliamentarian and a formidable Chair of the Transport Committee. I am sure that the whole House will miss her greatly.

Mr. Speaker: David Winnick.

Mr. David Winnick (Walsall, North) (Lab) *indicated dissent.*

Ms Sally Keeble (Northampton, North) (Lab): My hon. Friend will be aware of the massive concern across the House about the situation in Zimbabwe. There is to be a Westminster Hall debate on the issue next week, but will my hon. Friend make sure that there is also a statement to the House about it next week, so that we get information on a fast-moving situation and so that we can press for measures such as tighter sanctions on Zimbabwe? In that way, we can try to get the regime to release the election results and let Zimbabwe move on to a renewed democracy.

Helen Goodman: My hon. Friend is absolutely right. She has taken a long-standing interest in the affairs of Zimbabwe. The Prime Minister made clear everybody's total disgust at Mugabe's treatment of the election results and the importance of standing by a proper democratic outcome that respects the will of the people of Zimbabwe.

As my hon. Friend says, there will be a Westminster Hall debate on Zimbabwe next Tuesday. I do not know whether she is aware that the arms shipment, about which many people were concerned, has been turned away from South Africa. I am sure that the whole House will welcome that news. She may be aware that the European Union has an arms embargo on Zimbabwe. The Government believe that it would be excellent if as many other countries as possible joined that embargo.

Simon Hughes (North Southwark and Bermondsey) (LD): May I associate myself and my colleagues with the tributes made by the hon. Lady—and you, Mr. Speaker, earlier this week—to Gwyneth Dunwoody? She was a formidable, doughty and relentless parliamentarian, and by being so gained huge respect across the House and outside it. She also broke two great records. She was the woman who served for the longest continuous period in Parliament, a record previously held by Barbara Castle, and the woman who served for the longest period overall, a record previously held by Irene Ward. She was

a phenomenal parliamentary contributor, and we send our condolences through the Deputy Leader of the House to her family and friends and her constituents in Crewe and Nantwich.

Through the Deputy Leader of the House, I should like to thank the Leader of the House for her letter explaining why she is not here today. She is at the funeral of Gloria Taylor, Damilola Taylor's mother. We send our love and sympathy to the Taylor family, who have suffered two terrible blows in far too short a time.

May I ask the Deputy Leader of the House three questions about business, all of which are about the economy and matters about which we heard the Chancellor and colleagues speaking earlier? First, will the hon. Lady assure me that, on Monday and Tuesday, when we debate the Finance Bill, there will be time to debate adequately the working tax credit? In particular, if the Government are determined to use the credit as the method of giving back to the poor, may we debate how we can change a situation in which under a quarter of those eligible as working couples with no children obtain working tax credit, and under a third of those who earn less than £10,000 obtain it?

There is also the fact that 2 million people get working tax credit repayments that they should not get, and 1 million do not get the ones that they should. It is no good having a reliance on this system if it works so badly for so many people. I hope that the Deputy Leader of the House can assure us that on Monday or Tuesday there will be time to debate that issue instead of just saying that that is the mechanism for dealing with the Government's recent difficulties.

On Wednesday, we have the debate that the Deputy Leader of the House announced on the remaining stages of the Energy Bill. She has heard before the exchanges about giving enough time for Opposition new clauses and amendments. May I ask specifically that we have time to debate why someone who pays their energy bills by direct debit may have fuel bills on average £400 lower than people who have prepayment meters? People who pay by prepayment meter are the poorest and those who pay by direct debit have the most stable incomes, bank accounts and the rest. If we are going to deal with the poor and energy bills we need to be able to help those people, who are clobbered most and can afford least.

One of the effects of the credit crunch appears now to be impacting on housing associations, which have to borrow in the private sector for the house building that they contribute to social housing. The Government have an ambitious target of 3 million extra homes by 2020, and an affordable housing target of approaching 100,000 homes a year by 2010-11. May we soon have a debate about achieving the objective of building the affordable homes that we need in London and across Britain? At the moment, the banks are less willing to lend, the housing associations therefore have less money to spend, and the risk is that the ambitious targets turn to nothing and people have additional housing problems in addition to all the other ones that we know about.

Helen Goodman: The Leader of the House will be most pleased when she reads what the hon. Gentleman said. She particularly asked me to mention the excellent work that is being done by the Damilola Taylor Trust for deprived young people in London, and I am sure that she will be pleased to see his remarks about that.

The hon. Gentleman asked about the handling of the Finance Bill in Committee of the whole House on Monday and Tuesday. As he knows, we voted last Monday to devote two days to those proceedings. As he also knows, the selection of amendments is a matter for the Speaker, not for the Leader of the House. I am sure that we will balance the importance of this issue against the other important tax measures that we are to discuss. I do not, however, fully accept his characterisation of working tax credits, which, in truth, have helped and continue to help 6 million households and 10 million children.

Turning to the hon. Gentleman's questions about the Energy Bill, fuel poverty is of course one of the issues that can be raised in the debate next Wednesday. I am not sure from his remarks whether he is fully aware that the energy companies are now putting in £100 million, £125 million and £150 million to support vulnerable customers over the next three years. That has to be set alongside the perfectly legitimate questions that he raised.

I will take the hon. Gentleman's remarks about the importance of affordable house building as a suggestion for a topical debate, if I may. I am not sure whether he knows that the target for building 200,000 houses includes 70,000 per year that should be affordable.

Patrick Hall (Bedford) (Lab): Does my hon. Friend agree that given the strong emotions, fears and opinions expressed by some about a few controversial aspects of the Human Fertilisation and Embryology Bill, additional time should be allocated to debate those matters on the Floor of this House, not just in Committee?

Helen Goodman: I do understand the importance of the issues in the Human Fertilisation and Embryology Bill. That importance is the reason why all parties have agreed to give their Members free votes on the ethical issues that are contained within it. We will take account of my hon. Friend's point when we come to the timetabling, which will be announced in the business statement of the preceding week.

Sir Michael Spicer (West Worcestershire) (Con): When Sir John Baker reports to the House in the next few weeks on Members' pay, will that be the last word that will be said on the next settlement, or will it merely be part of a report on the process for the future?

Helen Goodman: As the hon. Gentleman knows, the last word will be had by this House when it debates the Baker report, which will, as I am sure he also knows, examine two things – not only the comparator and the settlement in the current year but how to establish an independent mechanism, which the whole House voted for in January. He can rest assured that he and all hon. Members will have an opportunity to come back before the summer recess to discuss that important issue.

Tom Levitt (High Peak) (Lab): Will my hon. Friend allow the House an early opportunity for an oral statement or a debate on the effectiveness of British

[Tom Levitt]

humanitarian aid to Gaza? Those of us who were in that sad territory last week found that apart from food aid, no aid at all is being effective in that area because of the complete closure of the territory's borders that Israel has imposed. That territory is on the verge of total collapse, and I do not believe the aid that we have promised is getting through and doing what it should, whether it is bilateral, European or United Nations aid.

Helen Goodman: My hon. Friend raises an important issue. I will pass on his remarks to my right hon. Friend the Secretary of State for International Development and ask him to respond.

Mr. James Arbuthnot (North-East Hampshire) (Con): May I revert to the question asked by the shadow Deputy Leader of the House as to whether there is to be an oral statement on the NATO summit, to which I am afraid we heard no answer? It seems irrefutable that on Sunday Russia shot down an unmanned aerial vehicle owned and flown by Georgia. Last week, Russia appeared to take legal steps to recognise separatists in Georgia. The Defence Committee has just produced a major report about NATO suggesting that there is a crisis of political will in NATO. What is happening in Afghanistan at the moment requires an oral statement on the Floor of the House. Why on earth is this the first time for decades that there has not been one?

Helen Goodman: The hon. Gentleman

Mr. Mackay: Right honourable.

Helen Goodman: The right hon. Gentleman raises an important point, and I will consider his request. However, I just announced that a week on Thursday there will be a general debate on defence in the world, and he will be able to raise those issues then.

Mr. Ian Cawsey (Brigg and Goole) (Lab): Yesterday, the Prime Minister said that it was a matter of public debate as to whether St. George's day should become a bank holiday, so as part of and in the spirit of that, may we have a debate in this House so that Members can express their support for that long overdue measure?

Helen Goodman: I will take that as another request for a topical debate. I am sure that my hon. Friend is aware that under this Labour Government people's entitlement to take bank holidays has already been increased by four days, and in a year's time they will get a further four days' guaranteed bank holidays.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): As diesel in my constituency costs up to £1.33 per litre, the Chancellor is probably getting more of that sort of revenue from my constituents than from anybody else. Could we have a debate on looking to introduce a system of fuel duty taxation in rural Scotland and the Scottish islands similar to that in rural France, where duty is cut by 3 per cent.? I hope that the Deputy Leader of the House will make time for such a debate. If such a measure were introduced, the Chancellor would still be getting more fuel duty from my constituency than anywhere else.

Helen Goodman: If the hon. Gentleman had serious proposals on the taxation of fuel, he should have tabled an amendment to the Finance Bill, and he could have had the opportunity to debate it properly next week. What he is saying is absolutely typical of the irresponsible approach his party takes to this matter.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): Will my hon. Friend organise an early debate on the use or possible misuse of health service records? I am raising this issue because my constituents, Mr. Wood and Mr. Womble of Handsworth, Sheffield, received a survey asking for their views on the NHS. There is nothing strange about that, except that no one else in the area received it, and they had both recently had hospital appointments. My colleagues who are also Sheffield Members of Parliament have constituents who received the same survey, all of whom had recently had hospital appointments. I am asking for a debate and an inquiry by the Secretary of State because the surveys were produced not by any organisation connected with the health service, but by the Lib Dems in conjunction with their local election campaign.

Helen Goodman: My hon. Friend has raised an issue of huge concern. I know that the Department of Health is looking into the matter. It is absolutely vital that people's personal information remain personal and that they can trust the NHS to look after it properly.

Mr. Greg Knight (East Yorkshire) (Con): Has the Deputy Leader of the House or her right hon. and learned Friend the Leader of the House yet had time to reflect fully on the latest report from the Procedure Committee, which recommends that the House introduce a system of electronic petitioning? Does she agree that in order better to look after those whom we serve, we need to recognise that the internet is here to stay, and to amend some of our procedures accordingly? When can we expect a Government response?

Mr. Dennis Skinner (Bolsover) (Lab): Don't give in to that.

Helen Goodman: I am not exactly going to give in to it, but I will respond to the helpful report from the Procedure Committee on this important question. Of course, it is vital that we maintain and strengthen connections between citizens and Parliament. Petitioning is clearly an important channel for doing that. We will study the matter seriously and come back with a response soon.

Michael Connarty (Linlithgow and East Falkirk) (Lab): I would like to draw the attention of the Deputy Leader of the House to early-day motion 1391.

[That this House is alarmed by the proposal of INEOS to reduce the pension rights of the workforce at the former BP oil refinery and chemicals complex at Grangemouth, Scotland, from that which had been part of the terms and conditions of employment of the

workforce when INEOS bought the BP site; acknowledges that the INEOS proposal is to create a two-tier workforce with all new employees being denied a final salary pension; notes that as a result of the new proposal 97 per cent. of trade union members in an 86 per cent. ballot return voted for strike action after exhaustive negotiations; expresses concern at the aggressive tactics of INEOS senior management in undermining the agreed consultative processes; and supports the efforts of the INEOS workforce and their trade union UNITE to sustain existing pension arrangements on this very profitable complex for the benefit of all current and future employees.]

I thank the House authorities for organising a statement on the situation at Grangemouth after this Question Time, but could my hon. Friend ask the Scotland Office to co-operate with the Select Committee on Scottish Affairs to set up an inquiry into the promises made when BP sold the facility to INEOS, including the pensions now being attacked, and into the closures that have taken place on that site since INEOS bought the plant? We need to compare the promises made with the reality of that company's behaviour in Scotland.

Helen Goodman: My hon. Friend makes an interesting point, but he might produce a more significant result if he made it after the statement by the Secretary of State for Business, Enterprise and Regulatory Reform, which is to follow. Perhaps he would like to do that.

Mr. Ian Liddell-Grainger (Bridgwater) (Con): The hon. Lady has been very helpful with regard to the ongoing situation of Southwest One in the county of Somerset. I have subsequently learned something about it, so could we have a debate on the matter? The Government's consultancy body, 4ps, was brought in to sort out the deal in Somerset. It was fired, and another company was brought in. That company made it clear that it was accredited by the Government's consultants, 4ps, which is a blatant lie put out by the county council and the chief executive of the county. This matter has now cost the county of Somerset more than half a billion pounds and 1,400 jobs. Unless the situation is sorted out rapidly, through a debate in this House so that we can get to the bottom of the deal, it will rebound badly not only on the Government but on the taxpayers of Somerset.

Helen Goodman: I took up the matter when the hon. Gentleman raised it before, and I thought we had agreed that it was not a political matter. I do not know whether he has been in touch with the National Audit Office, as I suggested—I see that he has. To get to the bottom of the matter, we need to use the institutions available to us, and the NAO is excellent in such situations.

Paul Flynn (Newport, West) (Lab): When can we have an educational debate in the House to inform the Conservatives about one of this Government's best reforms? Probably one of the most serious reforms to go through this House in the past 10 years is the establishment of the UK Statistics Authority, which in its compilation and publication of statistics will be free from interference from political parties or any political narrative. Is it not disappointing that less than a month after it was set up, the Conservative party is trying to interfere with the work of the authority—

Mr. Speaker: Order. That is a bit wide of next week's business.

Helen Goodman: My hon. Friend is right in that the new independent Statistics Authority that we set up under legislation earlier this month will firmly guarantee the independence of statistics. He may also be aware that scrutiny of the authority will be carried out by the Public Administration Committee. I hope that it will be able to consider the authority's work. As he knows, all Select Committee reports may be debated in Westminster Hall.

Mr. David Heath (Somerton and Frome) (LD): May we have an urgent debate on the activities of the Driving Standards Agency and its attitude to public service? The agency is about to close the driving test centre in Trowbridge, which means that my constituents will have to make a 46-mile round trip to Chippenham, not only to take a test but to practise for one. When the new enhanced motorcycle test begins later this year, they will have to go to Exeter. To put that into context for people who do not know the geography of the west country, that journey is equivalent to someone from central London having to go to Maidstone for a car test and to Eastbourne for a motorcycle test. Is that an acceptable standard of public service?

Helen Goodman: I will pass on the hon. Gentleman's remarks to the Department for Transport and ask it to give him a response.

Paul Farrelly (Newcastle-under-Lyme) (Lab): I add my tribute to my constituency next-door neighbour and truly remarkable colleague, Gwyneth Dunwoody.

I have tabled early-day motion 1363.

[That this House calls for an investigation into Newcastle-under-Lyme's Conservative- and Liberal Democrat-led Council's handling of the writing off of business rates owed by companies co-owned by Peter Whieldon, a Conservative councillor for the Seabridge ward; notes that on 28th March 2007, the Borough Cabinet agreed to write off amounts of £16,618 and £13,300 in business rates owed by two of Mr Whieldon's insolvent companies in respect of the Albion Pub in Newcastle; notes, too, that on 26th March 2008 the Cabinet agreed to write off a further £13,441 owed by another insolvent company, also co-owned by Mr Whieldon; recognises further that Mr Whieldon is still trading through new companies at several licensed premises in Newcastle and Stoke-on-Trent, including the Albion; notes that the Conservative and Liberal Democratic leadership of Newcastle Council has so far kept these write-offs confidential, notwithstanding his status as a councillor; regrets, therefore, the shameful failure of the council to bring this to the attention of council tax and business rate payers in the borough, and electors in Seabridge ward, through a public statement; believes that this failure exhibits a gross error of judgment by the Council, which also is to the detriment of local businesses that compete fairly for trade, pay their business rates and settle all their debts; and further calls, therefore, for an explanation in the public interest by the Conservative and Liberal Democrat leadership of the Council of its handling of this affair.]

[Paul Farrelly]

May we have a debate on that motion and early-day motions 1364 and 1365, which I tabled this week? They concern the conduct of Newcastle-under-Lyme borough councillor, Peter Whieldon, whose companies have left a trail of debt across north Staffordshire, including more than £100,000 in business rates owed to Newcastle-under-Lyme and Stoke-on-Trent councils.

Does the Deputy Leader of the House agree that it would be entirely proper to have a debate in this place on what constitutes unethical behaviour by councillors, and on the importance of strong political leadership in exposing such conduct in the public interest, which has been sadly lacking in the case of Newcastle-under-Lyme borough council in this case? It knew about his conduct, and wrote off his business debts behind closed doors, making no public statement. Disgracefully, Mr. Whieldon is again standing as a Conservative council candidate in these elections.

Helen Goodman: I wish to congratulate my hon. Friend on raising that serious matter of quite disgraceful behaviour by the individual in question and the council. I will take his proposal as a suggestion for a topical debate.

Robert Key (Salisbury) (Con): Most of our constituents and most of us accept that we will need more houses in our country over the next 20 years. My democratically elected district council decided that we would need about 6,000 in Salisbury. The South West regional assembly said that we might need 8,000. The Government then imposed 12,400 without consultation. Last night, there was a meeting of 1,000 of my constituents in Salisbury city hall to express their outrage at this top-down planning imposition. May we have a debate on the local development framework and preferred housing options to see whether the Government really believe that housing problems can be dealt with by imposition from Whitehall, rather than by organic, sustainable growth from the bottom up?

Helen Goodman: The hon. Gentleman must appreciate that there is a serious housing shortage in this country and that, if we are to alleviate it, houses must be built. The Government's targets for house building are designed to ensure that everybody can live in decent homes. The hon. Gentleman is perfectly free to apply for an Adjournment debate.

Dr. Brian Iddon (Bolton, South-East) (Lab): Last week, I was privileged to lead the Inter-Parliamentary Union delegation to Israel and the occupied territories, to which my hon. Friend the Member for High Peak (Tom Levitt) has already referred. The seriousness of the crisis is demonstrated by Shifa hospital—the main trauma hospital for the Gaza strip—which already regularly generates its own electricity. It pointed out that if its electricity supply failed, it would lose 80 patients in 30 minutes, and that if electricity failed for a week, an additional 250 dialysis patients would also die. The Quartet meets next week in London, where another important meeting will also take place of those who donate money to help Gazans and others in the occupied territories. May I echo my hon. Friend's request for at least a statement after those two meetings, the week after next?

Helen Goodman: I will convey my hon. Friends' requests to the Foreign Secretary because the position is about not only aid but political developments. It is important that some shift in the political situation occurs. I will therefore draw the matter to the attention of the Foreign and Commonwealth Office as well as to that of the Department for International Development.

Sir Nicholas Winterton (Macclesfield) (Con): May I observe to you, Mr. Speaker, that more than 20 minutes of business questions, which are important to the House, has been taken up by Front Benchers? I wonder whether that is normal and whether you might give advice.

My question to the Deputy Leader of the House is in support of that asked by the hon. Member for Northampton, North (Ms Keeble). Although there may be a debate on Zimbabwe and sanctions in Westminster Hall, the whole House should have an opportunity—as the Government have promised on so many occasions—to debate the uniquely disastrous situation in Zimbabwe, where an election has been held but, three weeks later, no one knows the result. Surely we want to support the view of a growing number of African countries and hold a debate so that we can influence what happens.

Helen Goodman: I think the hon. Gentleman speaks for the House when he says how appalled he is by the position in Zimbabwe. I will take his request as a suggestion for a topical debate next week.

David Taylor (North-West Leicestershire) (Lab/Co-op): Yesterday afternoon, in the Attlee suite in Portcullis House, the all-party group on sustainable aviation, of which I am an officer, was pleased to receive a report from Jeff Gazzard of the Aviation Environment Federation, which exposed the distortions, inaccuracies and heroic assumptions that underpin official policy on aviation and its impact on the environment and climate change. In the light of his startling figures and conclusions, may I make a submission to the Deputy Leader of the House for an urgent debate in the Chamber to examine that crucial matter, which affects so many people, especially those who live around the nation's regional airports, including East Midlands airport in north-west Leicestershire?

Helen Goodman: My hon. Friend is right. Aviation is one of the fastest growing sources of greenhouse gases. That is why a more sustainable aviation industry is important. It is also why the Government have made negotiating an EU emissions trading scheme, which incorporates aviation, a priority. I will pass on his remarks to the relevant Department.

Jo Swinson (East Dunbartonshire) (LD): This week is national depression awareness week. It is an important fact that one in five people in this country will suffer from depression at some point in their lives. May we have a debate on what the Government are doing to tackle the problem and the wider issue of how good mental health can be positively promoted, just as we promote good physical health?

Helen Goodman: The hon. Lady is absolutely right. Mental health is important, and that is why the Secretary of State for Health announced a programme

to increase the amount of psychotherapy that people can get on the national health service. I will consider her suggestion.

Mr. Jim Devine (Livingston) (Lab): May we have a debate in Government time on the behaviour of HSBC? The bank has made a profit of £35 billion in the past three years, but it is closing its facility in my constituency and transferring the bulk of 164 jobs to Malaysia. That is not the only outrageous way in which the management has treated the staff: it has brought them in, one by one, and told them that they cannot speak publicly about the issue. I am sure that my hon. Friend agrees that behaving like 19th century pit owners is unacceptable.

Helen Goodman: My hon. Friend describes unacceptable employment practices. The House knows that he is a doughty campaigner for his constituents, and I am sure that HSBC management will hear his remarks about their handling of the matter.

Mr. Bernard Jenkin (North Essex) (Con): May I tell the Deputy Leader of the House that on Monday No. 10 suggested that the Prime Minister would make an oral statement to the House on Wednesday about the outcome of the NATO summit? Clearly, he was blown off course by this week's events. It is still not too late for an oral statement on that important summit. It is unprecedented for a Prime Minister not to make a statement to the House after a Heads of Government meeting at NATO. The Government regularly acclaim NATO as the cornerstone of our defence. The Prime Minister's failure to make a statement on the summit's outcome sends the wrong signal about the importance that the Government attach to NATO.

Helen Goodman: I do not think the hon. Gentleman should have any doubts about the Government's commitment to NATO. I have heard his remarks and those of other hon. Members today, and I have said that I will reflect on them.

Ms Katy Clark (North Ayrshire and Arran) (Lab): The Deputy Leader of the House will be aware that Monday is international workers memorial day, which commemorates those who have died as a result of work. Does she agree that it would be fitting for the House to mark that in some way, and to have a debate on what further can be done to prevent incidents at work that lead to fatalities?

Helen Goodman: My hon. Friend is absolutely right. It is important that we continue to make progress in reducing serious injuries and deaths at work. I will consider her suggestion.

Mark Pritchard (The Wrekin) (Con): May we have an urgent debate on cowboy and dodgy builders, especially foreign construction companies such as Bovale, which is based in the Republic of Ireland? That company is destroying large parts of Shropshire, not least Priorslee lake which is a designated county wildlife site. Is the Deputy Leader of the House aware of the—at best—dodgy reputation of the company's owners, Tom and Michael Bailey? Is it not time that the Department for Communities and Local Government had a black list of companies so that it could warn local authorities not to deal with those that destroy wildlife and have disreputable financial backgrounds?

Helen Goodman: The hon. Gentleman makes a serious point about the construction industry. He will know about the Office of Fair Trading report on its behaviour. All those matters are under consideration in the Department for Business, Enterprise and Regulatory Reform.

Tony Baldry (Banbury) (Con): Will the Deputy Leader of the House ensure that we extend the time on Monday so that Treasury Ministers can explain to the House in detail the way in which they are dealing with the 10p tax shambles? It is crazy that a Labour Back Bencher, however august, can appear on the "Today" programme to tell us about a discussion that he had with the Prime Minister about backdating the claim, yet the Chancellor of the Exchequer comes to the House knowing nothing about it. May we please have sufficient time on Monday to ensure that Treasury Ministers explain to the House how they will fiddle around with the national minimum wage, working family tax credits and the winter fuel allowances? Will they backdate the claim to 1 April? May we hear the answer from Treasury Ministers, not Labour Back Benchers on the "Today" programme?

Helen Goodman: As the hon. Gentleman knows, the Chancellor of the Exchequer was answering questions about that 45 minutes ago. The hon. Gentleman will have another opportunity to debate it on Monday, but he should not display this hypocritical, if I may say so—

Mr. Speaker: Order. The hon. Lady must withdraw that without qualification.

Helen Goodman: I withdraw it without qualification. However, it is somewhat difficult to listen to Opposition Members raising the issue as their supposed priority, when they showed no concern about the low-paid and opposed the minimum wage.

Mr. Andrew Mackay (Bracknell) (Con): Following that totally unacceptable reply to the question asked by my hon. Friend the Member for Banbury (Tony Baldry), may I point out to the Deputy Leader of the House that the right hon. Member for Birkenhead (Mr. Field) told the nation on the "Today" programme this morning that he had received absolute guarantees from the Prime Minister that all measures to offset the harm of the abolition of the 10p rate of tax would be backdated to April of this year? The right hon. Gentleman also said that the Chief Secretary had been ill briefed on "Newsnight" last night. However, that was countered by the Chancellor of the Exchequer at the Dispatch Box less than an hour ago. We have no idea whatever what is going to happen. If we are to reach a decision and vote on that aspect of the Finance Bill next Monday, the Deputy Leader of the House must now give us an absolute assurance that the Chancellor of the Exchequer will make the position completely clear before we do so. Will she do so immediately?

Helen Goodman: The Chancellor of the Exchequer did make the position clear 45 minutes ago. He referred to his letter that sets out the programme of work that is going to be carried out over the next few months. The

[Helen Goodman]

Government have been happy to listen to those who are genuinely concerned about poverty, but there seems to be some inconsistency in the position of Opposition Members.

Mr. Nigel Evans (Ribble Valley) (Con): I hope that we can have a full day's debate on Zimbabwe next week. So incompetent is Robert Mugabe that he could not even rig his own election properly and is now trying to steal it. While he is doing that, 4 million people have moved to live in South Africa and millions more are living with hyperinflation and starvation. Some African leaders have shown true leadership. Indeed, even in South Africa Speaker Mbete has spoken out, saying that the election results should be declared. Sadly, President Mbeki has not shown the same leadership. Please can we have an urgent debate next week on the issue?

Helen Goodman: I know that the hon. Gentleman is concerned about the situation in Zimbabwe, as is everybody. Everybody utterly condemns the reports of violence that are coming from that country. I will relay the requests that have been made to the Foreign and Commonwealth Office.

John Bercow (Buckingham) (Con): Further to the questions posed by the hon. Member for Northampton, North (Ms Keeble) and, more recently, my hon. Friends the Members for Macclesfield (Sir Nicholas Winterton) and for Ribble Valley (Mr. Evans), may I reiterate the request that we have a full day's debate on Zimbabwe in Government time on the Floor of the House? Given that under the truly tyrannical and despicable leadership of the mass murderer Mugabe too many people have suffered too much for too long, with too little done to help them, is it not time that we debated on the Floor of the House how the Government will seek to persuade the United Nations to translate its commitment to the responsibility to protect from fine-sounding words into concrete action?

Helen Goodman: As ever, the hon. Gentleman makes his point most eloquently, and I have heard it.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): May we have a debate on the Equality and Human Rights Commission? Cultural diversity is one of Milton Keynes's greatest strengths. I am sure that the Deputy Leader of House will join me in commending the work of the Milton Keynes racial equality council. However, does she share my concern at the news this week that all funding for that organisation has been cut by the Government from 1 April this year? What message does that send to minority groups in Milton Keynes?

Helen Goodman: I am surprised to hear what the hon. Gentleman has to say. I will pass his concerns on to the relevant Department that oversees the commission.

Philip Davies (Shipley) (Con): My three local newspapers, the Bradford *Telegraph and Argus*, the *Keighley News* and the *Ilkley Gazette*, have all taken the regrettable decision to remove their "Court in brief" sections, not because they wanted to do so but because HM Courts Service has introduced excessive charges for the information. I hope that the Deputy Leader of the House will agree that that goes totally against the grain of open justice. I quite understand why the Government are embarrassed about the lenient sentences handed out to criminals in our courts, but surely it is a rather weasel tactic to implement excessive charges to stop newspapers reporting them. Can we have a statement from the Justice Secretary on how the matter will be resolved?

Helen Goodman: I think that the hon. Gentleman is exaggerating, if I may say so. It is important that the courts make proper charges for services. I know that colleagues in the Ministry of Justice have considered the issue carefully.

Industrial Action (Grangemouth)

12.26 pm

The Secretary of State for Business, Enterprise and Regulatory Reform (Mr. John Hutton): With permission, Mr. Speaker, I should like to make a statement on the implications of the industrial action at the Grangemouth refinery, which, I regret to report, is scheduled to begin on Sunday and last for 48 hours. Throughout the past few days we have kept in close contact with Scottish Ministers, both parties to the dispute and the industry as a whole. I am particularly grateful to ACAS for its efforts to resolve matters between the parties.

Our first priority now is to ensure the maintenance of sufficient fuel supplies during the period of industrial action. Over the past few days, significant additional supplies of imported fuel have been made available in Scotland. I have been advised by the industry that there is sufficient fuel to resupply forecourts and other users ahead of the planned industrial action. The industry has also advised us that, at present, fuel stocks at Grangemouth, together with planned imports of finished product through Grangemouth to replace lost production, should be sufficient to maintain supplies through the period of industrial action and the consequent restarting of the plant.

We are already working under our established memorandum of understanding with industry to develop a jointly managed approach that allows fuel suppliers to work together to maximise available fuel. We also have available, if necessary, the national emergency plan for fuel, which can be used to ensure that fuel is available for priority groups such as the emergency services. Our best assessment is that there is at present no need for the Government to take action under their emergency powers. We are working closely with the Scottish Executive and the regional forums in Scotland to prepare for further action, should that become necessary. We will not hesitate to use the emergency powers if that becomes necessary.

The oil companies have reported significant increases in fuel uptake this week in response to concerns about shortages of fuel. Although this response is perfectly understandable, I want to emphasise that industry has made it clear that there is sufficient fuel available via imports and that any localised shortages will be resupplied quickly.

It is also essential to prevent the industrial action at Grangemouth from disrupting the flow of North sea oil and gas associated with the Forties pipeline system and the Kinneil processing plant at Grangemouth. There can be no justification whatever for any action that adversely affects production of oil and gas from the North sea. Continuing production depends on power, steam and cooling water being delivered by or through the Grangemouth site. Discussions are continuing this morning on ensuring the continuance of these vital utilities, and of course it is essential that they be maintained.

Finally, there is a need to protect critical equipment to allow a rapid return to normal operation following the period of industrial action. That will require the provision of safety cover for the INEOS refinery and petrochemical plants. It will also require maintaining the steam supply throughout the plant to ensure the integrity of steam lines, pipes and production units.

The dispute is one for INEOS and Unite to resolve as a matter of urgency. The Government's view is that they both have a responsibility to minimise the impacts of their dispute on the public and the wider economy. I urge both sides to get back to the negotiating table as quickly as possible to resolve the dispute without any further harm being done to the public and the economy. We will continue to monitor the situation, working closely with the Scottish Executive, emergency services, local authorities and other key agencies.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): My hon. Friend the Member for Rutland and Melton (Alan Duncan) apologises to the House for his inability to be here for the statement.

I thank the Secretary of State for advance sight of the statement on a matter which is of particular concern to people in Scotland. May I begin by agreeing with him that the parties should get back round the negotiating table as a matter of urgency? I would ask both sides to lift their horizons beyond their own immediate interests, and to show a maturity and responsibility which reflects the serious consequences that this dispute could have for the public and the economy.

I am pleased to learn that there has been close working with the Scottish Government, and I would grateful if the Secretary of State provided a little more detail on that. I do not know whether he has seen any of the headline-grabbing pronouncements from Scotland's First Minister in the past few days, but it would seem that, for once, even his mythical powers have been unable to resolve this situation.

I welcome the proportioned tones of the Secretary of State's words, as he will be aware that there has been much speculation about the impact that this shutdown could have on individuals, services and the economy. Does he agree that we need to maintain a sense of proportion in relation to these events and to ensure that all analysis is objective? That will be the only way to deliver reassurance to the public that there is no need for the panic buying of petrol or the stockpiling of supplies.

Will the Secretary of State join me in endorsing the view of the AA that if people act sensibly then there will be no shortages? Where fuel is being provided by contingency measures, will he confirm that it will be equitably distributed throughout Scotland and not just to major centres of population? Can he also confirm that, as this situation does not represent a more general shortage, he would not expect there to be any impact on petrol prices at the garage forecourt anywhere in the United Kingdom? Will he monitor what happens to petrol prices to make sure that no one tries to take advantage of the situation and to push their prices up unfairly?

The Secretary of State will be aware that the industry believes that a two-day strike is damaging but containable, but there is profound concern about the implications of a longer dispute, which would undoubtedly increase the risk of serious shortages. How is he monitoring that situation? At what point, for example, would he expect Cobra to meet to establish

[David Mundell]

what further action might be needed? In the meantime, can he give the House more details of how his Department is working with the industry to secure fuel from other sources to make up for the shortfall while Grangemouth is out of action? To what extent does he understand that fuel has been stockpiled to minimise the effect of the strike on the public?

The Secretary of State will also be fully aware that huge costs are associated with ships that are waiting to load up with oil but cannot do so because of the industrial action. What is his understanding of the legal implications of this, and who will be liable for the extra costs incurred?

Finally, what is his understanding of the impact that the strike will have on plans to invest in the future of Grangemouth? What impact does he think a strike will have on INEOS's ability to fund the £750 million investment programme necessary to modernise the plant? In that respect, does he agree that a strike will put jobs at risk and damage the interests of those working at Grangemouth and of a vital British industry?

Mr. Hutton: I am grateful to the hon. Gentleman for the manner of his response and for his comments. I agree that there is no need for panic buying in Scotland or anywhere else, and I hope that hon. Members from all corners of the House will reflect that message in their comments today. I can assure him that the objective of our discussions with the industry in Scotland is to maintain fuel supplies for all consumers in Scotland, wherever they are. That is important not just in the central belt, but in rural areas and the highlands as well. It is also important for industrial consumers, including the airlines operating in Scotland, which need jet fuel and kerosene. There is absolutely no justification for profiteering, given the adequacy of the levels of supply in Scotland, and I condemn absolutely anyone who seeks to take unfair and inappropriate advantage of the current situation. We are looking carefully at that matter.

The hon. Gentleman has asked me a number of questions about what would happen if the dispute were to escalate. I am sure that he will understand that I do not want to speculate about hypotheticals today, but I can assure him and every Member of the House that it is the UK Government's absolute and firm responsibility to ensure that there is continuity of supply, that the emergency services are protected first and foremost, and that we do everything in our power, if there were to be such an event, to minimise the wider impact on the community in Scotland and elsewhere in the United Kingdom.

It is rarely the case that industrial action advances a cause with the wider public, and I do not believe, in these circumstances, that it is fair or reasonable to expect the wider community in Scotland to be disadvantaged in any way by this dispute between INEOS and the Unite union. It is incumbent on all the parties to the dispute to find a way of getting back to the table as quickly as possible and to resolve the dispute, so that the Scottish public and Scottish industry can get on with their future.

Sarah Teather (Brent, East) (LD): I thank the Secretary of State for coming to the House to make this statement. I know that my hon. Friend the Member for Orkney and Shetland (Mr. Carmichael) has been trying to table an urgent question on this matter for some time, as it particularly affects people in Scotland.

I want to echo the Secretary of State's observation that it is essential that INEOS and Unite get back round the negotiating table as soon as possible. I welcome his assurance that adequacy of fuel supply is assured for Scotland, particularly in rural areas. It simply cannot be the case that a piece of brinkmanship and a petty dispute about pensions should hold the economy of Scotland to ransom. Does he recognise, however, that his statement follows a week of panic buying? Many Scottish colleagues are already reporting localised albeit, as he says, short-term shortages of fuel. Does he think that an earlier, public intervention by the Government could have prevented that? Having said that, I welcome his statement today. It was extremely helpful.

The Secretary of State also mentioned profiteering, a matter that a number of Scottish colleagues have raised. He might be aware that there is a system in Western Australia called FuelWatch, which publishes tomorrow's fuel prices today. Does he think that such a public display of information could be helpful in the UK in counteracting that unacceptable practice? He said that contingency plans were in place in case of need. Will he tell the House how close he believes this two-week stoppage could bring Scottish oil supplies to that point of need? I appreciate his point about not wishing to discuss the details regarding Cobra, but he will also be aware that the public find it reassuring to understand the extent to which the Government have planned for that need.

Finally, how confident is the Secretary of State that what he calls "well-functioning markets" are likely to deliver the investment in UK refinery capacity and function that the Wood Mackenzie report says we need? As the Conservative spokesperson has already mentioned, INEOS's own briefing states that its investment programme is contingent on a resolution of this dispute in its favour. Does the Secretary of State believe that that demonstrates the vulnerability of the UK's security of supply to unforeseen events?

Mr. Hutton: I shall deal with some of the points that the hon. Lady has raised. We made our position clear on Tuesday in relation to this dispute and to the need for people to buy fuel normally during the run-up to any potential industrial action at Grangemouth. We felt that it was perfectly reasonable not to make a statement to the House of Commons at that time, given that discussions were continuing between ACAS, INEOS and the trade unions, and that there was a prospect that the dispute would be called off. Now that the dispute is clearly scheduled to take place, I believe that this is the right time for the Government to make a statement.

Let me correct one thing that the hon. Lady said. It is not a two-week stoppage; it is a two-day stoppage. *[Interruption.]* I am not trying to trip her up; she does not need to worry about trying to come back in. Because it is a two-day stoppage, and because of the

action that the industry took in the run-up to the dispute, and the action that can be taken during the dispute, we are confident—and the industry has reassured us—that there is adequacy of supply in Scotland. That is why we are not activating any of the emergency powers. There is no need to do so, given the adequacy of the levels of fuel supply.

The hon. Lady has rightly asked about the planning that goes into all eventualities. It is comprehensive and extensive, and I would be happy to extend an invitation to her and to the hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell) to have a briefing with my officials, to reassure them about the level of planning and the adequacy of those arrangements.

Michael Connarty (Linlithgow and East Falkirk) (Lab): May I first, through you, Mr. Deputy Speaker, reprimand the hon. Member for Brent, East (Sarah Teather) for referring to this as a "petty" dispute over pensions? It is all very well for us sitting here with our final salary pensions—much higher than anyone's in the industry—to call this a petty dispute when people's standards of living are being attacked.

Is the Secretary of State aware that the breakdown of talks yesterday took place because although the trade union was willing to talk about the safety and integrity of the plant so that it could be started up very quickly, all the company seemed to be doing was talking through fancy public relations companies and bringing in very expensive barristers to threaten the trade union with action in the courts? In fact, the company did not try to negotiate at all. Oddly enough, it said that it wanted to return to the position of three months ago, yet this dispute, as we know, started eight months ago when the company brought new workers on site with different terms and conditions of employment from those already there—with no final salary pension scheme and contributions taken out of their salary, which was not the deal when BP sold the plant to INEOS.

May I suggest that the solution is to put it to Mr. Jim Ratcliffe, the owner of INEOS, that if the company is willing to return to the position of eight months ago, when everyone coming on to the site had the same terms and conditions of employment—a final salary pension that is non-contributory, as it was under BP—the negotiations could be resumed with good will? Mr. Ratcliffe was willing to come and see me when he was lobbying to buy BP, and I am willing to meet him privately at any time to talk about how to solve the problem.

Mr. Hutton: I do not dispute for a second the importance of pension rights for the work force at Grangemouth, but my responsibility in all these matters is not to get drawn into taking sides in the dispute. There is a dispute between the parties and I have already said that I very much hope for a sensible settlement so that business can get back to normal at Grangemouth, which I strongly believe is also the desire of the trade unions there, as they will be the most immediate group to lose out. My responsibility to the House and the people of Scotland is very clear: it is to maintain essential fuel supplies, ensure that the economy of Scotland does not suffer as a result of the industrial action, and make sure that there is no ripple effect out into the North sea in respect of production from the Forties pipeline system.

My hon. Friend was right to refer to agreements that have already been secured in respect of safety at Grangemouth and to the ongoing provision of essential utilities on the site. I commend the unions for their willingness to ensure that there is no damage to the basic infrastructure at Grangemouth, but it is absolutely essential—it is impossible to exaggerate the importance of this—that there is also an agreement to ensure the safety and security of the Forties pipeline itself. It simply cannot be in anyone's interest for any fundamental damage to be done to the long-term value of the infrastructure that links Grangemouth to the North sea. If that were to happen, it would be a tremendous own goal, which would serve no one's interests.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): I also welcome the Secretary of State's statement and very much hope that he is right in his assessment of the situation. May I press him on the question of co-operation and communication with the Scottish Executive? Will he give an assurance that some thinking is being done about how priority can be given to the maintenance of supplies to vital public services—fire, police and ambulance services, but also ferry and air services that provide lifeline routes to communities that are heavily reliant on them—should that become necessary at some future date?

Mr. Hutton: I am grateful to the hon. Gentleman for giving me the opportunity to give that assurance; it was remiss of me not to have dealt with the matter in my response to the hon. Member for Dumfriesshire, Clydesdale and Tweeddale. We have had discussions with the Scottish Executive; I spoke to the First Minister on Monday and again this morning, and my hon. Friend the Minister for Energy has had discussions with the Scottish Finance Minister as well. We will keep in close communication with the Scottish Executive; it is important that we do so.

On the question of the emergency services, my point is that there are adequate fuel supplies in Scotland, so we do not need to activate the national emergency plan, which rests fundamentally on the assumption that there is no adequate supply, thus highlighting the need to prioritise supply to the emergency services. Should the situation in Scotland change, we will not hesitate, as I have already made clear today, to use the powers that we have to prioritise the supply of essential fuel to vital emergency services. I also want to make it clear to the hon. Member for Orkney and Shetland (Mr. Carmichael) and other hon. Members who represent the remoter constituencies in Scotland that Caledonian-MacBrayne has clarified that no services will be interrupted and that we are sure that airline operators have sufficient jet fuel to maintain a regular service.

Ms Katy Clark (North Ayrshire and Arran) (Lab): I fully support the Secretary of State's comment about the need for a speedy negotiated settlement so that industrial action is averted. Does he agree, however, that this is yet another example of new workers being

Topical Debate

Supermarkets

12.57 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Joan Ruddock): I beg to move,

That this House has considered the matter of supermarkets.

Today's debate provides us with an excellent opportunity to focus on the role of supermarkets, and to consider how their activities affect people, communities, the economy and the environment. Many of us have a peculiar love-hate relationship with our local superstore. We like the convenience of being able to obtain a wide range of goods in one place, at one time and at a reasonable price, but we want to ensure the hearts of villages and towns are not destroyed by out-of-town developments and our high streets are not cloned into homogeneous parades of shops selling the same products from the same stores in town after town. Many of us also care very much whether producers and farmers—whether they farm in Britain or in developing countries—get a fair price for the products they sell.

Whatever anyone's stance on the issue, no one can deny that our supermarket chains have a unique place in this country. They exert an incredible influence over what we buy, how we buy, and where we buy. Their actions hold sway over many varied issues, and I am sure that a number of them will be raised today.

Although it is not in my brief, I am more than aware of Members' concerns about the ability of supermarkets to expand their empires at the expense of local shops. Our "town centre first" policy has produced some real success. However, the Department for Communities and Local Government has now decided to conduct a review of planning policy statement 6, and to introduce a tougher impact test to give councils more capacity to refuse big developments that put small shops in town centres at risk.

World food prices are the latest issue to top the supermarket agenda. On Tuesday, recognising that the poorest would be hit hardest, the Prime Minister hosted a summit with leading experts—including the head of the World Food Programme—to discuss ways of tackling the problem. My focus in this debate, however, will be on the supermarkets' role in climate change and waste.

Supermarkets have a key role to play on climate change. As large businesses, they need to reduce the carbon impacts of their operations. Many have secured real reductions through energy efficiencies and new technologies, but to drive down their emissions further we are introducing the carbon reduction commitment through the Climate Change Bill. That will create a domestic cap-and-trade emissions scheme covering all enterprises whose annual half-hourly metered electricity use is above 6,000 MW hours, which will include supermarkets.

Philip Davies (Shipley) (Con): What proportion of the world's total carbon emissions are given out by supermarkets?

Joan Ruddock: I regret to have to say that I do not have that figure with me. We can endeavour to get hold of it, however, and I will write to the hon. Gentleman if I have it. As I think he will know, we in the UK are responsible—in terms of our own productions here, as opposed to the goods we bring in—for 2 per cent. of total global CO_2 emissions, but we have to take on our responsibility, as does every section of society, and I know that the supermarkets understand that.

As consumer-facing organisations, supermarkets also wield huge influence over the purchasing habits and lifestyle choices of millions of individuals. As they have expanded beyond groceries, supermarkets have given us cheap clothes and electrical and electronic goods. Like all goods, they come with a carbon price, which Government can no longer ignore. Supermarkets' voluntary phase-out of incandescent light bulbs is already helping consumers to save money and reduce carbon emissions. Many organisations are now interested in the carbon footprint of individual products, so the Department for Environment, Food and Rural Affairs, the Carbon Trust and the British Standards Institution are working with retailers to develop a methodology that could lead to carbon labelling, and which will certainly lead to retailers being able to reduce carbon footprints.

David Taylor (North-West Leicestershire) (Lab/Co-op): The last time I and the hon. Member for Shipley (Philip Davies) were in the Chamber addressing a related topic, I was critical of ASDA Wal-Mart, but on this occasion I wish to congratulate it. Does the Minister endorse the initiative that it and Leicestershire county council launched some time ago of a packaging amnesty that allowed consumers to return excessive packaging, and, as part of an overall campaign, of encouraging shoppers to be alert to excess packaging and to try to select products that minimise their carbon footprint?

Joan Ruddock: I thank my hon. Friend for his intervention, which anticipates something I intend to say later. I am happy to congratulate those in his constituency who have been active in trying to improve packaging issues.

DEFRA is working directly with supermarkets, retailers and manufacturers to reduce the energy consumption of products such as set-top boxes and stand-by mechanisms. Helping the consumer to acquire the least energy-consuming products by choice-editing is a vital part of our fight against climate change.

Fast fashion and cheap clothes are adding to our carbon footprints. Only last week, I read a newspaper headline quoting a shopper at Primark, who said:

"So cheap you can almost wear it and throw it".

And throw it we do—more than 1.5 million tonnes of clothing waste per annum. Once again, however, the Government are taking action, by working with retailers and others on a clothing road map analysing the carbon impacts from seed-sowing through manufacture and sale to disposal of the clothes we wear. This, too, is designed to minimise environmental impact, including carbon emissions.

What, however, is top of the list in my ministerial postbag on supermarkets? As I am sure Members will guess, the answer is packaging. Surveys show that most people feel there is too much packaging on products on

sale today. Packaging serves multiple purposes, of course. It is used to catch the eye of the customer. It can serve to keep a product fresh, or to protect it, or make it easier to store or move. People realise that they have to pay for packaging, however, and when the packaging is finished with, it occupies as much as a fifth of their household waste bin. As council tax payers, they then end up paying again to get rid of it. When it becomes waste, packaging also contributes to climate change.

As individual consumers, we have a responsibility and there is action we can take. We can opt for goods with less wrapping, buy loose goods and reuse and recycle more of the packaging we acquire. However, people also expect the Government to act.

Philip Davies: No they don't.

Joan Ruddock: I assure the hon. Gentleman that surveys show very clearly that people expect the Government to lead on these issues—and lead we will.

Eighteen months ago, senior representatives from the country's biggest grocers, the Government, and the Waste and Resources Action Programme agreed the Courtauld commitment. Courtauld is about reducing packaging and food waste, such as by keeping wrapping to a minimum and finding new means of "lightweighting" those containers with which we are all so familiar. The signatories to the agreement are responsible for about 40 per cent. of the packaging in this country. Their first target was to end the growth in packaging waste this year—to de-link growth in packaging from growth in GDP. I believe they are on target, and look forward to the report that is to come.

Andrew George (St. Ives) (LD): It is an enormous pleasure that the Minister is present to debate this subject—or any other. Will she at least accept, however, that the problems associated with the miles travelled by products, the products themselves and their packaging are not unique to supermarkets, but that they are more general problems across the retail sector? It is also of concern to me that the Government are addressing this issue from a very narrow perspective, when in fact supermarkets have a specific impact on suppliers, and their out-of-town activities siphon wealth out of town centres. It is an enormous disappointment that we are not able to address those issues as well in this debate.

Joan Ruddock: I thank the hon. Gentleman for his contribution, but I must say to him that he is entirely entitled to make his own speech, and if he chooses to concentrate on the issues he mentions, I will most surely be willing to pass any points that are to do with other Departments to my colleagues. I alluded at the start of my speech to the fact that there are other such issues, so I feel that I have offered him that opportunity. In terms of what he said about goods, the miles they travel and embedded carbon, supermarkets are of course not unique; those issues affect the whole of the retail sector. When I refer to supermarkets and agreements, it must be remembered that other non-supermarket retailers are involved in those agreements, so we are trying not to single them out but to work effectively with them.

Mr. Nigel Evans (Ribble Valley) (Con): When we talk about miles travelled, especially in relation to fresh produce, we also need to have in mind the good that this does to developing countries that want to export to the United Kingdom. We can sometimes assist them by buying their produce. Trade is far better than aid in many cases.

Joan Ruddock: I very much agree. That is why we work on whole-life cycles. It is impossible to make a judgment about a carbon impact without a whole-life cycle, and goods brought from further abroad can be less carbon-intensive than goods produced using a lot of energy in Europe.

I have talked about the Courtauld agreement and the fact that we are on target. Reducing packaging is the priority, but reusing and recycling it is also important. We have made real progress in that. Packaging recycling rates increased from 28 per cent. in 1997 to more than 59 per cent. last year. We expect to reach the packaging directive targets of 60 per cent. recovery, including 55 per cent. recycling, by the end of this year. However, that means that more than 5 million tonnes of packaging waste is still not being recycled, and much of it comes from supermarkets. I have therefore increased the packaging recovery targets for 2008 to 2010 and set new targets for 2011-12.

The public have also made it clear to us that they want action on plastic bags, and we have taken it. We will require that supermarkets charge for single-use bags, whatever they are made from, unless the voluntary agreement achieves a much more substantial reduction in respect of the 13 billion bags that will be distributed free this year. The best way to tackle waste is not to generate it in the first place, and that is where the retail sector can have its greatest influence.

It is estimated that supermarkets waste about 1.6 million tonnes of food every year, but, astonishingly, we householders throw away even more—more than 6 million tonnes. We bin one third of all the food we purchase, so we need to tackle the issue by starting with what we buy. We must know how much we need and, dare I say it, we must not be tempted by offers of buy one get one free, three for two or two for one. When it comes to cutting down on our food waste, such sales initiatives are deeply unhelpful. Let us help the poorer customer, but why not offer products at half price?

Last year I helped launch WRAP's food waste campaign, "Love Food, Hate Waste". Since then, as food prices have risen so fast, the campaign messages have become even more important. We should plan for, and buy, only what we need. We should also store our food wisely and cook only what we can eat. When some people in the world cannot afford to buy food to eat, it is a scandal that every year we waste £10 billion-worth of food that could have been eaten.

We are grateful for the supermarkets' co-operation in pursuing our climate change and waste agendas. They may sometimes be irritated by my mantra, "Further and faster", but I can only say that it is because I have confidence that they can do more.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The Minister has used the time allocated to her in these topical debates.

1.12 pm

Gregory Barker (Bexhill and Battle) (Con): Supermarkets dominate not only the retail sector, but the whole economy, and they colour and shape our daily lives. There are so many facets to the power and reach of supermarkets that it would be hard to debate them all in this short topical debate, so in the 10 minutes available to me I shall concern myself with the effect that supermarkets have on waste and packaging. That is the most topical point for me to address.

I am sure that the Minister was as disappointed as I was that the much-touted green Budget never really materialised. Instead of any new radical measures to tackle dangerous climate change, the only supposedly green measure we were offered by the Chancellor was the veiled threat of a plastic bag charge. The Budget announced that a Government tax on single-use plastic bags may be introduced next year if retailers have not already started charging for them by that time. Even by the standards of this lethargic, weak and dithering Administration, that was an astonishingly weak gesture. It is hard to credit any initiative from this tired Government on waste, however worthy, when it is set against the huge cuts inflicted on the Department for Environment, Food and Rural Affairs and its agencies, which will directly undermine the Department's efforts to lead on waste reduction: 2008 will go down as the year Labour bottled on waste.

The business resource efficiency and waste—BREW—programme, which was set up in 2005 to support resource efficiency and waste projects, looks likely to have its spending cut by more than half, from £125 million in 2007 to £60 million in 2008, despite the fact that the BREW programme has been responsible for more than 2 million tonnes of landfill diversion, 1.8 million tonnes of CO_2 reduction and cost savings that were estimated at almost £40 million last year. The Waste and Resources Action Programme—WRAP—which promotes recycling and measures to reduce the use of landfill, has confirmed that its funding is being cut by 25 per cent., and it has issued more than 30 compulsory redundancy notices in the past months. Can the Minister explain why her Government are undermining those effective and efficient emissions reduction programmes while putting nothing in their place? Where is the ambition? Where is the compelling strategy? Where is the on-the-ground implementation?

This Government are getting things wrong across the waste agenda, and the results are plain to see: the number of recorded fly-tipping incidents in this country has increased by a staggering 290 per cent. over the past two years; the UK has one of the highest levels of landfill in the EU; and 22 per cent. of the country's emissions of methane—a gas that has 23 times the greenhouse effect of CO_2—comes from decomposing landfill. We cannot simply blame the supermarkets for that.

As the waste agenda becomes wedded ever closer to the climate change agenda, and as legislation such as the Climate Change Bill, which is soon to arrive in this House, and various international frameworks push us towards greater reductions in greenhouse gas emissions, the irresponsibility of this Government's record on waste becomes all the more glaring. It is simply not acceptable just to push the blame on to supermarkets.

The UK produces about 330 million tonnes of waste every year, and after 10 years of this Government we still find ourselves lagging woefully behind other European countries on recycling. The current approach to waste policy is propping up our throwaway culture and putting an unacceptable stress on our environment. The focus is on end-of-life management, while growing global consumption is having damaging ecological effects and contributing to climate change. Landfill accounts for about 3 per cent. of the UK's greenhouse gas emissions, many more emissions are created through unnecessary new products, and waste threatens our wildlife and biodiversity, so an ambitious waste policy is essential for a sustainable future.

A regulatory approach is not enough. The current approach to waste, which is built around EU directives and environmental regulation, has been bureaucratic and sluggish. The packaging and packaging waste directive, for example, ensures that producers examine the environmental impacts of products, but it has had limited success. Enforcement is difficult, and purely aiming to make packaging lighter can have the perverse effect of making it more difficult to recycle.

The problem is much greater than merely dealing with packaging or supermarket packaging. The total number of specific product categories covered by EU directives establishes producer responsibility for only a small amount of waste, such as electrical and electronic equipment, vehicles and batteries. Furthermore, the drive to increase recycling is driven by the threat of hefty fines for failing to comply with the landfill directive, rather than by a fundamental rethink of how we look at waste. Instead of relying on penalties and bashing companies with further regulation, we need to use this opportunity to rethink our waste strategy and to find alternative solutions. Changing our approach to waste is vital to the health of our environment, to social well-being and to our economy.

It is always sad to see the Government veer off course when they are moving in the right direction—we have seen that happen a lot recently. A year ago, WRAP put together the Courtauld commitment, an agreement with all the major supermarkets and grocery organisations that aimed to develop new packaging solutions and technologies so that less rubbish ends up in household bins. Some 31 major retailers, brands and suppliers have joined the Courtauld commitment since its launch in July 2005. Under the agreement, WRAP works in partnership with retailers, brand owners, manufacturers and packaging suppliers to develop solutions across the whole supply chain. Such solutions include: using innovative packaging formats; reducing the weight of packaging, cans and boxes; increasing the use of refill and self-dispensing systems; collaborating on packaging design guidance; and increasing the amount of recycled content packaging used.

Retailers set themselves targets for 2010 and, reporting this year, have demonstrated impressive results. As a result of reward schemes, new equipment, technologies and supply-chain management, they are on track to hit their targets. The retailers know their businesses better than the Government and know how most effectively to make savings on emissions and waste. Government, in partnership with business, is the way to drive change.

On 17 March, the Leader of the Opposition announced new responsibility deals, which examine the issue of producer waste. The responsibility deal is a voluntary arrangement among producers to cut back on the production of waste and to improve its disposal. Such deals represent an approach that is non-bureaucratic, consensus-based and self-regulating, and it will help us move towards the goal of a zero-waste society. That aim was explored in some depth in the Conservative party's quality of life report.

Archie Norman, former shadow Environment Secretary and chief executive of Asda, will develop the first deals of an incoming Conservative Government. We will go well beyond the Courtauld commitment, which also covers a small proportion of waste, and will tackle the whole spectrum of our resource management in retailing. This will present a huge opportunity to extend sustainable manufacturing and disposal of goods to other centres. We aim to ensure that anyone involved in designing or manufacturing a product will have to work out what will happen to it at the end of its life.

We have seen time and again that the solutions to climate change and sustainability are to be found in partnership with business, not by confronting business. It is only through engaging with UK plc to drive dynamic industrial change right across the economy that we can hope to be effective in finding solutions. So, why have the Government U-turned on the Courtauld commitment? The commitment had the whole-hearted support of the major retailers and industry groups, so that decision has left them angry and confused.

In response to the Budget announcement, Justin King, chief executive of Sainsbury's, said that

"when our government jumps on the bandwagon of an apparently simple solution, forgetting the issues to be addressed, ignoring the evidence, and indeed an agreement reached with industry – as has happened recently in the debate on plastic bags – I think we all have cause to be concerned."

Joan Ruddock: I am afraid that the hon. Gentleman is confused. The Courtauld agreement remains in place. I met WRAP yesterday to discuss it and the possible results that we will get from it. There is no question of backtracking, changing direction or anything of the sort. He has confused that agreement with the single-use bags agreement.

Gregory Barker: It is a shame that the chief executives of major retailers do not agree with the Minister. People are concerned about the fact that the Government overlooked the Courtauld agreement and went for a gimmick in the Budget – a little bit of a greenwash – in the form of the plastic bags policy, rather than looking at the totality of the waste stream involved in the Courtauld agreement.

Joan Ruddock: It is a separate agreement. There was an agreement that specifically concerned bags and that will run until the end of this year. We have said that we believe that we need to make greater progress in reducing the number of free give-aways, and that is what we are determined to do.

Gregory Barker: The Minister has to recognise that the comments from the chief executive of Sainsbury's stand as a matter of record. He has accused the Government of jumping on bandwagons and forgetting the issues that need to be addressed. Those are not my words but those of the chief executive of Sainsbury's.

Why has the Chancellor decided to meddle, hanging the threat of compulsory taxation over the consumer and greatly angering retailers – as the Minister discovered in person when she met Justin King on "Newsnight" last week?

Why are the Government being accused by the retail sector of chasing headlines and reneging on their agreements? Is it because the Chancellor squeezed a splash of greenwash into his flawed Budget? If it was, then it was pretty weak greenwash. His plan has been attacked by most non-governmental organisations, which have rejected a ban on plastic bags. The Green Alliance, a leading environmental NGO, pointed out that a ban would be likely not to reduce emissions and might in fact help to increase them. Or was the aim to satisfy the popular press? Perhaps.

I wholeheartedly agree that the scourge of bags that litter our streets and countryside and pollute our seas must be tackled, but the reduction of packaging and supermarket waste will be most effectively achieved hand in hand with retailers – through designing out waste and educating the consumer to recycle and dispose of their rubbish responsibly – not through gesture politics and fumbled greenwash.

Tackling our waste stream is an essential part of tackling climate change. Waste threatens our wildlife and biodiversity and an ambitious waste policy is essential for a sustainable future, but political gestures about plastic bags are a poor substitute for an ambitious and thought-through whole-life waste strategy. For that, we will have to wait for a change of Government.

1.24 pm

Mr. David Drew (Stroud) (Lab/Co-op): I am delighted to take part in this debate. I thank my right hon. and learned Friend the Leader of the House, because I suggested that supermarkets would be an excellent subject for a topical debate a couple of weeks ago and, lo and behold, she actually listened to me. It must be a first.

I pay due respect to the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Lewisham, Deptford (Joan Ruddock), but I want to come to the issue from a slightly different perspective. I want to talk about the Competition Commission inquiry, which is coming to a conclusion. The hon. Member for St. Ives (Andrew George) will, I am sure, catch your eye, Mr. Deputy Speaker, in order to do likewise. He has been valiant in bringing the issue before the House – I always refer to him as the witchfinder-general of the anti-supermarket movement. It is about time that we questioned some of the practices of supermarkets.

My hon. Friend the Minister is right to say that waste and packaging are one aspect of the problem. The supermarkets could do much more, because they are responsible for creating so much waste. However, I want to talk about the Competition Commission inquiry. It is reaching a crucial point. We are expecting a final report; in fact, it might be out already. It

[Mr. David Drew]

certainly might be with the Government. I have not seen the report and I suspect that it has a few more weeks of going around the system before it is published.

We will get the final report and, if it is published on time, I assume that from May to September the so-called remedy steering group will finalise its mechanism for the new supermarket code of practice. The code of practice will be new, because the one that we have is fairly toothless. The group will also finalise the idea of the ombudsman. Some of us have had things to say about that in the past. There will be consultation on the subject, and no doubt the Competition Commission will have to talk to various supermarkets and look at how they will or will not respond. Later this year and early next year, we will see whether we need to legislate on the subject and, if we do, we will look at how we should do so. That will enable us to consider whether we can effectively judge and measure what the supermarkets say that they will do as against what they do. That is not before time.

I am rather proud to have worked last year with the hon. Members for Ruislip-Northwood (Mr. Hurd) and for Falmouth and Camborne (Julia Goldsworthy) on the Bill that is now the Sustainable Communities Act 2007. It was an important bit of legislation and it took a lot of effort to get it through the House, but now it offers local communities a chance to fight back against ghost-town and clone-town Britain and to put in place the remedies that we want in our local communities. It was an important piece of legislation that we can use to good effect to consider how to get some balance back into our high streets, our smaller communities and, indeed, our larger cities so that we do not feel that we are being monopolised by supermarkets.

I am not against supermarkets. I am a Co-operative Member, and we obviously have to declare, as we always do, that we derive money and support from the Co-operative retail societies. We have a number of supermarkets—not many compared with the big guys, but still some. We support those supermarkets and see the benefit of supermarket shopping some of the time. The reality is that many of our small shops have either gone already or are under serious attack. They are under serious attack because of the power of the supermarkets and the fact that no one is prepared to stand against them.

Philip Davies: Does the hon. Gentleman not accept that supermarkets do not put small businesses out of business, but customers do? If a customer wants to keep shopping at their local shop, their local butcher or their local baker, that shop will not go out of business. The only reason why such companies go out of business is that people stop shopping with them. That is not the fault of the supermarket but the responsibility of the consumer.

Mr. Drew: I do not necessarily agree with the hon. Gentleman. If I did, I would not ever be able to campaign again to try to save some of my local post offices. I am sure that the Government could use exactly the same logic to say that it was entirely up to the customer, as it is a free market—*[Interruption.]* I am sure that the hon. Gentleman is saying from his sedentary position that he is largely in favour of that. I am not. I am in favour of community solutions and I do not believe that choice is the answer to everything. There is a degree of need for balance in the way in which we provide such services. It is always the vulnerable who lose out: not necessarily the ordinary customer, but those who do not have the choice.

Mr. Eric Illsley (Barnsley, Central) (Lab) *rose*

Mr. Drew: I give way to my hon. Friend, who will come to my aid.

Mr. Illsley: I am certain that I do not need to come to my hon. Friend's aid. I agree entirely with what he is saying. The supermarkets have deliberately targeted high street shops by, for example, putting a Tesco Metro on the high street to compete with small shops. They have used pricing policies to undercut the small corner shops and try to force them out of business. That is why the consumer does not shop there because it is cheaper in the supermarket.

The supermarkets are now targeting pubs, which is why alcohol can be bought in supermarkets for less than it costs the supermarkets to buy it. In a debate on Monday night I gave the example that on Budget day, when alcohol duties went up, the price of a pint of whisky in the supermarkets was reduced by £5. That is a classic example.

Mr. Drew: I cannot add to that. I totally agree with my hon. Friend, and I am grateful that he has helped me out.

One problem is what we mean by "competition." If there were genuine competition, perhaps some of us would have fewer qualms about what is happening, but there is not genuine competition. There is not, to use a horrible term, a level playing field. It is a very unlevel playing field. That is why, in connection with the Competition Commission survey, I conducted a survey of the top 100 suppliers to supermarkets. I wrote to each of them in confidence, asking them three simple questions: first, whether they would be giving evidence; secondly, if they were giving evidence, whether they would share with me the basis of the points that they would make; and thirdly, whether they had any particular views on how supermarkets operate.

Perhaps it was me, but I got one substantive reply, although I had a few nice notes saying that unfortunately the suppliers could not respond in time or share their evidence with me. The one substantive reply explained why the supplier concerned would not be giving evidence to the Competition Commission inquiry, despite the fact that, as the hon. Member for St. Ives knows, they could have done so in confidence with no names and no pack-drill. They still would not do so, because suppliers are scared rigid. I am talking not about the small local farmer, who is unable to have any real traction over the process of the supply chain, but about the everyday producers and major wholesalers that we all know about. They are scared rigid by the supermarkets, although not necessarily in the way that we would think.

We all know what happens—the big supermarket would never touch the well known brands, but power is exacted when a supplier brings a new product to the

marketplace. If the supplier has not played the game and done things as the supermarkets want, the supermarkets can exert pressure and make all sorts of threats that they will not put the supplier's products on their shelves. There is a degree of malevolence in the process that is never really exposed.

In the end, to my shame, I did not give evidence to the Competition Commission inquiry because, my survey being the basis of my evidence, I had no evidence to give. Although those that gave evidence included some of the bigger suppliers, the number of suppliers that did not give evidence was overwhelming. They chose not to break ranks and not to say what they thought—the things that they say behind the scenes, and sometimes openly in meetings that the hon. Member for St. Ives and I have with them. They will not say it in any way that could change policy, which I find terribly depressing.

Not everything that supermarkets do is wrong, but the matter is not open and transparent. We cannot have much influence over it, because the great influencer—Parliament itself—cannot bring forth evidence, as people will not put on record what is going on and suppliers do not do enough. I make a plea to the Competition Commission to do what we ask and set up a proper process so that we can monitor supermarkets' performance. We understood at the outset that the commission would be examining land banking, and it is good that it has moved away from that to consider some of the structural deficiencies in the marketplace, but the question is how that will work.

I do not see that matter as separate from what my hon. Friend the Minister said about the need for supermarkets to be more responsible in how they handle waste, packaging and so on. They also need to be more responsible in how they operate per se, and should perform as moral, corporately socially responsible organisations. If they are not able to do that even with their larger suppliers, one must ask where the customer and local communities come into it. We see the consequences too often, and Britain's retail choice has declined because supermarkets have controlled the agenda completely, utterly and ruthlessly.

1.35 pm

Jo Swinson (East Dunbartonshire) (LD): The topic of supermarkets is huge, and I am sure that many issues will be covered in a wide-ranging debate. I intend to focus my remarks on packaging, on which I have been campaigning for some time. Early-day motion 188 stands in my name, and I brought to the Liberal Democrat conference a comprehensive policy on reducing excessive packaging, which was passed. I also introduced a ten-minute Bill on the matter in the previous parliamentary Session. I was due to meet the Minister today to follow up on that Bill and discuss it further, but obviously that has been delayed owing to this debate. I welcome being able to discuss the issue here and then go into more detail in a few weeks' time.

I welcomed many of the Minister's comments, and at some points I wondered whether she was plagiarising the speech I made last October on my ten-minute Bill. I cannot really complain about that, because taking on board the ideas that I was proposing was exactly what I was inviting her to do. I was pleased to hear her words, although I have some questions about whether the actions are matching the words, and I shall come to that.

I cannot cover everything in just under five minutes, but I wish to touch on a few points before I deal with packaging. Given the huge power that supermarkets have in our society, I believe that they have a huge responsibility. Whether it is related to the fair trade movement, the impact on the environment of how their staff travel to work, the recycling that they do or their energy use, they need to take that responsibility seriously. We have just heard about the contracts for suppliers, which are important, and I would add to that the importance of involvement in the community. Often supermarkets are involved in a community but do not take the same interest as other, more local retailers, whether through local festivals or other such initiatives. I was surprised to hear that a group of traders in Milngavie, in my constituency, who are interested in a business improvement district, which sounds like an excellent idea, have heard that Tesco does not generally like to get involved with such things. To me, that seems a sad state of affairs. Surely we should encourage all retailers to be involved in the communities in which they operate.

I welcome the comments that have been made about planning guidance. It is important that we consider not just competition between supermarkets but competition with smaller shops. Local authorities need to have the power to ensure diversity of provision.

I turn now to packaging, and first to the Courtauld commitment. I am afraid that I do not quite share the optimism of the Minister or the hon. Member for Bexhill and Battle (Gregory Barker), the Conservatives' Front-Bench spokesman, who seemed to say that it was on target and working well. Voluntary agreements are preferable to regulation when they can be proven to work, but I have asked a range of parliamentary questions about the Courtauld commitment and it still seems unclear where the benchmark is and how it will be measured. One answer that I received stated that each Courtauld signatory declares its total packaging use each year, but another stated:

"Information on the annual total packaging use of each of the signatories is not routinely collected". [*Official Report*, 12 July 2007; Vol. 462, c. 1652W.]

It seems that there is some confusion about the Courtauld commitment, which I hope we can get to the bottom of, particularly because packaging growth is supposed to be halted this year. We ought to know where we are and who is monitoring it. What will happen if the targets are not met? Will there be naming and shaming, and will that be an effective sanction? Will the Government consider legally binding targets if the voluntary approach does not work?

The Packaging (Essential Requirements) Regulations 2003 are another bugbear of mine. They do not work, because they allow any producer to have as much packaging as they like, as long as they can prove that it is acceptable to the consumer. Basically, if they can sell more products, it is all right.

I declare an interest, in that I was a marketing manager before I was elected to Parliament. Any marketer knows that the greater the amount of shelf space in a shop, the more products get sold. The incentive is to increase packaging, and there is no effective way to enforce the regulations.

Philip Davies: The hon. Lady is right, and she knows that I used to work in marketing for a supermarket before I entered Parliament. Does she accept that the onus is on the customer to shun products with lots of packaging and to buy the ones with minimal packaging? If that happened, supermarkets and food manufacturers would reduce the amount of packaging provided. We do not need Government regulation, as it is all in the hands of the consumer.

Jo Swinson: That is the argument for enlightened consumerism, and we should encourage people to do what the hon. Gentleman suggests, but I want a level playing field for producers. Enlightened companies that take their environmental responsibilities seriously should not be penalised, with lower sales of their products caused by the fact that they are given less space or prominence. Regulations to which all companies must sign up would resolve the problem in a different way, while remaining perfectly acceptable from a market point of view.

At a Select Committee sitting in December, I questioned the Secretary of State for Environment, Food and Rural Affairs about the regulations. He said that the EU's Directorate General on the Environment was looking at the matter again and undertaking a study, but I have not got very far with finding out more. I wrote to the DG Environment in January, but so far I have received no answer. I also wrote to the right hon. Gentleman in March to see whether he could assist in soliciting a response. I understand that the task was transferred to the Department for Business, Enterprise and Regulatory Reform, and that an answer is sitting on the relevant Minister's desk there. I hope that the Minister attending this debate will help me to get the answers that I need, and to find out whether the regulations will be reviewed.

Last year, I conducted a survey of 200 trading standards officers. The ineffectiveness of the packaging regulations means that there have been very few prosecutions, and public awareness of them is low. I hope that the Government will consider raising people's awareness of the fact that trading standards officers can deal with packaging problems, but we cannot expect wonderful results as long as policing packaging is not a priority for them.

Andrew George: Does my hon. Friend agree that supermarkets tend to insist on suppliers using packaging that is often much more expensive than could be achieved otherwise? The supermarkets are involved in driving up the costs of packaging and the extent to which it is used.

Jo Swinson: My hon. Friend is right. I hope that we will hear more from him about that later. The Local Government Association carried out an interesting study last year and found that markets used the least packaging whereas supermarkets used the most.

I am intrigued by the sudden interest in plastic bags expressed by the Prime Minister and the Government. I suspect that it may be driven in part by the media agenda and a certain campaign in the *Daily Mail*. Although it is important to cut the number of disposable plastic bags that are used, that is merely a drop in the ocean in the context of the wider debate about packaging. The effort may be visible, but it is not of the greatest importance in the overall campaign. The Minister knows that the evidence is mixed as to whether taxes reduce greenhouse gas emissions, and about whether there are negative effects of increased other bag use. I welcome the fact that the charge being considered will take into account what bags are made from. That is an important factor, as heavier bags lead to higher greenhouse gas emissions, but I still think that a voluntary approach is best.

In conclusion, consumers pay through the nose for excessive packaging, at the check-out and in their council tax bills—

Mr. Deputy Speaker: Order. I am afraid that that is the conclusion of the hon. Lady's time. I call Mr. Eric Illsley.

1.43 pm

Mr. Eric Illsley (Barnsley, Central) (Lab): It is a pleasure to follow the hon. Member for East Dunbartonshire (Jo Swinson), as the final minute of her speech—on plastic bags—was quite interesting. I agree with the point that she would have gone on to make.

All of the various issues such as packaging and plastic bags that have been raised in the past hour or so are worthy of a full day's debate. The Order Paper shows that the London Local Authorities (Shopping Bags) Bill will be debated at some date in the future, but many other environmental matters deserve to be debated too. It is therefore a shame that we have only 90 minutes for this important debate, and that attendance in the Chamber is not better.

The hon. Member for Shipley (Philip Davies) suggested that supermarkets would respond if people were to ask for products that had less packaging or which presented some other environmentally friendly quality, but I am sceptical about that. I believe that supermarkets supply the products that we buy, and that consumer choice ends there.

My hon. Friend the Minister opened the debate by outlining some of the environmental issues at stake. I agree with the hon. Member for East Dunbartonshire that we must be careful not to react to public opinion by introducing measures that science tells us are wrong. For instance, incandescent light bulbs are to be banned in favour of so-called low-energy bulbs, but people need to understand what such a bulb's power factor means. I shall try to explain.

A low-energy bulb with a power factor of 1 demands as much power from the generating station as does a conventional bulb. Technically, therefore, a light bulb is not low-energy unless it has a power factor of 0.9 or less. Most low-energy light bulbs on sale in this country have a power factor of about 3, which means that they use three times as much power as an ordinary bulb. Consumers need to know that information if they are to make the right choice, but it is not widely available. That problem is one that the Institute of Lighting Engineers is trying to highlight, and we should bear it in mind.

We had a good debate in Westminster Hall last year on packaging. The hon. Lady set out her thoughts on the essential requirements, and the arguments have

been well rehearsed. We all want to reduce the amount of packaging used, but no one can say how much is excessive. Some packaging is needed to present information about the product inside. For example, people with a peanut allergy can make use of the traffic light system to find out about ingredients, and consumers are now asking for packaging to contain information about the obesity risks of a product, or its salt or fat content.

Jo Swinson: The hon. Gentleman asks what constitutes excessive packaging, but does he think that consumers should decide? Should not large retailers install places near the exit where people can dispose of packaging that they consider excessive? That would expose some of the culprits and even change retailer behaviour.

Mr. Illsley: Such a system already exists in Germany, where people leaving a supermarket can leave the packaging behind. In fairness, it should be said that supermarkets here are looking at that model as a way of alleviating the problem.

Philip Davies *indicated assent.*

Mr. Illsley: I take the hon. Gentleman's agreement as confirmation that supermarkets are considering that approach. I should be happy to let consumers decide on all such matters, as long as they have all the information needed to make a proper judgment. Clearly, though, they do not have all the information on things like low-energy light bulbs. I am sure that the same is true for plastic bags, about which I shall speak in a moment.

Packaging is needed for reasons of hygiene. People ask why coconuts are wrapped in clingfilm, given that they have a hard shell. However, the shell is covered in fibres that can break off and get in other food products, with the result that people might choke. Some products need to wrapped for safety, others to facilitate their transport. For instance, why is a tube of toothpaste put in a cardboard box? The answer is simple: it is easier to stack the boxes than the tubes.

The main reason for the packing that we see in all our shops is that the consumer demands it because it is convenient. Consumers like to shop once a fortnight or once a week at their local supermarket or local hypermarket, and they simply want convenience. That is why a lot of our packaging is the way that it is.

Mr. John Hayes (South Holland and The Deepings) (Con): The hon. Gentleman speaks with both knowledge and commitment on these subjects, but I hope that he will not become an apologist for unnecessary packaging. When my young children have their toys, which I am obliged to buy for them very regularly, they come packaged in paper, metal, plastic, wood and every other kind of thing that one can imagine. When we bought toys or when they were bought for us as children, they came very simply packaged. I am not sure this is about information; it is about unnecessary packaging. One could use many other examples of the way that packaging is, frankly, out of control. Surely the hon. Gentleman would agree with that.

Mr. Illsley: To a certain extent, I would, but I do not think for a minute that packaging is out of control. Packaging manufacturers do not make packaging for the fun of it. They do not spend money unnecessarily. They want to get away with the least amount of packaging around a product that they can, because obviously the more materials they use, the more money it costs them. They have a vested interest in reducing packaging as well.

The hon. Gentleman gives a good example: toys. I believe that it is accepted that toys are perhaps excessively packaged, but most toys sold in this country come from China. Another classic example, of course, is the Easter egg. The egg is about 4 in long and the packet is 2 ft wide.

Mr. Hayes: Has not the hon. Gentleman hit the nail on the head? This is not about information or safety; it is about marketing and about people making something that is very modest look very grand. That is why toys are dressed up in the way that they are, and it is why Easter eggs are packaged in expansive and rather grand boxes. So he is making my argument for me, is he not?

Mr. Illsley: No, I do not think so. I shall go back to the beginning and start with packaging, information, hygiene and so on. The hon. Members for Shipley and for East Dunbartonshire can speak about marketing far better than I can—I have no experience in it. Some excess packaging is the result of marketing, but some packaging is essential. The glaring example is perfume. Quite often, more money is invested in the packaging and the bottle that the perfume comes in than in its contents. Another example is an alcoholic drink called Malibu—not that I drink it, but I have seen the bottles made in my constituency. Anyone who has seen a bottle of Malibu knows that it is a glass bottle, which is painted white. Orange and brown are then painted on to the white paint by an electro-magnetic process—positive and negative charges cause the paint to fly on to the bottle. Given the technology involved in making those bottles, they cost about 30p each. That is about twice as much as the value of the pint of alcoholic drink that goes into the bottle.

Philip Davies: The hon. Gentleman is making an excellent speech and a lot of pertinent points that are often not made. He mentioned hygiene, but I am not sure whether he mentioned another factor: keeping products fresh. For example, packaged cucumbers keep fresh for longer. Does he agree that, given that we want to cut down on food waste as well, such packaging is a good thing, not a bad thing?

Mr. Illsley: The hon. Gentleman makes an excellent point, which I did not mention. I am glad that he has raised it, because it is valid. A lot of consumers complain about seeing vegetables, particularly salad vegetables, wrapped in a thin layer of cling film and suggest that that is excessive packaging. Last year, there was a demonstration in the House by Marks and Spencer, which brought in two items of vegetables, both bought in the same shop on the same day. One of them was immediately wrapped in cling film; the other was not. They were brought into the House for a meeting, where hon. Members could see them, and it was obvious that the one without the cling film was deteriorating far more rapidly that the other one.

[Mr. Illsley]

As the hon. Gentleman points out, there is a need for packaging, and it comes down to convenience and freshness. People shop in supermarkets for convenience weekly or fortnightly, or whatever. They want that food to last longer, so that they do have to go to the shop, as people used to do, every day or every other day and so on. I am speaking in defence of the industry. I am chairman of the all-party packaging group, so I would, wouldn't I? I want to get across the point about balance. The industry is co-operating with the Government, through the Courtauld agreement and so on, to try to address these issues, and it wants to do so. However, the issue can become sensationalised.

Last year, we saw the campaign in *The Independent* newspaper that highlighted four issues over four days. The *Daily Mail* did the same thing. We experience the sensationalism of news reporters taking a shop load of stuff from a supermarket and depositing it on the counter to make a point. The danger is that the problem will be exaggerated out of all proportion. We need some balance and further debate to consider what is excess packaging and what we can reduce and lightweight.

Lightweighting is an important point. My constituency contains one of the largest glass manufacturers in western Europe. It manufactures a very popular beer bottle, and it has just taken 1.5 g out of that third of a pint beer bottle. As a result, the cost saving to the industry is remarkable and the amount of glass used in that product is reduced. That is a huge success, but the number of bottles that are broken when they are transported from the factory to the brewery has increased dramatically because the structure of bottle is not as solid; it has been lightweighted. We must be careful that we do not damage products in seeking to lightweight them. The hon. Gentleman also made the point that food waste is the biggest problem that we face in waste disposal at the moment. As the Minister said, we waste a third of all our food. That is an absolute disgrace, and we should address it before we even think about looking at plastic bags, packing waste and so on.

On food waste and recycling, the Minister pointed out that she has increased the target for the recycling of packing waste and other materials. Again, I make the plea that the quality of recycled material in this country is not good enough to be used in certain industries as recyclate. The glass industry is a classic example. The glass is mixed with other products—often paper and other materials that can be recycled—and is so badly contaminated that it is unusable. Local authorities have no real restrictions placed on them or proper targets for separating collected material and delivering it to recyclers in such a way that it can be reused. In fact, most local authorities have a different collection system from the collection authority next door. Some authorities collect some materials; others do not collect that material. We have got a mix and match, and local authorities are required to collect by weight. They simply have to collect and recycle a certain weight of material, not specifically separated materials.

Jo Swinson: Does the hon. Gentleman agree that the plethora of ways in which local authorities organise their recycling causes great confusion with consumers? Different areas a few miles apart have completely different systems. In my area, we have waste separation at the kerbside, but constituents are concerned and say, "But in Glasgow, it all just goes in one big bin. Why can't we have that?" It is difficult to get such issues across. People assume that their recycling is being used again in this country. Perhaps having more guidance on the best schemes that local authorities could use would be helpful in getting a common scheme across more local authorities.

Mr. Illsley: The hon. Lady is exactly right. I entirely agree with her. Some of the material collected does not get used in this country. Plastic bags are an example. We collect the plastic and ship it over to China, because it can use it and we cannot. We have nowhere that can recycle the plastic from plastic bags, so it goes abroad. Plastic bags make up about 0.05 per cent. of the landfill waste—a miniscule amount. The plastic is recyclable, but we cannot recycle it, because no one in this country can do it.

On plastic bags, my hon. Friend the Minister made a point about the voluntary agreement not working. She said that she wanted to reduce the number of plastic bags. Under the voluntary agreement, the number of plastic bags in use has fallen by 7 per cent., that is against a target of 25 per cent. However, the amount of plastic being used has been reduced by 14 per cent. against that 25 per cent. target. We have to determine what the target is. Is it for a reduction in the number of bags, or a reduction in the amount of plastic that we use?

Ireland tried putting a levy on plastic bags. One briefing said:

"A levy on plastic bags in Ireland only made matters worse—people underestimate how many plastic bags are used to put out recycling or are substituted for plastic bin bags."

The chief executive of the Government's Waste and Resources Action Programme said:

"We have got to remember that taxes and levies can have perverse effects—such as making people use more plastic rather than less."

The Department for Environment, Food and Rural Affairs said that the voluntary agreement to which I referred

"is working with retailers offering shoppers reusable bags for life. We don't think a ban or a levy is the right way to go."

It added that in Ireland, people just bought more bin liners to replace free carrier bags, so the volume of waste stayed the same. Tony Juniper of Friends of the Earth said:

"But until supermarkets reduce the energy used in their stores, minimise food miles and treat farmers better, saving a few plastic bags is just window dressing."

When Ireland introduced a levy on plastic bags, the production of plastic increased dramatically. People got to the supermarket tills, realised there was a levy on plastic bags, went back into the supermarket and bought a roll of black bin liners, opened a bin liner and put their shopping in it to carry it to the car, so plastic production increased. I know that the Minister is well aware of all those arguments; she has been lobbied on the issue time and again, so I do not need to rehearse them. However, I want to say that we have to be careful not to demonise plastic bags wrongly. Only a very small percentage—0.05 per cent.—go into landfill. They can

be recycled. In fact, plastic bags are made from a waste product. We have to ensure that we get the science right before we bring in levies, bans and so on. A further opportunity to debate the subject would be most welcome.

2.2 pm

Mr. Nigel Evans (Ribble Valley) (Con): I had better start by declaring an interest. Sadly, I do not own a supermarket, but, as everybody knows, I own a convenience store in Swansea, Evans the News, which opens early in the morning until late at night. It is good value for money. That is advertising you can't buy.

Mr. Drew: Do you do two-for-one offers?

Mr. Evans: We do, and I will come on to that, because it is an important point when we are talking about waste. I agree with the Minister that people have a love-hate relationship with supermarkets. Supermarkets get a lot of bad press and people get very angry about the subject. When we read about supermarkets, the context is usually that people want to put one on the edge of a town or city, and some local people are very angry about it, or that a local authority has turned down the application, or that the supermarket has won on appeal. Or the issue might be the plastic bags or packaging. Controversy is normally involved when we read about supermarkets.

Of course, supermarkets do a lot of good, and I am speaking as a small retailer. For instance, I am sure that many of us have been to Tesco to present our local youngsters with school computers or DVDs or whatever, because of the coupons that shoppers collect and give to schools. Sainsbury's has a similar scheme for keep-fit equipment. Many supermarkets get involved in the community; certainly, Tesco in Clitheroe does. I do not think that supermarkets deserve some of the knocking that they get.

Philip Davies: Hear, hear.

Mr. Evans: Having said that, I assure my hon. Friend that he will not enjoy all of my speech. Supermarkets are seen as posing a threat to the smaller trader; there is no doubt about it. Supermarkets are increasingly moving on to the high streets and opening smaller stores there. In some cases, I suspect that that is done to get around some of the Sunday trading legislation, but it is also done because there is a lot of demand for shopping on the high street in towns and villages. Increasingly, we see such stores as a threat to small shops in the independent sector.

I agree that retailers have a responsibility, too. If consumers stopped going to the smaller supermarkets, turnover would decline, profit would disappear and the stores simply would not survive. I suppose that the next threat will increasingly be online shopping. It would be pointless for us to say, "This is dreadful; small stores are being put out of business because people are shopping online." Consumers are busy people. They shop online not because it is more difficult, but because it is easier and they prefer that method. Give it another 10 years and we may see a huge change in the way in which people do their shopping. Some of the larger retail supermarkets may even go into decline as a result of people preferring to shop online.

Philip Davies: Supermarkets seem to be in a no-win situation. If they open on an out-of-town site, people say, "They're destroying the high street. It's outrageous; it's bad for the environment, because people are driving to these out-of-town stores." When supermarkets open a store on the high street, they are criticised for going into head-to-head competition with independent retailers. People have to decide at some point where they want supermarkets to go. The out-of-town supermarkets are often successful because they offer convenient locations and free parking. Perhaps local authorities could do more for smaller retailers by stopping excessive parking charges and restrictions, which prevent people from using smaller high-street retailers.

Mr. Evans: My hon. Friend makes an important point. In many towns and cities, there are high car parking charges, yet parking is free outside supermarkets. I do not believe that the answer is to start charging shoppers to park outside supermarkets; that is ludicrous. Shoppers would not be too happy, and, funnily enough, shoppers are voters. It would be a brave political party that put such a measure into a manifesto.

Philip Davies: Ours tried.

Mr. Evans: Yes, ours looked into the idea, and our leader showed deftness and speed in completely junking it. We have to be cautious about such matters.

Mr. Hayes: I am grateful to my hon. Friend for giving me the opportunity to be the voice of sanity against the defenders of Mammon. My hon. Friend the Member for Shipley (Philip Davies) seems to suggest that convenience should necessarily triumph over quality, and that ubiquity should replace service. As a small shopkeeper, my hon. Friend the Member for Ribble Valley (Mr. Evans) knows that small shops do much more than supermarkets to inform and characterise communities. We need diversity for the consumer. We also need to recognise the aesthetic of small shops and what they do for our communities, and the damaging aesthetic of supermarkets. They are brutal, ugly things, and that needs to be said in this place and elsewhere.

Mr. Evans: I feel a bit like an umpire now. I am glad that I am between my hon. Friend the Member for Shipley (Philip Davies) and my hon. Friend the Member for South Holland and The Deepings (Mr. Hayes), just in case they try to get at one another during my speech. There are elements of truth in what both my hon. Friends have to say about supermarkets, but only elements. We have to look at the issue seriously. If we want the small trader sector to survive, it will take a bit more than sitting back and saying, "We'll just see what happens." I can tell hon. Members what will happen: give it another 10 years and small shops will carry on disappearing, and their numbers will decline. We have all seen specialist shops and stores such as mine being put under pressure in our constituencies.

When I was a kid growing up, there must have been 20-odd shops on the square where my shop stands, and across the road. First, the shops across the road

[Mr. Evans]

disappeared, and then, one by one, the shops on the square started to disappear or combine. We are down to about four shops now in our area. There is a lot of pressure on the smaller stores: costs are always increasing, for example as a result of rising staff costs and the minimum wage. I am not making a point about that—I am just saying that that is the reality, and that there is a cost attached. Smaller stores have to pay bank charges, but they do not have clout with the banks. I am sure that supermarkets have a lot of clout in negotiations with the banks, but smaller stores do not, and bank charges are disproportionately high for the smaller trader. Insurance costs are high, and business rates can be extremely high. We have discussed packaging—indeed, I thought that I was attending a debate on packaging at one stage, not on supermarkets—and we should remember that all the goods that come into supermarkets are already packaged. There is a good reason why cigarettes, for instance, are packed in cardboard boxes: we want to protect the goods inside, although I accept that many of them are wrapped in cellophane, too. The worst thing for a retailer is to see the product smashed in at the corners during delivery, as it is very expensive for them if they cannot get their money back from the wholesaler or the manufacturer.

Rubbish costs for smaller stores are disproportionately high. Such costs used to be included in business rates but, all of a sudden, retailers were asked to pay a separate refuse charge on top of business rates that runs into several hundreds of pounds a year. If we want the smaller trader to survive we must look carefully at how we will achieve that, and it may require Government action. We have discussed a laissez-faire approach from Government to legislation on supermarkets, but if we want smaller traders to survive, Ministers must sit down, work out what the problems are for smaller traders and see what can be done to assist them.

I shall make just a couple more points, as I know that the hon. Member for St. Ives (Andrew George) wishes to make a speech. We should not go down the road of taxing plastic bags. I fully accept what the hon. Member for Barnsley, Central (Mr. Illsley) said about the Irish experience: we should learn from that experience, but we must be realistic. The same argument applies to low-energy light bulbs: if the hon. Gentleman is right, people are consuming more energy, or more energy is used by some low-energy light bulbs. That problem could arise in the manufacture of plastics, given the Irish experience. If we introduced a charge on plastic bags, I suspect that it would be regarded as just another stealth tax that had nothing to do with efforts to dissuade people from using plastic bags. Tesco encourages people not to use plastic bags by giving them green points on their club card if they use their own bag. We should use more carrots to encourage the reuse of plastic bags, but I accept that people use them for their rubbish. They are not always put in bin bags, and many of them are reused. We must, however, conduct proper research to make sure that biodegradable plastic bags are the norm: it should not take 1,000 years for them to disappear, but only a brief time.

Far more research is needed on that problem, and more must be done to encourage supermarkets to source products locally. Booths in my region sources 75 per cent. of its fresh meat and 42 per cent. of its bread products from Cumbria, Lancashire, Cheshire and Yorkshire, which is where its stores are located. It does a fantastic amount of work with local producers and, indeed, it helped local milk producers to form a consortium and, as a result, now sells Bowland milk. That is a superb form of marketing that has worked. There are many farming families where I live, and they support such initiatives because they know how important they are.

I want to mention buy one, get one free, or BOGOF as it is known. The Minister talked about the need for less packaging, and she was right with regard to some products. However, we have heard the counter-argument that that may lead food to decay more quickly, and there are instances of that happening. For people buying single items of food, particularly fresh produce, that is an important consideration. Elderly people who live on their own, for example, do not want to buy large quantities of food, because it goes off before they can eat it, so it is wasted. The same argument applies to buy one, get one free. Some of those offers are fantastic, and I am as guilty as anyone else: I am happy to buy one and get the other one for free, but the second item goes off before I have a chance to eat it. I would much prefer to encourage manufacturers and supermarkets to get together and offer the stuff half-price: it would amount to the same thing, and there would be less waste. We do buy one, get one free in our store through our wholesaler—we have to do so, because all the advertising blurb is about BOGOF—but I would much prefer a move to half-price items if possible.

Finally, we must look again at the power of supermarkets in relation to suppliers. There is an underlying belief that some supermarkets have such huge power—this is based on what the hon. Member for Stroud (Mr. Drew) said, and his explanation of why he received so few submissions in his survey—and have such a hold over people that they can dictate the price at which products come into the store. They then say how much the product will cost on the shelves, and manufacturers do not have much of a say: if they do not play ball, their goods will disappear from the shelves, and a competitor who does play ball will put their goods on the shelves. We have to be realistic about the power of the supermarkets, and see what we can do to ensure that the balance is made fairer. At the end of the day, we want consumers to be the real winners.

2.16 pm

Andrew George (St. Ives) (LD): This debate has been a case of déjà vu for me. When it began, I imagined I had a veritable banquet of time in which to make my comments, but I ended up with a meagre morsel.

I wish to leave the Minister enough time in which to address the many points that have been made in this important debate. However, I wish to express disappointment, not in her but in the restrictions of her brief: important concerns about planning and suppliers have been raised, but they are not her responsibility. She promised, however, in an intervention that she would convey those concerns to the relevant Ministers and I certainly hope that she does so. I wish to concentrate on the points that the hon. Member for

Ribble Valley (Mr. Evans) made in his conclusion but, in passing, I will make a few other points, if I have time.

The hon. Member for Bexhill and Battle (Gregory Barker) prefaced each of his references to the Government with an acerbic adjective, and he clearly did not want to persuade the Minister to accept his point of view. My hon. Friend—I think that that is probably the right expression—the Member for Stroud (Mr. Drew) described me as witchfinder-general: the Vincent Price of the Chamber, the witchfinder-general of the anti-supermarket brigade. I do not want to give the impression that I am some kind of deranged evangelical zealot; I have always wanted to present a calm, objective analysis of the issue, with a dose of healthy scepticism.

I want to address issues concerning suppliers and producers, and the impact of out-of-town supermarkets. I understand why the Government have effectively entered into a love affair with supermarkets. It seems as if the Prime Minister brought the supermarkets into his big tent, before the big tent was properly open. One can easily be seduced into believing that the supermarkets have helped to deliver the Government's policy of low inflation. The latest food crisis has demonstrated that the Government need to give equal attention to producers who, with suppliers, can also contribute to the achievement of low inflation. It is not simply the supermarkets that do so, and they have had suppliers under the cosh in recent years.

I am not arguing and I never have argued that supermarkets are evil or that their chief executives are the product of the loins of the devil. Their actions to press their suppliers until the pips squeak and to gobble up their smaller competitors are merely the rational product of the climate in which they operate. If they did not push their suppliers against the wall and squeeze every last ounce of benefit for themselves out of them, if they did not gobble up their smaller competitors, and if their competitors in the supermarket sector were doing that, they would clearly lose market share and their shareholders would not be happy.

It is not that those organisations are fundamentally bad; they are behaving rationally. The question that we need to ask ourselves and the one that I have been putting to the Competition Commission and the Office of Fair Trading for years is whether we have reached a point where the supermarkets have moved from successful and appropriate use of market muscle to inappropriate abuse of market muscle. That is the issue which, I believe, the Competition Commission has intended to address as part of its inquiry.

Mr. Hayes: We have passed that point. My farmers and growers have been telling me since I became their MP that we passed that point a long time ago. There is excessive muscle, and it is high time that farmers, growers, primary producers got a fair cut of the cake.

Andrew George: That is a supportive comment, to which I do not need to respond.

My hon. Friend the Member for South-East Cornwall (Mr. Breed) produced an excellent report in 1998 entitled "Checking out the Supermarkets", which resulted in the Competition Commission inquiry and the supermarket code of practice in 2000, since when there have been three other inquiries into the power of the supermarkets. The latest one started in May 2006 and the report from the Competition Commission is due out on 8 May this year. I attended an evidence session on 13 March, at which I, on behalf of a number of other sector organisations, went through some of the evidence and the preliminary recommendations in the report.

It is clear that the suppliers have not been satisfied. I made representations to the Competition Commission in an attempt to persuade it to extend the remit of its inquiry. A wide range of groups, including the Association of Convenience Stores, the NFU, Friends of the Earth and ActionAid, were represented on the Cross-Cutting group, which represented both brand names and other suppliers and those who were in competition with the supermarkets. We presented the Competition Commission last year with two submissions, one about an adjudicator, which it has called an ombudsman, and the other about planning issues. The findings so far are extremely encouraging. I do not have time today, but I would welcome an opportunity to debate the issues with Ministers in the Department for Business, Enterprise and Regulatory Reform when the report comes out.

If an ombudsman is to be effective—it is obvious that the supermarkets will object to the introduction of an ombudsman—it will probably require ministerial discretion to be used under the Enterprise Act 2002 and secondary legislation to be introduced. Important progress has been made by the Competition Commission, which should be congratulated. I hope the Minister will take these messages on board.

2.24 pm

Joan Ruddock: I shall respond briefly to the final points made in the debate, which echoed those made by my hon. Friend the Member for Stroud (Mr. Drew) and the hon. Member for Ribble Valley (Mr. Evans). A number of the points made by my hon. Friend the Member for Stroud were directed to the Competition Commission, and I am sure we will draw its attention to that. As I said earlier, I will take the other comments back to my colleagues and ensure that they are properly heard. Many important points, particularly about the responsibilities towards suppliers, were well made.

I thank all hon. Members who have contributed to the debate. In the few minutes remaining I cannot refer to all their speeches, but let me tackle a couple of issues, particularly the free use of give-away bags. At the start of the agreement, 13 billion such bags were in circulation. We understand that the reduction is 1 billion. It would take 12 more years to get rid of the remaining bags. We think that needs to be done. That is why we are addressing the issue. The public want it. It is a symbol of our wasteful society, and if we are trying to encourage behaviour change, as we are, we need to respond.

In Ireland the issue was one of taxation, but that is not the case in the United Kingdom. We are talking about charging. There has not been a proper analysis of the results of the Irish undertaking, except that 90 per cent. of the bags went. Biodegradable bags are not the answer. They produce methane in landfill. The hon. Member for East Dunbartonshire (Jo Swinson) raised questions about the packaging regulations. We agree with her. The essential requirements do not work. We

[Dr. Richard Taylor]

News, carried the headline "Just what point are GPs trying to make?" The letter stated:

"Let me try to understand. They are, apparently, totally opposed to the "privatisation" of general practice—yet, of course, the private sector is precisely where they themselves work and earn their crust!"

I was rather disappointed by a document distributed at yesterday's NHS Confederation briefing. Headed "Privatisation and reduced quality", it stated:

"There is concern that opening up contracts to the private sector will have an adverse impact on quality and that there is not a level playing field between the private sector and incumbent GPs. However, this seems to ignore the fact that GP practices are independent for-profit contractors already."

The most effective response to that approach comes from the pressure group "Keep Our NHS Public". It is not a rabid, left-wing group: its members are highly dedicated professionals who are passionate supporters of the NHS, through and through, and I shall paraphrase some of the points that they make.

The group accepts that GPs are independent contractors, but asserts that they are crucially different from the large corporations that stand ready to compete for the provision of health services. It says that GPs know their patients and are driven by local priorities—exactly what the Secretary of State said when he acknowledged the value of the relationship between GPs and local families. The group believes that profits for shareholders drive the private corporations, and that those corporations will decide which patients to treat and which services to offer.

The pressure group believes that professional judgment can be overridden by company policy, and that governance and the monitoring of standards of care could be impeded by commercial confidentiality. It also says that the skill mix may be downgraded, and that NHS pay, conditions of service and pensions might not be retained. I believe that such warnings about the dangers of commercialisation need to be taken very seriously, and in that regard I commend to Ministers two seminal articles that have been published recently.

The first article appeared in the *British Medical Journal*, and it looked at the US experience of competition in the health care system. It said that the US has long combined public funding with private health care management and delivery. It noted that extensive research had found that the US for-profit health institutions provide inferior care at inflated prices, and that the US experience shows that market mechanisms undermine medical institutions that are unable—or unwilling—to tailor care to profitability. Finally, the article said that the poor performance of US health care is directly attributable to reliance on market mechanisms and for-profit firms, and that it should serve to warn other nations from following that path.

The second article was published in the *New England Journal of Medicine*, which is highly respected in this country. It states:

"The extreme failure of the US to contain medical costs results primarily from our unique, pervasive commercialisation ...Medicine...does not lend itself to market discipline."

The article describes in detail the cost-containment tactics and false economies that commercial organisations plan, and it also looks at revenue-maximisation strategies, the concentration on lucrative procedures and the selection of risk. It even pays a tribute to the British system, saying:

"When the British NHS faced a shortage of primary care doctors, it adjusted pay schedules and added incentives for high-quality care, and the shortage diminished. Our commercialised system seems incapable of producing that result."

The article ends with the observation:

"Sometimes we Americans do the right thing only after exhausting all other alternatives. It remains to be seen how much exhaustion the health care system will suffer before we turn to national health insurance."

That worry has been reinforced by at least one whistleblower, who was reported in *The Guardian* on 9 April. I have seen the papers involved, which I think that he probably sent to all members of the Health Committee. They were very long and complicated, so I do not blame any colleague who has not read them through, but the man who provided them has seen the lengths to which organisations that want to break into the market will go to enhance profits. I am reminded of the recent revelations about how a drug manufacturer went to unethical lengths to prolong the life of one of its proprietary drugs that was long out of patent.

I have the marvellous privilege of being able to choose how to vote at the end of this debate, but my problem is that I do not know whether to support the motion or the amendment. That terrible quandary arises because I am not completely sure that the NHS as I have known it for years will be entirely safe under either of the two main parties. I do not yet know how I shall decide to vote, but my voting record would suffer if I did not support either proposition.

I welcome much of what the Government have done for the NHS. I appreciate the extra money that they have provided and the way that they have handled the service, but I hope that they will look very seriously at the warnings that I have repeated about the dangers of opening up family doctor services to commercialisation.

However, I am also worried about the Conservatives. We all know the proverb about how difficult it is for a leopard to change its spots, but it has a corollary—that even when a leopard does change its spots, it remains rather proud of having had them. The changes to the NHS made by the previous Tory Government included the introduction of market forces, the purchaser-provider split and the private finance initiative. I therefore cannot quite accept that any future Conservative Government would oppose the commercialisation that I strongly believe is not welcome in general practice.

2.39 pm

Dr. Howard Stoate (Dartford) (Lab): First, may I apologise to you, Mr. Deputy Speaker, for not being in my place at the start of the debate? I had a meeting with the Prime Minister, but one of the issues that I raised with him was the proposal on polyclinics, so at least that was relevant to this discussion.

As many hon. Members will know, I am a practising GP, something that I hope will enable me to make a constructive contribution. It will be of no surprise to the House if I say that I speak to an awful lot of GPs around the country. Many of them are concerned about what the polyclinic model might lead to, and

worried about how it might affect their practices and patients. I therefore think that it will help the House if I set out what I see as the vision for this type of health care.

I envisage a mechanism whereby people can be treated far closer to their own homes, with far less reliance on public transport, far shorter queues and much less reliance on accident and emergency departments, which are often inappropriate places for people to go with many health care needs. They are often not seen by the most appropriate person in the department, and in many cases it is not the nicest place to be. A and E departments simply become clogged up, which often gets in the way of the serious, life-saving work that they need to do. The last thing that they need is a group of patients coming to the A and E who would be far more appropriately treated by their GP practice, district nurse or pharmacist, in a setting that would be far better for their health care.

It is important to set out exactly what the polyclinic model is intended to do. The hon. Member for Mid-Bedfordshire (Mrs. Dorries) said that there is nothing that a polyclinic can provide that cannot be provided by a GP service. I am sorry that she is not currently in her place. The fact is that a polyclinic or such a model could offer a huge number of services that currently cannot be made available in GP services. An obvious example is X-rays. The hon. Member for South Cambridgeshire (Mr. Lansley) made the point that ECGs can be sent online. Of course they can, and of course blood tests can be taken in GP practices. However, it is much more difficult for a GP practice to have an X-ray or ultrasound department with the necessary scanning equipment and range of health care professionals. That is well beyond the scope of current general practice, and we need a radically new way of deciding how those facilities should be produced.

When I ask my patients what they want, they say that they want to be treated as near to their homes as possible, hopefully by people whom they know, trust and have had dealings with before. They do not want to go and sit in a crowded, noisy hospital among patients who clearly have far greater health needs and therefore should obviously take priority. The polyclinic model is a good example of how we can transform the patient experience.

Another obvious example of why the system might work is that it is currently estimated that every time somebody walks into A and E, it costs the health service about £150. A GP consultation costs about £20, so we can immediately see that anybody who attends their GP surgery instead of going to A and E will lead to a dramatic saving in health care expenditure, which could therefore be targeted better than by spending it on A and E. Obviously a polyclinic would have extra fixed costs and there would be other services to consider, but it would still mean a significant cost saving compared with people going to A and E, and it would therefore leave far more money for investment in NHS services and for better use in patient care.

The NHS has moved on. Clinical practice is evolving all the time, and patients' expectations are changing. When I first entered general practice, people almost always had surgery as in-patients in hospital. They often stayed in hospital for several days, or even weeks. Now, 70 to 80 per cent. of all surgery is day surgery. The idea of relying on large, impersonal hospitals is a model that has outgrown its usefulness, and we need to move on to a much more flexible and modern approach. I believe that polyclinics, rather than diminish the range of services and choice, will increase it.

The myth that goes around that if a polyclinic is set up, patients will no longer have a choice of GP, is clearly rubbish. Under the patient choice directive, patients will be able to request a specific GP. Provided that that GP is on duty, that it is reasonable and that he or she has the available appointments, the patient will be able to specify that GP. It does not have to be impersonal. In fact, the model that I read out in an earlier intervention will, in many cases, be based around existing practices, which could be significantly extended or developed to add the extra services that are not currently available, albeit with extra funding and resourcing.

Another advantage of polyclinics is that they will allow GPs, acute specialists and other health professionals such as pharmacists to work together for the first time. General practice can often be isolating, and in small, isolated practices it is often quite difficult to have the mix of colleagues and clinical expertise that is required for personal and professional development.

I am aware that time is pressing on, so I do not wish to go on too long, but I wish briefly to quote Mr. Anthony McKeever, the chief executive of the care trust in Bexley, where my practice is situated. I wrote to him recently to ask what the PCT's model of polyclinics was. He stated:

> "We do not intend to create polyclinics on the assumption that 'one size would fit all'...A couple of local practices have indicated that they would like actively to explore the possibilities of providing a more integrated care landscape...So, there will be plenty of opportunity to avoid the pitfalls which some anticipate...Certainly, however, the GPs I spoke to direct recognised that the development of primary care 'hubs' or polyclinics could be achieved without damaging and unintended consequences."

As far as I can see, that is the chief executive of a PCT being sensible and pragmatic and understanding that flexibility is perfectly acceptable under the Government's plans, and who actively wishes to work with local GP practices to ensure that what actually happens is a huge improvement in patient care outcomes. Hopefully, that is what we are all aiming for.

2.45 pm

Mr. Stewart Jackson (Peterborough) (Con): It is a pleasure to follow the hon. Member for Dartford (Dr. Stoate), with whom I served on the Select Committee on Health.

I should like to make a few general points about family doctor services. That is the subject of the debate: it is not just about health centres and polyclinics. At the kernel of the debate is a question of honesty and integrity on the part of the Government. I do not believe that they have made the case transparently and openly for a Kaiser Permanente, California model of private sector health provision. They know full well that were they to make that case, they would not get it past their own parliamentary party, the health sector trade unions or other health care professionals. There may be merit in their model, but at the moment we are not having an honest debate about it. It is incumbent

[Mr. Bradshaw]

acknowledges the landmark agreement with GPs to extend surgery hours in evenings and on Saturdays and agrees that extended access will benefit hardworking families; further welcomes the extension of the role of pharmacies to be able to prescribe for and deal with minor ailments on the NHS, as well as promoting good health, supporting those with long-term conditions and preventing illnesses through additional screening and advice; recognises that the Government is on the side of patients; and agrees that extending access to GP services through extended hours and new GP health centres can have a real impact on health inequalities.

Crime (London)

Madam Deputy Speaker (Sylvia Heal): I have to announce that Mr. Speaker has selected the amendment in the name of the Prime Minister.

4.15 pm

Mr. David Ruffley (Bury St. Edmunds) (Con): I beg to move,

That this House supports the dedication of police officers in the City of London Police, the Metropolitan Police Service and the British Transport Police but notes the unacceptable trend in teenage murders in London, including the shocking figure of 27 murdered in 2007; believes that Londoners' daily experience of crime, particularly lower level crime and anti-social behaviour, is now far removed from some official statistics; is deeply concerned that violent crime in London as measured by the British Crime Survey is the highest of all the regions in England and Wales and that fear of crime in London is now also the highest of all the regions in England and Wales; further notes the link between gun crime and drugs; further believes that local communities should be given greater freedom to direct the efforts of their police force if streets are to be made safer; and condemns the current Mayor of London for his complacent attitude to these serious crime issues.

London is the greatest city on earth. It is protected by the dedicated officers of the Metropolitan Police Service, the City of London police and the British Transport police, whom I have had the privilege of visiting during most of today. But it is also the city where the British Home Secretary, on her own admission, does not feel safe walking alone at night, and it is the city where 27 teenagers were murdered by other teenagers in 2007. Last month, a Labour Back Bencher, the hon. Member for Islington, South and Finsbury (Emily Thornberry), said "I suspect that hardly any children in Islington have not been mugged at some stage."

London is the city where more teenagers are being mugged each year. The Metropolitan Police Service figures—not the Home Office departmental figures—show that the number of 11-to-22-year-olds reported to have been mugged in London rose from 19,276 in 2004-05 to 24,701 in 2006-07, an increase of 28 per cent. In Lewisham alone, 454 more muggings were recorded over the same period, an increase of 88.5 per cent. The Minister should note that those are Metropolitan Police Service figures.

According to the British crime survey, London has the highest level of violent crime among all the regions in England and Wales, and also the highest level of fear of crime. Londoners are twice as likely to be robbed as people in New York city. Violent crime has increased over eight years, according to official measurements of total violent crime and to measurements of violence against the person. The respective increases have been 15.3 per cent. and over 15 per cent. Those are the Mayor's own figures. Robbery has increased by just under 20 per cent. in eight years. In 2007-08 there were more than 37,000 incidents of robbery in London. Those too are the Mayor's own figures. The number of sexual offences was greater in 2007 than in 1999 to 2000, according to Metropolitan Police Service figures.

Mr. Andrew Love (Edmonton) (Lab/Co-op): The hon. Gentleman has quoted Metropolitan Police Service figures. Does he accept that violent crime has fallen by 8 per cent. in the last year, also according to Metropolitan Police Service figures?

Mr. Ruffley: No, I do not, because of the statistics that I have just read out. The hon. Gentleman really ought to spend a bit more time listening and a bit less time mouthing off. If he reads *Hansard* tomorrow, he will see why he is wrong. Those statistics show beyond peradventure that violent crime is on the up in the capital.

Mr. John Randall (Uxbridge) (Con): I am sure that my hon. Friend has not had time yet to read today's *Uxbridge Gazette*, but when he does, he will find out that Hillingdon has London's third highest daily crime rate, and in the last year there were 6,925 violent crimes—or 19 a day—in that borough alone. Does he think that that is acceptable?

Mr. Ruffley: No, I do not. That is a reproach to the hon. Member for Edmonton (Mr. Love) who, when we debated the issue of crime in London last month, came up with the same selective nonsense as he did a few moments ago.

Mr. David Burrowes (Enfield, Southgate) (Con): Following the intervention by my neighbour, my hon. Friend the Member for Uxbridge (Mr. Randall), we cannot be complacent about violent crime, given that there have been five murders in Edmonton since Christmas and that London has the highest levels of fear of crime—according to Government figures.

Mr. Ruffley: I entirely agree with my hon. Friend, and Labour Members should stop being so complacent. We can celebrate the dedication and hard work of London police officers, but let us not pretend that there is not a problem with crime.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): My hon. Friend mentions police officers. Will he join me in thanking the police officers who protect us here in the House of Commons? They do a tremendous job. Does he also agree that more needs to be done to ensure that everyone respects police officers more?

Mr. Ruffley: I agree, and statistics show that offences against and assaults on police officers have risen in the past 10 years. That is a cause for concern and something must be done. That emphasises our point that there is more violence about, and whether it is against civilians or police officers, it is utterly unacceptable in London. Labour Members are way too complacent about that.

Mr. David Evennett (Bexleyheath and Crayford) (Con): My hon. Friend is making a powerful and effective case—[HON. MEMBERS: "No, he's not."] Labour Members do not like to hear the truth. My hon. Friend has highlighted the real problem. In my area of south-east London, there is a real and growing fear of crime. People know that violent crime is increasing and they want a new approach.

Mr. Ruffley: They want a new approach and they also want the Government to accept that, according to the British crime survey, fear of crime is higher in London than in any other region in England and Wales. That is a fact.

The statistics illustrate why Londoners rightly believe that they need and deserve tougher, more effective law and order policies. We have set out such policies in the past few weeks. But we can only satisfy that demand by Londoners if we give the police the tools to do the job. We believe that a London Mayor must chair the Metropolitan Police Authority for the first time, and I hope that my hon. Friend the Member for Henley (Mr. Johnson) will do that in very short order. As a top priority, he will use his influence to cut red tape on our police men and women, so that they can get out on the streets and do the job that they so badly wish to do.

Secondly, the public spaces of buses, trains and railway stations must be made safer, with more visible police and new sanctions for offenders, especially those guilty of antisocial behaviour—something that my hon. Friend has spoken about powerfully and in detail in past weeks. We support him in that.

Thirdly, the levels of knife and gun crime in this city are unacceptable and must and, I trust, will be tackled by more weapons scanners—we can show how we would pay for those—and the reform of stop-and-search powers.

Mike Gapes (Ilford, South) (Lab/Co-op): I am grateful to the hon. Member for Bury St. Edmunds (Mr. Ruffley)—not a London constituency. Did he—like the hon. Member for Henley (Mr. Johnson), another non-London constituency—vote against introducing an automatic five-year sentence for possession of an illegal gun? Or is he, like the hon. Member for Henley, all words and no action?

Mr. Ruffley: That is a tired canard and it is not worth replying to it. We have gone round the track on that many times and the hon. Gentleman knows that it is a non-point. Londoners who are listening will not believe for a second that my party—the party of law and order—is soft compared with his lot, not just in the past 10 years but in the past 50 years.

Mr. Andrew Dismore (Hendon) (Lab): Perhaps I can try the hon. Gentleman on this point. Does he agree with the hon. Member for Henley (Mr. Johnson), who opposes what he calls

"the whole of the new anti-yobbo programme"

basically, all the measures to do with antisocial behaviour—or not?

Mr. Ruffley: The hon. Gentleman will try anything on; if he wants to try that, he can forget it. Let us move on to some serious debate.

Fourthly, we believe in reorganising the mayoral financial budget to deliver long-term funding for neglected rape crisis centres. Finally, we believe that the police service in London can be made more accountable to Londoners by giving local communities, for the first time in this country and in this city, online crime maps that show the true levels of crime in every neighbourhood, which can ensure that borough commanders are held better to account at monthly open public beat meetings.

On the first of those issues, tougher law and order priorities have to be set by a new London Mayor. The Mayor has the right to do that under existing legislation by chairing the Metropolitan Police Authority, but he currently does not bother to do so. Is that because he does not take law and order seriously? That is what we

Justine Greening: Will the hon. Gentleman give way?

Clive Efford: I am coming to you, don't you worry.

Mr. Deputy Speaker: Order. I counsel the hon. Gentleman to use the correct parliamentary language.

Clive Efford: I am coming to the hon. Lady.

Harrow council carried out a crime survey and found that 71 per cent. of residents surveyed felt safe. The council said that

"residents' fear of crime, and perceptions of anti social behaviour, have shown significant improvement year on year for the last three years."

Havering council—the hon. Member for Hornchurch (James Brokenshire) might want to use this when he sums up—states:

"Although Havering is an extremely safe place to live, the fear of crime is higher than the probability of being a victim of such a crime.

We are committed to tackling fear of crime through educating the public about the facts and ensuring they are not overtly frightened by stories that might appear in the newspapers and on television or the radio."

I say to the hon. Member for Hornchurch that we could add "in *Hansard*", could we not?

Hillingdon says on its website *[Interruption.]* I am quoting your colleagues in support of my argument.

Mr. Deputy Speaker: Order. I do not want to keep intervening on the hon. Gentleman, but he must use the correct parliamentary language.

Clive Efford: Thank you for correcting me, Mr. Deputy Speaker. I am using the colleagues of the hon. Member for Putney (Justine Greening) to highlight the fact that they do not agree with the arguments being put from the Conservative Benches.

Hillingdon council boasts that

"crime figures are at a 5-year low. Personal robbery is at its lowest for 3 years, vehicle crime is at its lowest for 5 years and assaults are at their lowest for 5 years."

Justine Greening: On a point of order, Mr. Deputy Speaker. I have been trying to intervene to set the record straight. Can you give me some guidance on whether it is appropriate to read a quote from, for example, Hammersmith and Fulham council but to omit to mention that the council has funded additional police officers and could have been talking about that fact?

Mr. Deputy Speaker: That is not a matter *[Interruption.]*

Justine Greening: I am asking for guidance.

Mr. Deputy Speaker: Order. The hon. Lady will get my guidance. That is not a point of order for the Chair, but a matter for debate.

Clive Efford: Kensington and Chelsea council says that burglaries have been "slashed", and that

"Kensington and Chelsea residents are less likely to be a victim of burglary today than at any other time this century."

I come to Redbridge council—is anyone from Redbridge? The council welcomes the reduction in street crime by a third and attributes that to the safer transport teams, which are part-funded by the Mayor of London.

Wandsworth council says:

"Despite recorded crime falling in the UK and burglary at its lowest for decades in London, research shows that a third of people believe crime has risen 'a lot'.

By helping to make people feel safer in their community, Safer Neighbourhoods Teams will provide reassurance to help bridge this gap."

Clearly, Wandsworth council regrets the fact that Conservative members of the Greater London authority consistently voted against the Mayor's budgets that introduced the safer neighbourhoods teams.

Justine Greening: I am pleased that the hon. Gentleman has finally allowed me to intervene, given that he has been talking about my constituency. I was trying to make the point that the crime survey that I carried out, to which more than 3,000 people responded, showed that people felt less safe in their area. The hon. Gentleman has failed to mention that my council and I, as the local MP, have campaigned tirelessly to get back the lost police officers—we have had fewer police officers over the past decade. The hon. Gentleman is selectively taking points from what the councils are saying and giving an erroneous picture to suit his own ends.

Clive Efford: I am slightly confused, as I used the words of the Conservative-run Wandsworth council "despite recorded crime falling". What is erroneous about that? Is the hon. Lady saying that the information on the council's website is erroneous? Does Wandsworth council want to mislead people about crime falling in the area? Is it wrong for it to claim that the incidence of burglary is at its lowest for decades?

The council states that research shows that a third of people believe that crime has risen, and that is consistent with the point made by the hon. Lady, but it also says that the safer neighbourhoods teams will provide reassurance. Where is the consistency in the Opposition approach to these matters?

Mr. Dismore: My hon. Friend began his contribution by referring to Barnet council, but I think that the figures that he gave are out of date. That is not surprising, as the up-to-date figures show that crime in Barnet has fallen by 24 per cent.

Clive Efford: There we are: crime in London is falling even as we speak.

We need to put the figures in context, and to do that we have to recall that there once was a Conservative Government. That is not easy to do, but we must not forget the lessons that we learned at the time. Under the Conservatives, police numbers in London peaked at 28,455, but then, on 1 September 1994, the Government implemented the Sheehy report, and police pay was cut.

When I was first a Member of Parliament, two police officers who worked in Camden borough visited me in my surgery. One was earning £4,600 a year less than the other because he had been employed after the Sheehy report was implemented. What impact did Sheehy have? By March 1995—six months after it was adopted—police numbers in London had fallen by 1,800.

When this Labour Government came to office in 1997, the police training college at Hendon was empty. Police officers could not be recruited because they were not being paid enough. The first thing that this Government had to do was sort out police pay. As soon as we made the money available to employ officers, police numbers started to rise.

Police numbers in London have increased consistently under this Labour Government, and crime has fallen in response. Since 2002-03, almost every type of recorded crime has fallen, in line with the extra police numbers funded by this Labour Government and our Labour Mayor.

Robert Neill: The hon. Gentleman is interested in history, so will he ask the Home Secretary to tell the House about the impact that the Government's failure earlier in the year to backdate the police pay award has had on police recruitment and retention in London? Would not some more recent history be useful in the debate? After all, I am sure that he would not want to risk it being suggested that he was the pot calling the kettle black.

Clive Efford: I sometimes wonder where the Conservatives come from. If they ever talked to police officers in the community or knew anything about the safer neighbourhood teams, they might join me in complaining about the loss of our community support officers. The fact is that they are applying to become police officers.

If we are to have any consistency in safer neighbourhood teams, we cannot use them as a training ground for police officers. Intelligence about and knowledge of a local area cannot be built up in a few months, and if someone moves on rapidly they never get that intelligence and we never get the full effect of safer neighbourhood teams. My complaint is not about police numbers but about the churn in police community support officers. Many go on to become police officers, because we are recruiting more and more. That means that we lose the intelligence and the knowledge of local areas that we need, which are vital to safer neighbourhood teams.

Harry Cohen: My hon. Friend has made some very good points, but may I put it to him that he has not quite set out the whole picture of the history? For a start, he has missed out the fact that under the previous Conservative Government, overall crime doubled. Is that not a point that Londoners should take into account? Secondly, he seems to imply that police numbers have gone up because of police pay. That is certainly a factor, but is there not also an aspect of political will, from both the Government and the Mayor of London, who has put money for more police in his budget and his precept?

Clive Efford: Absolutely. The Mayor has to be commended for the resolute approach he has taken to delivering what people in London have told all of us, of whatever political persuasion, is their priority: community safety and more police on the streets. The Mayor has delivered that and had the political guts to stand up and say that if we are to have it, we must pay for it. He has put it in the precept, and people can see where the money has gone.

Angela Watkinson: May I take the hon. Gentleman back to the matter of PCSOs? He said that he regretted that some are training to become police constables. Does he not think that it should be for each borough commander to decide the balance between PCSOs and constables and to allocate his own establishment budget, rather than have the decisions made centrally for him?

Clive Efford: I do not really see that as a major issue. The fact is that people would rather have police officers than PCSOs. We all understand that, but when people begin to understand the role of community support officers, they value them equally. PCSO numbers have grown rapidly in London, and people are getting used to them. Borough commanders should have some flexibility, but they should also be accountable to local communities. Communities should know what they are entitled to get, and having a model of safer neighbourhood teams helps. There are safer neighbourhood teams of different sizes in my constituency, due to the action of my local police commander. However, a minimum number should be set so that people understand what they are entitled to.

Angela Watkinson *rose*

Mr. Dismore *rose*

Clive Efford: If the hon. Lady does not mind, I shall give way to my hon. Friend and then make some progress.

Mr. Dismore: I have just a short point to confirm what my hon. Friend said about police recruitment. As he knows, I represent the area where the training college is situated. When I was first elected in 1997, recruits rattled around like peas in a pod. Once the pay went up, the training centre was full. That is anticipated to continue, and the police are about to take leases on a block of flats opposite, which is being developed into 250 flats for the foreseeable future. That shows that they anticipate that recruitment trend continuing, even though officers spend far less time at the police training college than they used to because they train more on the job.

Clive Efford: I am grateful to my hon. Friend, who illustrates the fact that there is more to recruiting police officers, and to the cost of doing so, than just paying for them. The infrastructure has to be put in place to get qualified police officers.

It is a shame that the hon. Member for Bury St. Edmunds is not in the Chamber, because if he were he could intervene on me and clarify exactly what he was on about. He said that he wanted to get rid of stop-and-account forms. I hope that I did not hear my hon. Friend the Minister incorrectly, because I would find it extraordinary if we were to get rid of the forms completely. I went to see my borough commander and local inspector to talk about the forms and how we could get our safer neighbourhood teams and police officers out on the street, rather than having to spend too much time on bureaucracy. They sent downstairs to have the form brought up and we went through it. I said, "Wouldn't you want to get rid of this form?" He said, "No, absolutely no way. This form provides us with a lot of intelligence. If we stop someone, take a

Public Family Law

Motion made, and Question proposed, That this House do now adjourn. — *[Liz Blackman.]*

7.25 pm

John Hemming (Birmingham, Yardley) (LD): I should like to thank Mr. Speaker for agreeing to the subject of this Adjournment debate.

I should start by declaring that in 2006 I brought together a number of campaign groups in the justice for families campaign, which I chair. I am also taking the unusual step of releasing a campaign song, the proceeds of which will be used to prevent miscarriages of justice.

There is something rather dreadful happening in England today, but not in Scotland. In England, we have targets for adoption and rewards for moving children from one family to another, but not in Scotland, where the priority is to keep families together. In England, two thirds of children leaving care are adopted, but not in Scotland, where two thirds of children under five go home to their birth parents. The drive to increase the number of adoptions and the recycling rewards for local authorities have caused masses of miscarriages of justice. Yvonne Coulter, Chris Smith, PC and S and the Websters were all cases in which children were stolen by the state from their birth parents, only for it to be found later that it was a mistake. A mistake, yes, but not a mistake that can be put right.

I know of a case in which a baby was put into care on a fast track to adoption because his mother might get post-natal depression. Is that right? I do not think so. How did it help the local authority? It helped it hit its recycling target. In the deep, dark corners of the British legal system, hidden away by threats of imprisonment for those who speak out about injustice, we have allowed bad practice to fester. No action can be taken by a Member of Parliament to prevent solicitors from undermining their own clients because they want to keep the money coming in from the local council. No action can be taken by an MP to stop social workers who lie to the courts because they want to win a case and hit their adoption targets, or to stop doctors who provide rubbishy, unproven and unchallenged medical evidence that destroys families, but fills their bank accounts.

The reason for that is the secrecy of the proceedings under the Access to Justice Act 1999. There are a number of very good people working in the system to protect children from maltreatment, but they are undermined by the lack of action to deal with bad behaviour by practitioners. That has to come to an end. We need to consider the issues honestly and openly while we have an opportunity to amend the Children and Young Persons Bill. I have two new clauses that could assist in improving accountability without undermining children.

As in all aspects of the public or private sector, there is a range of people of different competences. There are some very good people working as social workers, lawyers, experts or judges, but there are also those who are incompetent or corrupt. The difference in public family law is that the secrecy of the system prevents accountability. In theory, there are checks and balances that prevent the abuse of state power, but practitioners often collude to prevent those checks and balances from coming into operation.

A good current example is a case covered in the following verse in the song I referred to earlier:

"The boys they say that they won't talk to their mom
The judge says foster care is what must be done
Dad says its wrong by writing a book
He's put in jail 'cos somebody looked."

It is absolutely absurd to place two children aged 13 and 15 in foster care because they will not talk to their mother, who is estranged from their father. The father would like to appeal, but the lawyers, including his own solicitor, are working against him. To appeal, he needs a judgment, but he still has not been given it. On Monday, I spoke to the 15-year-old, who is in fact 16 today, and he said, "I think children's social services are a complete disaster. My brother is mortified because he wants to go back to his dad. I think the way things are happening is pathetic. My father has never hurt either of us."

Let us understand the reality of this. Tens of thousands of pounds are being spent to keep in care two children who have never been hurt by their father. In effect, they are being imprisoned in care for no good reason. However, outside Parliament, we are not allowed to scrutinise the reasoning. The problem is that the rule of law is systematically undermined in the family division.

There is supposed to be a tape recording of the hearing. However, as yet, we have not managed to obtain a copy of such tapes. Transcripts are refused to parties on the basis of exaggerated costs. In the Harkness case, the transcript did not correlate with the parents' memory of the case. In Pauline Goodwin's case, the tape of her hearing in the Court of Appeal seems to have gone astray. If somebody manages to get a case to the Court of Appeal, the court has been known to say that it is out of time even though somebody has been struggling for years for a judgment.

One of the more worrying aspects about the Court of Appeal is that substantive cases are heard at the permission stage. If the court decides to refuse the appeal, it makes an order under section 54(4) of the Access to Justice Act 1999, preventing the case from going to the House of Lords. The Act prevents family law decisions from being considered by the House of Lords to ensure that we have a unified body of law. We have to ensure that parties are provided with tapes of their hearings immediately afterwards so that they can obtain timely copies of the judgments. We also need to change section 54(4) of the 1999 Act so that there is proper consideration of issues by the UK supreme court, the House of Lords.

It is worth considering a few cases in some detail to see how things go wrong. Fran Lyon's case never encountered the courts. She was a pregnant mother who became one of my constituents for a while before she emigrated. She was told that she was such a great risk to her baby that the child had to be removed within 15 minutes of birth and she could never breast-feed. However, her case was reviewed in Sweden. All the information cooked up by children's services and doctors in Northumberland was examined and it was decided to discharge her from hospital. Fran suffers from angiodaema so she has a tracheotomy. The doctors in the north-east said she had Munchhausen

syndrome by proxy and caused her angiodaema herself. The doctors in Sweden said that she should sue the doctors in the north-east for malpractice because her angiodaema was not self-induced—it even occurred when she was unconscious. Yesterday, I received the official English translation of the Swedish social work report, which concluded:

"Our assessment is that there is no need for support or any other programme with regard to Fran's capacity as a parent."

In England, the plan was to take the baby 15 minutes after birth, which would have also involved the usual twin-tracking adoption plan. In Northumberland, there was systematic and corrupt abuse of process. Sadly, that is all too common in the system.

In Norfolk, in the Webster case, the health visitor was pressurised to change her opinion about the family. When combined with unreliable and wrong medical evidence, that caused three of the children to be adopted. Another case in Norfolk involved three social workers in a 12-person case conference deciding to override the nine-three vote that a child was not at risk. Instead, they put the child on the child protection register. All 12 experts got together. Nine voted that there was no problem, but three voted that there was and later decided to ignore the nine. That is abuse of process. It is not democratic and it is not a proper mechanism. I am aware of other sub judice cases in Norfolk, on which of course I cannot comment. They all involve abuse of process and perversion of the course of justice.

Although the targets and financial rewards for adoptions have now rightly been scrapped, their presence has massively damaged an already creaking system. While they were in place, in law the opinion of the local authority was subject to a financial conflict of interest, which made a substantial number of judgments unlawful. The lawyers like to blame the social workers. However, the real problem lies in the court system and the law.

The test for almost any decision making is whether there is a "risk of significant harm"—the standard section 31 definition in the Children Act 1989. The vagueness of that description allows all sorts of nonsense to be accepted. At the same time many parents' solicitors are subjected to a conflict of interest because they are also paid by the local authority or guardian. It is sadly not rare for a parent's solicitor to fail to contest an application for a care order, or indeed to persuade parents, against their will, to accept that the section 31 threshold has been met. At that point the parents are at the mercy of the state's family steamroller.

In the meantime, the children are almost invariably ignored. I referred to the case of children who did not want to be in care; they are being ignored by their guardian. Someone is appointed whose job title is "representing the interests of the children"—the guardian ad litem. Most of those guardians work for CAFCASS—the Children and Family Court Advisory and Support Service. CAFCASS East Midlands was recently inspected by Ofsted, who found the service "inadequate"; in other words, not up to the job.

Historically, the judges have had a tendency merely to agree with the proposals of the local authority, unless the guardian takes a different view; we therefore have a system that depends on a financially biased local authority and a frequently inadequate guardian—not a recipe for good decision making. That meant that parents did not have a prayer. Things have improved more recently, and that should soon become evident from the statistics on cases. There are still problems following the new public law outline, but most of the cases in which there are problems are still sub judice, so I shall not refer to them.

What are the Government doing? Recently, the case of Simeon Kellman came before the criminal courts. He used a council's child database to find victims to abuse. The Government are to introduce a national database, so that the Kellmans of this world can find their victims nationally—very clever. We know that being in care is not good for children, so why are children put into care for rubbishy reasons?

Another problem is that we really do not know what happens to children who go through the system. One local authority lost 61 children in one year; it has no idea where they have gone. There is an annual return called the SSDA903 that is sent to the Department for Children, Schools and Families. That return does not track the point at which children come out of care, unless they are adopted or go into special guardianship. It does not track most outcomes; it gives them as "other". When one asks people to go through the files, as we did in the case of the authority where 61 children were lost, they say that they can find some of the children, but one local authority—admittedly a rather large one—does not know where 61 kids went. In Scotland, authorities do look at where children end up. That is why it is easier there to find out what is happening to the children.

We have been running a massive social experiment in forced adoption—adoption against the will of not just the parents, but those children old enough to understand what is happening. A study conducted by Ofsted looked at children's views of the adoption process. At least a third said that they did not want to be adopted; they wanted to be left where they were. Inevitably, a large number of forced adoptions break down, but there is little research on the subject. I recently had discussions with the National Society for the Prevention of Cruelty to Children about the process of forced adoption and how it affects children in the long term. Figures indicate that the failure rate of forced adoptions is, at a minimum, a quarter to a third. That is the sort of information on which we should get proper research, but that research is not being done.

Another appalling aspect of the system is the way in which children are damaged by care proceedings, even if the proceedings end with the children going home. Let us take a situation where a baby is taken away at birth and put into foster care—that is not good for the baby, to start with. After about a year's legal wrangling, when people have made lots of money from representing various parties, the child goes home because it is found that there was no evidence of any risk in the first instance. Think about the Fran Lyon case; what would have happened to her if she had stayed in England? She would have lost her baby at birth and there would have been massive wrangling. In fact, her first lawyer told her that she should just give up because she would never win, so she emigrated. It damages children to go through that process. The fact that the system tends not to let go means that children get damaged by the process.

Front-Bench team was reluctant to reveal other details last night in the press, will the Chancellor answer two very straightforward questions about the contents of the package? First, which elements of it will and will not be

Mr. Speaker: Order. A supplementary, especially at topical questions, should be brief, and certainly two supplementaries is just not on.

John Penrose: I bow to your point, Mr. Speaker. Which elements of the 10p tax rescue package will and will not be backdated?

Mr. Darling: I think that I am right in saying that my hon. Friend the Member for North Ayrshire and Arran (Ms Clark) asked a question rather than sought to answer it.

On the proposals, I set out in a letter to the Chairman of the Treasury Committee how I propose to proceed, both in relation to a specific group—people between the ages of 60 and 64, whose incomes do not change that much and for whom there is a readily available mechanism for additional payments through the winter fuel payment—and in relation to everybody else who was affected. I said that there were certain areas that I wanted to look at in relation to tax credits and the national minimum wage, and that I would be setting out proposals and would return to the matter in the pre-Budget report. That is what I said at the weekend and in the letter to the Treasury Committee, which set out quite clearly how I intend to proceed.

T7. [200857] **Ms Katy Clark** (North Ayrshire and Arran) (Lab): Will my right hon. Friend confirm that there will be an attempt to ensure that all groups on low income that are adversely affected by the abolition of the 10p tax band are fully compensated, and that there will be backdating for all those groups?

Mr. Darling: As I said in my letter yesterday, the first area in which we can take action is in relation to 60 to 64-year-olds. On the others, if my hon. Friend looks at the letter, she will see that I said that our focus is on allowing that the average losses from the abolition of the 10p band can be offset. I want to do that for this year. Because the groups concerned are diverse, and because the effect of any change to the tax system can be quite complex, it will take time—this is why it will not be until the pre-Budget report that I can come back to it—to work out in which way we can help groups. I suspect that there may be different ways.

I have made my intention very clear. It is all very well for the Conservatives to raise these matters, but they would have more credibility if they had a single proposal that might help.

T2. [200851] **Greg Mulholland** (Leeds, North-West) (LD): The House will have noticed that, since his Budget, the Chancellor has been barred from pubs around the country for raising the duty on beer when the pub trade is facing such difficult times. The move will not raise the predicted amount of revenue, but it will be the final nail in the coffin for many pubs. Is the right hon. Gentleman prepared to consider another Budget U-turn, or is he determined to go down in history as the man who killed the British pub?

Mr. Darling: I understand that I have been barred from more pubs than anyone else in the country, including pubs that I have never been in and many that I have never even heard of. It is the first time that I have ever come across that.

We raised the duty on alcohol primarily to finance what we are doing to increase the amount paid to people over 60 through the winter fuel payment, and to help families with children. I took account of the fact that the average price of a bottle of wine, for example, has fallen over the past 10 years. I know that pubs around the country face certain difficulties, although I think that the hon. Gentleman will acknowledge that there has been a change in people's habits generally. However, constraints in the EU rules mean that it is not possible to have differential rates for beer that is bought as on-sales or off-sales. Of course, I have a great deal of sympathy for anyone running a business and trying to attract new customers, but I think that what I did in relation to alcohol was right, especially when one considers where a lot of that alcohol has been going. Finally, I can tell the hon. Gentleman that we are not proposing to change the Budget at all.

Mr. Dennis Skinner (Bolsover) (Lab): The most important reason why the Chancellor was able to come to his decision yesterday on the 10p tax band is that the economy is strong enough to pay out the money that people are going to get. The economy never allowed previous Governments to find the money to reverse a Budget proposal. On Black Wednesday, for example, the Conservatives did not have two ha'pennies to rub together.

Mr. Darling: As ever, my hon. Friend is quite right—the British economy is very strong and stable. As I said in response to the first topical question, unemployment is at its lowest since the early 1970s and employment is at record levels. Those facts make a huge difference. The situation is quite different from the one that we faced when the housing market in particular got into trouble in the early 1990s, because at that time there were more than 3 million people out of work. My hon. Friend is right that people will remember what happened when the previous Conservative Government got into economic difficulties that resulted in immense hardship for millions.

We are not prepared to allow that to happen, but we cannot be complacent. As I have said on many occasions, economies around the world are slowing and Governments will have to face up to the consequences. Even so, our economy is in a much better position and is more resilient than it ever was in any of the years when the Conservatives were in government.

Mr. George Osborne (Tatton) (Con): What is becoming clear this morning is that this incompetent Government cannot organise even a humiliating U-turn without messing it up. Last night, the Chief Secretary to the Treasury was with me in the "Newsnight" TV studio and said that she could not confirm that the rescue package would be backdated. This morning, the right hon. Member for Birkenhead (Mr. Field) said:

"I think Yvette was badly briefed. The agreement—and this is an agreement that the Prime Minister actually put his stamp on—was that...the whole package would be backdated to April the first."

Who speaks for the Government—the right hon. Member for Birkenhead and his conversations with the Prime Minister, or the Chief Secretary to the Treasury?

Mr. Darling: First, the hon. Gentleman's position on this—[HON. MEMBERS: "Answer."] Well, he is the man who supported the abolition of the 10p rate 12 months ago. When my right hon. Friend the Member for Birkenhead (Mr. Field) tabled his amendment 12 months ago, far from supporting it, the hon. Gentleman abstained. About two weeks ago, the Conservative party's policy was to reinstate the 10p band, and when confronted with the fact that that would cost him about £7 billion, he said that it was a holding position. Now, he has no position at all.

As I told the House just a few moments ago, I set out how I intend to proceed in the letter that I sent to the Chairman of the Treasury Committee, and I made it clear that, in relation to the first group—pensioners between the ages of 60 and 64—because their incomes do not tend to change that much, I am confident that we will be able to make a payment to them, probably by the same mechanism as the winter fuel payment is made, to cover their position for this year. I also said in relation to all the other people who are affected that this is something that I want to look at, and I will come back to the House in the pre-Budget report, as I said at the weekend and as I said yesterday. However, as my letter says, our focus is to ensure that we allow the average losses from the abolition of the 10p band to be offset for this year. That is something that I fully intend to proceed with, and I will come back to the House when I have specific proposals to make.

Mr. Osborne: First, the Chancellor is in no position to lecture anyone about consistency, when he said on Sunday that he would not reopen his Budget and then did so three days later. Secondly, no one is interested in the letter that he sent to the Treasury Committee; what we are interested in is the conversation between the right hon. Member for Birkenhead and the Prime Minister. The right hon. Member for Birkenhead says clearly, and he said it again on the radio this morning:

"there is no mistake about this—the agreement will be backdated to April first."

So will the Chancellor get up, stop all this waffle about the pre-Budget report and what the Chief Secretary did or did not say and make it clear that the agreement between the right hon. Member for Birkenhead and the Prime Minister, which the Chancellor was obviously not part of, is that the package will be backdated—yes, or no?

Mr. Darling: The hon. Gentleman should be interested in the letter that I sent to the Chairman of the Treasury Committee because it sets out the Government's position. Like many others, no doubt, I heard my right hon. Friend the Member for Birkenhead on the radio this morning, and as he rightly said, because the people affected by the removal of the 10p band are disparate and are affected in different ways, it will be necessary for the Government to consider a range of measures to help them. However, as I say in my letter, my focus is to allow us to offset the average losses from the abolition of that band for this year. That is what I intend to do, and I fully intend to come back to the House in the pre-Budget report to set out precisely how I will do it. I have a commitment to do something about the problem. It is abundantly clear that the Opposition have absolutely no interest in it whatever and regard this as a political game.

T8. [200858] **Mr. Andy Reed** (Loughborough) (Lab/Co-op): As my right hon. Friend knows, next month will mark the 10th anniversary of the G8 meeting in Birmingham, at which the Jubilee 2000 campaign on cancelling international debts really took hold. Will he update the House on what progress has been made in the past year and on what plans he has for next year to progress the cancellation of debt for the poorest 41 countries in the world to mark that 10th anniversary?

Mr. Darling: My hon. Friend is right. Right from the start, we have been committed, principally through the work undertaken by my right hon. Friend the Prime Minister when he was the Chancellor, not just to take action here at home to ensure that we meet our international obligations, but crucially and additionally, to work with other countries to write off the debt that poor countries faced. Liberia is perhaps an excellent example of where the international community has, albeit after a bit of a struggle, come together to try to remove the debts from that country, to give it a chance to get back on its feet and to improve the living standards of its people. I believe that the action that we have taken in relation to development and writing off debt right across the world has been a model of what all Governments ought to be doing. I should like to see us do more, but my hon. Friend is absolutely right: that is something that any humane Government ought to be doing, and they should be doing it because it is the right thing to do, not just morally but economically.

T4. [200854] **Mr. Peter Lilley** (Hitchin and Harpenden) (Con): According to the International Monetary Fund, the burden of tax under this Government has risen more rapidly than in any other major country, while the rate of growth of output per head has slowed down. Ireland, which has one of the lowest rates of tax, has had one of the highest rates of growth. Does the Chancellor still maintain that the burden of tax has no impact on the rate of growth, and if so, is he really asking the House to believe that Ireland would not have outstripped us by so much if it had suffered the same tax burden as this country does?

The Chief Secretary to the Treasury (Yvette Cooper): Well, looking at the international figures, we see that in the 10 years up to 1997 the UK was the bottom of the G7, in terms of income per head. It is now the second highest, behind the US, as a result of the decisions that we have taken. The tax burden today remains lower than the average over the 1980s, when the right hon. Gentleman and members of his party were in charge.

T5. [200855] **Mr. Alistair Carmichael** (Orkney and Shetland) (LD): I wonder whether the Chancellor has seen the report on page 2 of *The Times* today, which records that the average price at the pumps for unleaded petrol is now 108.9p a litre. The report predicts that the price will rise to 112p a litre next month. However, many of my constituents would love to pay even 112p a litre; in one of the biggest filling

[Ms Katy Clark]

brought in to undercut the wages and conditions of the existing work force, and that we need to look at the employment law regime to ensure that we provide protections and do not have two-tier work forces in the private sector? Does he agree that we also need to look into the pensions issue, and that pensions should be treated as deferred pay and a pensions regime should exist so that people have security in their retirement? Clearly, the reduction of pensions entitlements is a major cause of concern for the work force at this time.

Mr. Hutton: I agree with my hon. Friend about the importance of pensions to working people. Of course we recognise that, and we have a clear framework of law in the UK in respect of the protection and security of accrued rights in final salary schemes such as the one at Grangemouth—and they cannot be interfered with. There is also a clear statutory procedure if any changes are proposed to future rights under those pension schemes. I believe that our employment law framework is robust and appropriate and that it guarantees essential rights to workers while also allowing companies to manage change when they need to do that. Rather than get embroiled in a blow-by-blow account of what has happened or a post-mortem, I would rather focus on the importance of ensuring and maintaining fuel supplies in Scotland—they are secure and they can be maintained—and on bringing this industrial action, which will ultimately benefit no one and may hurt a lot of people, to an end as soon as possible.

Mr. Charles Kennedy (Ross, Skye and Lochaber) (LD): Does the Secretary of State agree that the seriousness of the situation is underlined by the fact that if the walk-out goes ahead on Sunday, it will be the first of its type in any UK oil refinery for no less than 73 years? Indeed, the chief executive of INEOS, Tom Crotty, has described how the strike will

"cause chaos and disruption for the people of Scotland",

irrespective of the best efforts of Governments either here or in Holyrood.

We have heard reports over the last few days of people queuing at petrol stations and forecourts in Inverness. Maintaining fuel supplies to the highlands does not mean maintaining them only in the populous centres such as Inverness, Dingwall and Fort William, but in Wester Ross, Skye and Lochalsh and the small isle areas, which are very much at the end of the line physically and require reassurance. Will the Government take up the suggestion of my colleague at Holyrood, Nicol Stephen, that in view of the anecdotal reports we have heard of prices being jacked up despite the reassurance and the fact that there are no immediate shortages, the Competition Commission may in due course wish to look at the activities of the oil companies over this period?

Mr. Hutton: Let me deal with the last of the right hon. Gentleman's points first. It is the role of the UK competition authorities to keep a close eye on the way in which markets operate. If there is any evidence of anti-competitive behaviour, we would expect the Office of Fair Trading and the Competition Commission to get stuck into it. We must not allow consumers to be ripped off in those circumstances.

As to the right hon. Gentleman's main point, I agree about the importance of preserving fuel supplies across Scotland and to all parts of Scotland. That is absolutely what the industry, the Scottish Executive and ourselves are working to ensure. I take issue with the comments about causing chaos and confusion. There is no reason for chaos and there is absolutely no reason for confusion. The unions gave important undertakings yesterday and today about preserving the continuity of utilities operations on the Grangemouth site. Yes, we are in unchartered waters; this has not happened before. The complex technology at Grangemouth requires constant maintenance and utility provision, but I think that it is agreed that it is in no one's interest to damage the essential infrastructure there. I certainly hope that common sense prevails in that regard.

Mr. Frank Doran (Aberdeen, North) (Lab): I welcome my right hon. Friend's statement and I endorse the view that the matter needs to be resolved as quickly as possible and that it can be resolved only by negotiation. I am concerned about how the threat to the processes and the plant is being discussed in the debate. My experience and involvement in industrial disputes, including in the oil and gas industry, suggests that the unions go out of their way to ensure that the integrity of health and safety services, as well as the production equipment, is upheld. Nobody has an interest in destroying the future of the place where they work. Everyone is well aware that when they return to work they must have a proper working relationship.

I am worried by what my right hon. Friend has said about the threat to the North sea oil and gas industry. I hope that the issue is not being raised by management without proper discussion with the unions to ensure that both sides are satisfied that the integrity of the system is being preserved by agreement.

Mr. Hutton: My hon. Friend is right. As I have tried to make clear, it is in no one's interest for any fundamental damage to be caused to the vital infrastructure at Grangemouth. However, there is real concern about the provision of utilities, particularly on the BP Kinneil site at Grangemouth. That is essential if production from the Forties pipeline is not to be disrupted. I do not think we are exaggerating the consequences of that. I am hopeful of a good outcome from the continuing discussions on maintaining high steam pressure for Kinneil, which is absolutely essential. As I have said, I am confident that good sense will prevail.

Mr. Mike Weir (Angus) (SNP): I welcome the statement, and hope that the Secretary of State's contact with the Scottish Government will continue in the same constructive spirit. Although this is principally a Scottish problem, I understand that Grangemouth supplies parts of the north of England and Northern Ireland as well.

I welcome the Secretary of State's assurance, which has also been given by the Scottish Government, that there are sufficient supplies. I hope he understands how important it is for politicians of all parties, and also the media, to do nothing that would cause the problems to escalate. It has been reported—and I know from experience in my area and adjoining constituencies—that

there has been a run on petrol stations, some of which have run out of fuel particularly unleaded fuel and diesel. That is causing difficulties in some rural areas.

The Secretary of State mentioned looking into the activities of oil companies. There is evidence, at least anecdotal, that some stations have jacked up their prices considerably during the dispute. While I appreciate that there may be an investigation at a later date, has the Secretary of State any powers to take immediate action if there is any evidence that that is happening?

Mr. Hutton: It would not be appropriate for anyone to grandstand in relation to this dispute, and I hope that that temptation will be resisted. I think we should work together sensibly to try to resolve the problems. Certainly we envisage no difficulty: we have good working relations with the Scottish Executive, which we will preserve. It is in everyone's best interests to ensure that fuel supply is as close to normal as it can be.

The hon. Gentleman is right to say that there have been some local shortages, but I understand that they were corrected as soon as possible. There could well be more in the next few days—I do not wish to pretend that such difficulties could not arise—but the essential point for his constituents and people throughout Scotland is that supply is sufficient, and there is no reason for people to start buying fuel other than in the normal way. There is enough diesel and petrol for Scotland, and there are enough industrial supplies. That is the most important message.

Mr. Russell Brown (Dumfries and Galloway) (Lab): I share my right hon. Friend's sentiments, and hope that the company and my colleagues in Unite reach a negotiated settlement quickly. He mentioned profiteering. Two days ago I was contacted by a business man in my constituency who wanted to purchase red diesel. He approached about half a dozen of his usual suppliers, and was told that the price of red diesel had increased by 5p per litre if he bought less than 1,000 litres, and by 10p per litre if he bought more than 1,000 litres. What is taking place is not just profiteering, but sheer naked exploitation on the back of a dispute. I hope that my right hon. Friend will send a clear message to those who are intent on exploiting the situation that that is not acceptable.

Mr. Hutton: I strongly agree, and I have made clear that there is absolutely no excuse or justification for that type of sharp practice. If there is any evidence of collusion between suppliers on prices, it will suggest a potential violation of competition law. There is an appropriate mechanism for investigating and bringing about redress in such circumstances. I invite my hon. Friend to give me the details of his constituent's experience.

Malcolm Bruce (Gordon) (LD): I welcome the Secretary of State's assurances about supplies, which I hope will be noted. As for what was said by the hon. Member for Dumfries and Galloway (Mr. Brown), is it not up to forecourt owners and managers to act responsibly and inform their customers that they can secure future supplies and manage them sensibly?

I am, however, concerned about the implications of the dispute for the security and continuity of production in the North sea. Many of us have thousands of constituents who work in the North sea, and who must fear that a dispute downstream could threaten their livelihoods and their long-term future in upstream activity. Can the Secretary of State assure us that he will investigate thoroughly the integrity of the system downstream and upstream, to ensure that no dispute of this kind can cause serious long-term damage to production capacity and delivery in the North sea and the future employment of people whose livelihoods depend on it?

Mr. Hutton: Yes, I can give the right hon. Gentleman that assurance. I have spoken to Tony Woodley, the general secretary of Unite. Thousands of Unite members also work in the North sea, and it is in no one's interests, including theirs, for the dispute to have a ripple effect on production upstream.

As with all events such as this, there are lessons to be learnt. I am sure that once the dispute is brought swiftly to a conclusion, as I hope it will be, we can all reflect on what should be done to ensure better protection of continuity of supply and vital infrastructure should a similar situation arise in future.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): May I reinforce the needs of rural communities? I am glad that the Secretary of State is keen to protect the whole of Scotland, not just urban areas. May I also ask him to ensure that there is proper monitoring to prevent price exploitation?

What can be done about the impact on the North sea, short of exhorting people not to do anything that might jeopardise production? Has the Secretary of State any powers to intervene to protect production and vital infrastructure?

Mr. Hutton: I have a number of emergency powers under the Energy Act 1976 and the Civil Contingencies Act 2004. The only questions concern when they can and should be used, and their extent and duration. I assure the hon. Gentleman that the Government are fully equipped with a range of powers to deal with emergencies.

[Joan Ruddock]

have asked for a review, but progress is slow. We are pursuing the matter all the time because we want more to be done.

I pay tribute to the expertise of my hon. Friend the Member for Barnsley, Central (Mr. Illsley) on packaging. He gave us an interesting speech, particularly on Malibu. I agree with him about the quality of recyclates. I am looking desperately at the issue of better quality. He spoke about shipping to China. There are good reasons for doing that, as it saves the Chinese using raw plastic. My hon. Friend raised a number of other issues. On light bulbs, consumers should look for the Energy Savings Trust recommendation. That is the way to be certain that the bulb is low energy. Other points have been dealt with in correspondence. We have technical answers to his questions, to which I refer him again.

The hon. Member for Bexhill and Battle (Gregory Barker), who spoke from the Front Bench, made his usual speech, which was a central office handout—

It being one and a half hours after the commencement of proceedings, the motion lapsed, without Question put, pursuant to Temporary Standing Order (Topical debates).

Points-Based Immigration System

2.27 pm

The Minister for Borders and Immigration (Mr. Liam Byrne): I beg to move,

That this House has considered the matter of a points-based immigration system.

I am grateful for the chance to debate in the House one of the most important pieces of the Government's immigration reform programme for 2008. At the beginning of the year I said that this year would see the biggest changes that we have made to the immigration system and to our border security for 45 years. The House will know from the Prime Minister's statements on national security earlier in the year that the Government are radically changing the way that we police our borders, with the creation of the UK Border Agency, with fingerprint visas abroad, compulsory ID cards at home and new systems that will replace those that were phased out in 1994 to count people in and out of the country.

Alongside the new systems to police the way people move across our borders, the points system will help us to decide in the first place who should or should not have the right to come through those borders to work or to study. We have published proposals to change the way in which we judge not only who can come to the UK, but who can stay in the UK. Those proposals were set out in our Green Paper on earned citizenship.

Amid all the changes coming into place this year, undoubtedly the points system is among the most important that we are making. I am grateful for the timing of today's debate. It is especially fortuitous because although we have introduced the points system for highly skilled migrants—that started earlier this year—it will be after purdah that we seek to publish important statements of intent for the next stages of the points system. Today's debate will allow me to reflect on contributions from right hon. and hon. Members before we finalise that policy.

In these introductory remarks, however, I should put on the record my thanks to my right hon. Friend the Member for Leicester, East (Keith Vaz), my hon. Friends the Members for Hendon (Mr. Dismore) and for Brent, North (Barry Gardiner) and the Chinese community organisations and those such as the Bangladeshi Caterers Association, who have all helped me to shape the policy that we will publish after purdah.

The statements of intent will not, of course, be the final word. The system introduced to replace work permits, a system that will sweep aside about 30 different routes into the UK, will come into effect a little later this year. However, I want to publish statements of intent so that we have as much time as possible to reflect on the changes that we are making and to subject them to public scrutiny to ensure that they are in the best possible place.

This afternoon, I shall confine my remarks to three points. First, I shall discuss the Government's objectives in introducing the points system. Secondly, I shall mention a bit of the detail on how we see the next stage of reform working in practice. Thirdly, I want to allude—no more—to the nub of the debate, which I suspect will divide us this afternoon.

My starting point is to recognise and celebrate the contribution that carefully controlled migration can make to the United Kingdom. As the grandson of immigrants to this country, I could, of course, talk with feeling, if not eloquence, about the social and cultural benefits that newcomers bring. However, the House will be pleased that I do not plan to make that detour this afternoon. I will, however, underline the economic benefits that I think and hope are recognised on both sides of the House. Earlier this year, the House of Lords produced a report about the economic benefits of migration. I thought that it made rather better reading than the press notices and some of the commentary on the day. I was especially grateful that the report confirmed my own judgment that gross domestic product per capita should be the principal judge of the contribution that migration makes to this country.

Keith Vaz (Leicester, East) (Lab): I have paid tribute to the fact that the Minister has been all over the country meeting communities. What message has he received from them about the points-based system?

Mr. Byrne: My right hon. Friend knows that I have the privilege of representing a constituency whose population is about 50 per cent. Pakistani. The messages that I have received in my meetings all over the country are very similar to those that I have received from my constituents for some time. That message is that people want the immigration system to change and our border security system to be toughened. However, people do not want us to cut ourselves adrift from the rest of the world and somehow seal the borders.

People think that immigration has a vital contribution to make to our economy and future place in the world, but they want the system to be carefully controlled and carefully balanced. People want us to put an analysis of migration's impact on wider public services alongside the economic benefits that immigration can have, and to strike the right balance. However, we should be absolutely clear that theory and evidence both point to the positive contribution of migration to wealth, including wealth per capita.

Pete Wishart (Perth and North Perthshire) (SNP): In his journeys around all parts of the United Kingdom, has the Minister come to recognise and appreciate that its differing nations have very different and divergent population and immigration requirements? Will he recognise that in some of the proposals that he is bringing forward?

Mr. Byrne: The hon. Gentleman is absolutely right. I shall not quickly forget the meeting that I had in Newcastle at the end of 2006. The civic leaders of that city made a good argument to me. They said that they wanted to grow dramatically the population of their city in the following 10 years and that, however hard they tried, they would not achieve that by encouraging their citizens to breed faster. They recognised that immigration would be an important part of their overall plans for regenerating and setting out a new future for their community.

Mr. Andrew Dismore (Hendon) (Lab): Does my hon. Friend agree that one of the main benefits of migration has been to enrich substantially the culinary experiences of our indigenous population? I am thinking particularly of Chinese and south Asian restaurants. Does he also agree that the population at large—not just Chinese and south Asian people—would hate their ability to access those services to be restricted? Does he agree, further, that one of the particular concerns is the language test, which I suspect is the issue to which he alluded but did not fully refer in his opening remarks?

Mr. Byrne: My hon. Friend is right. The evidence of ethnic minorities' contribution to the richness of our culture, in London and elsewhere, is considerable and often first seen in cuisine. My hon. Friend touched on the language test, and I shall say a little about that later. To reflect back on the question asked by my right hon. Friend the Member for Leicester, East, I should say that wherever I have gone, the emphasis has been on English being the value that this country wants to put centre stage in immigration reform.

Mr. John Hayes (South Holland and The Deepings) (Con): The Minister is, as ever, courteous and he is making a measured case. However, he made a point about the impact on infrastructure almost as though it was unrelated to the general point about macro-economics. That seems—I am choosing my words cautiously—misguided. We cannot separate the impact on housing demand, health and education from the economic benefit. Does the Minister agree that too often the macro-economic case has been argued without consideration of those economic effects on local communities, as the House of Lords report recently made clear?

Mr. Byrne: This will not make me universally popular, but I should say that since I was asked to take up this role, I have consistently said that we have to strike a balance in immigration reform between the economic contribution that we know migration brings and the wider impact that we must know that migration has on wider public services. That is the balance that we seek to strike in introducing the points system.

We have to try to undertake that balancing act on the basis not of anecdote but of evidence. That is why we have the migration advisory committee, an independent committee set up to tell the Government where in the economy we need migration—and, crucially, where we do not—and why we have set up alongside it the Migration Impact Forum, which is not a great name for an important group of people. It is made up of front-line public service managers from all over the United Kingdom who are able to marshal and analyse the evidence on the wider impact of migration. It is important that that evidence should be published and transparent so that the public can see what evidence Ministers are balancing when they come to a decision about how many points a newcomer needs to come to this country. We are explicitly seeking to recognise the fact that both sides of the debate need to be taken into account.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): Before all those interventions, I think that the Minister was about to say that he agreed with the

[Dr. Phyllis Starkey]

House of Lords Committee's consideration of GDP per capita. If he was, may I draw his attention to what is perhaps a rather nerdish or statistical point? That figure is derived from the division of one very large number by another, so it is really important when we use it as evidence that it should be set within a statistical context. I suspect that levels of migration would have to be hugely greater than at present for one to be able to say with any certainty whether migration was or was not statistically significantly affecting GDP per capita.

Mr. Byrne: My hon. Friend has guessed the point that I was about to make. The House of Lords criticised the idea of using GDP per capita because it seemed to result in quite a small number. However, as my hon. Friend says, when one divides the GDP contribution of migrants by the total population of the UK, of course the number will be small because 87 per cent. of the work force is British. The one good report in this area, which was published by Dustmann et al in 2007, points to an economic contribution of GDP per capita through migration over the past decade of about half the total contribution to GDP per capita that has been made by upskilling the labour force. So yes, the number is small, but it is not insignificant.

Mr. William Cash (Stone) (Con): I am sure the Minister knows that a great deal of the statistical basis that we use is based on sampling. However, under the electoral roll arrangements all local authorities are required to have available information on foreign nationals, with a penalty of £1,000 for failure to supply it. What is astonishing, however, is that the figures are not then passed on to the Office for National Statistics. Does the Minister agree that it would be extremely useful to be able to correlate the information in the local authority archives, without disclosing names and addresses and so on, to enable us to get a much firmer statistical base than under the current sampling arrangements?

Mr. Byrne: We need to take several measures in order to ensure that we have proper statistics. That was a valid part of the House of Lords' criticism. First, we must arrange systems for counting people in and out of the country. Parties on both sides of the House bear some responsibility for the fact that we are unable to do that. Exit controls were phased out in 1994, and this Government finished the job in the late 1990s. I have consistently said that that was a mistake. Reintroducing systems to count people in and out of the country, as we will by Christmas, is a vital first step. However, we then have to deal with the resident population who are already here. The Office for National Statistics is doing several things through reform of the labour force survey and other household surveys. However, I have to say to the hon. Gentleman that over the long term ID cards for foreign nationals will make a more important contribution because they will be compulsory for all foreign nationals living in this country. Under the terms of the UK Borders Act 2007, foreign nationals will have to register their addresses, and over time that will give us the best possible measure of where people are living and how they are moving around.

Mr. Peter Bone (Wellingborough) (Con): I have had difficulty trying to work out economic migration into this country since 1997. What is the Government's estimate of the number of economic migrants?

Mr. Byrne: The evidence that we gave to the House of Lords is that we estimated that there was some £6 billion in economic contribution. Some people have criticised that, but I think that £6 billion is a prize worth having and that our economy is bigger and stronger as a result. Moreover, as I think we all recognise, particular sectors of the economy have benefited immeasurably from immigration—the financial services sector is a good example, because it contributes about 24 per cent. of the corporation tax take. It is important to look at a basket of indicators, but if pressed I would say that GDP per capita is perhaps the most important.

Chris Huhne (Eastleigh) (LD): Does the Minister accept that there is public disquiet about the statistics, partly, and perhaps unfairly, because it is assumed that the body responsible for collecting them is not fully independent? Does he agree that now that we are moving into a world where we will have a better statistical base, for the reasons that he set out, it would be sensible to centralise the statistical function under the Office for National Statistics?

Mr. Byrne: I will resist the temptation to veer off brief. Suffice it to say that the starting point is for us to get in place systems that we phased out in the mid-'90s, because the ability to count people in and out of the country is fundamental to the calculations that hon. Members are pressing for.

Mr. Bone: I obviously did not make my question clear. I was asking not about the economic benefit but about the number of people who have come in. I have seen 1.1 million cited as the number of economic migrants who have come in since 1997. Is that the Government's ballpark figure?

Mr. Byrne: I have brought along the precise cumulative totals. The figures for 2006, for example, show that 529,000 came back into the country, of whom 452,000 were non-British. I would be happy to supply the hon. Gentleman with extracts from the report on cumulative totals that we published to the House of Lords and others.

Mr. Hayes: I am grateful to the Minister for a second bite of the cherry. Before he moves on from his macro-economic analysis, will he say whether the Government have taken account of the opportunity cost of immigration? Since 1997, the number of NEETs—young people not in education, employment or training—has grown by about 15 per cent. Many of them are unskilled, and many of the migrants coming into Britain are doing unskilled jobs. Lord Leitch argues that the demand for unskilled labour will fall during the next 10 years or so. It is not really possible to square the situation, is it? There are fewer jobs, more migrants and more NEETS. What do the Government think about that?

Mr. Byrne: That is a common argument. It is so common that economists have a name for it: the "lump of labour" fallacy, which is the idea that the number of jobs in an economy is fixed. We have to recognise that

during the past 10 years, the employment rate among British nationals has gone up, which has happened at the same time as average wages have gone up each year, and while productivity has gone up. A rather good article in *The Economist* a few weeks ago showed that GDP per capita had gone up by something like 2.4 per cent. in each year during the past decade. That is well above the figure for the economies of the United States, Canada, France and Italy.

Where I agree with the direction of the hon. Gentleman's question is on whether we should admit low-skilled migration from outside the European Union. I do not think that there is a need for low-skilled migration from outside the EU, but I shall talk about that in a moment.

Mr. James Clappison (Hertsmere) (Con): On the point raised by my hon. Friend the Member for South Holland and The Deepings (Mr. Hayes), the Minister will know from his statistics that there are two measures of the total amount of inward migration into the country—not net migration, but total migration. The one to which he referred shows inward migration of 529,000 and the total international migration figure, which I think is the preferred statistic, is 591,000. When one subtracts the emigration figure from that, one is left with a very high figure for net migration of 190,000. Can the Minister tell us of any year in history when the total inward migration figure was higher than 591,000, according to the total international migration statistics or any others that he wants to produce?

Mr. Byrne: I am not sure whether it ever has been higher, but I think that there is now a degree of consensus between us. I am doing this slightly from memory because although I am a keen student of the speeches and comments of the hon. Member for Ashford (Damian Green), I do not have a photographic memory. Many of us have come to recognise that it is the net balance that is important; we have to look at how many people are coming in versus how many are leaving. The net balance for the last year for which statistics are available was about 190,000, which is substantially down on previous years. In fact, it is about 23 or 24 per cent. lower than previous years. I see that the hon. Gentleman disagrees.

Mr. Clappison: It is still a very high figure. The figure of 190,000, which is the long-term projection for net migration, is equivalent to a city the size of Milton Keynes, as the House of Lords pointed out in its report. The Government cannot control emigration—although they may drive people to want to leave the country—but they can control the total figure for inward migration through their policies. I put the question again to the Minister: bearing in mind the Government's policies of issuing work permits, the policies they adopted towards the EU accession 8 countries and all their other polices, can he name a time in history when there has been a higher figure than 591,000?

Mr. Byrne: I think that I have just answered that question. I draw the hon. Gentleman's attention to the degree of consensus that the net balance is the important number. I know that he will disagree with that and I look forward to his remarks, in which I hope he will answer a simple question: if there is a magic number of people who should come into the country this year, what is it? The political debate is suffering from the fact that there is an allusion to a magical number, but to date it has been secret.

Mr. Clappison: As a Back Bencher, I do not make policy. The Minister seems to imply that it is impossible to get the figure lower. I point out to him the figure that I have just cited, which he agrees with, of 591,000; that figure was 327,000 in the year that the Government took office. It would not be a bad thing if we got back to the situation that the Government inherited, but changed through their polices.

Mr. Byrne: The hon. Gentleman lives in the real world, and I acknowledge his long interest in and the careful attention that he has paid to the matter. As a Minister, one welcomes people taking an interest in one's work. However, he must accept that, around the world, people are on the move. Global migration has doubled since the 1960s. The net migration rate to the UK is pretty much the OECD average; there are several countries to which net migration is higher. There is a similar pattern of people on the move in industrialising countries. Indeed, in China last week I was told about the migration of people from western to eastern China—some people believe that that is the largest movement of people in human history. People move around. Over the centuries, they have moved for three reasons: love, work and war. If anything, the patterns are changing faster, but that comes with industrialisation. If the hon. Gentleman looks back over a couple of hundred years of economic history—the World Bank and others have produced good reports on that—he will realise that great patterns of globalisation are normally accompanied by big movements of people.

Mr. Clappison: The Minister has been generous in giving way. However, the problem with his argument is that, in 1997, as in 2007, many people wanted to move from countries where incomes were lower to this country, where incomes are higher. However, as soon as his Government came to power, they substantially increased the number of work permits—the number issued in 1997 has trebled, as was said in the House of Lords. That is not to do with change in the world but the Government policy of increasing the number of work permits and their decisions about the A8.

Mr. Byrne: I look forward to hearing the hon. Gentleman's policy alternatives. However, he cannot ignore the fact that in the past 10 years the movement of people in the OECD countries and the industrialising countries has got faster. In the past 11 years, we have grown economically in every quarter, and that has gone alongside an increase in the employment rate. More jobs have been created in this country.

Let me move to my second point. All I wanted to establish in my opening remarks is that carefully controlled migration can make—and has historically made—an important contribution to this country. I shall not digress to comment on policies on family reunion and asylum, but concentrate on the next stages of the points system, which will be introduced later this

[Mr. Byrne]

year. I shall not dwell on policies on tier 1—the programme for highly skilled migrants—because it is now operational. However, tier 2, the system for work permits, and tier 5, the system for temporary workers, are still to come.

I believe that tier 2 will be the most important. It will replace work permits and is aimed at enabling UK employers to recruit individuals from outside the European economic area to take a specific job that cannot be filled by a British or EEA worker. Employers in that category can sponsor migrant workers for a visa application only if they have a licence that shows that we have checked them and confirmed that they are genuine organisations.

Tier 2 will operate according to five principles. First, migrants will be required to show some command of the English language. I will listen hard to the debate about the standard that we should seek. Secondly, all jobs that are not in shortage occupations or intra-company transfers will be required to fulfil a resident labour market test before a migrant can be recruited. If migrants wish to change employers once in the UK under the scheme, the job to which they want to switch will also have to fulfil a resident labour market test. Thirdly, migrants who are not filling jobs on the shortage occupation list will be required to earn points through their qualifications and prospective earnings. Fourthly, low skilled or no skilled migration from outside the EU will be ended. Fifthly, there will be a maintenance requirement to show that migrants have the ability to support themselves for the first month that they are here. Within the framework of those five principles there is of course an enormous amount of detail, on which I look forward to hearing the House's views.

The shortage occupation list is so important that it is worth a few more words. The idea behind the shortage occupation list is that if particular jobs are extremely difficult to fill in the UK, we should make it easier for employers to fill them, with there being some kind of trump. A place on the shortage occupation list is therefore something of a prize. I am absolutely convinced that decisions about jobs that go on the shortage occupation list should not be made in a dark room in the Home Office, but debated in public and made on the basis of evidence.

Independent advice on such decisions is helpful, which is why the Migration Advisory Committee has started on the job. It has been asked to study three questions: what is a skilled job; what is a shortage; and what skilled labour shortages does it makes sense to fill through migration rather than domestic labour? The committee's call for evidence has already been published. I would urge anyone who is interested to get hold of a copy of the questionnaire and send it back to the chair. I have written to all right hon. and hon. Members with a copy, but I shall write again after this debate. The study is important and the list will be produced around June. Getting that list right will be difficult, but the exercise will profit enormously from the contribution of right hon. and hon. Members.

Mr. Dismore: Occupation No. 5434 refers to cooks and chefs, of which there might not be a shortage in the country as a whole, but of which there is certainly a shortage in ethnic minority restaurants, such as Chinese and south Asian restaurants. Is the Minister prepared to consider breaking down that category to reflect the shortages in particular sectors within that skilled occupation which might not exist more generally?

Mr. Byrne: Absolutely. I congratulate my hon. Friend on his work not only on understanding the detail of the problem, but on bringing together the Chinese community in London and nationally to meet me and put across the arguments. He rightly draws attention to the problem in getting the policy right, which is that the evidence available to the Government from taking a top-down view will go down to only a certain level. However, shortages will quite often emerge in occupations that do not happen to have a Government statistic for them. Therefore, as David Metcalf, the chair of the Migration Advisory Committee, has understood and accepted, we need to solicit bottom-up information, too.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): I would like to amplify what my hon. Friend the Member for Hendon (Mr. Dismore) said about the concerns among south Asian and Chinese restaurateurs. The Minister's Department is telling them that they must recruit Polish and Latvian cooks

Mr. Byrne *indicated dissent.*

Ms Abbott: No, that is what the Department is saying. Those restaurateurs are insisting that to have the delicious south Asian food to which the British people have become accustomed over the years, they must recruit cooks, of whom there is a desperate shortage, from that region.

Mr. Byrne: I have not heard my officials or any others telling anybody that they need to recruit people from particular communities, whether they are from eastern Europe or elsewhere. If that has happened, it is wrong and I apologise.

Barry Gardiner *rose*

Dr. Starkey *rose*

Mr. Byrne: Before I give way, let me make one point about the three questions that the committee has to consider. When we study those, we have to look at what is happening in our labour market, too. We would all acknowledge, for instance, that unemployment in the Bangladeshi community is 9 per cent., which is almost twice the national average. In the Chinese community, the figure is 5 per cent., which is a little above the UK national average. If we look at a specific region such as my own in the west midlands, we find that the employment rate in the Bangladeshi community is 40.6 per cent. That is nearly half the national average employment rate.

The Migration Advisory Committee has to balance some difficult questions. Are there sectors of the economy in which it makes sense to continue to draw in skills from abroad? Are there parts of the economy in which, with Government investment, it makes sense to

train up those who are out of work? I make no prejudgments about the answers to those questions, but I want to highlight these points before the debate gets into gear.

Barry Gardiner: I want to return to the point that my hon. Friend just raised about his officials not suggesting that Latvians or Poles should be employed as chefs in restaurants serving Chinese or other cuisines. If we say that low-skilled jobs must be filled only from within the EU—that often means eastern European migrant labour—the implication is that, although it might not affect the first or second tier of chefs, migrant labour from eastern Europe could be used to fill the jobs below that level, within the kitchen. That is the message that my hon. Friend's Department has communicated, and it is the one that troubles people the most.

Mr. Byrne: That would be a troubling implication, which is why I am deliberately drawing attention to the fact that, in some communities and cities in this country, levels of unemployment are remaining high, despite the progress that has been made over the past decade. That is why we have to look long and hard to find the right balance between bringing in skills from overseas and providing investment in training for those in our resident labour force, especially those who are out of work.

Dr. Starkey *rose*

Chris Huhne *rose*

Mr. Byrne: I give way to the hon. Gentleman.

Chris Huhne: The Minister makes an eminently reasonable point, but if the House—and, I suspect, many of his Back Benchers—are to be persuaded that this is a serious point, perhaps he needs to tell us what discussions he has had with other Departments about the training that might bring unemployed people in the Bangladeshi community, for example, into these kind of roles. Surely it is not enough for him merely to wring his hands and say no.

Mr. Byrne: The hon. Gentleman is absolutely right. The work that we have to do in this area through our migration policy is inseparable from the work that has to be conducted in other parts of the Government on investment in skills and investment in getting people back to work. That is why immigration reform and the points system have to be seen in the context of a skills budget that will rise from £500 million in 2007-08 to more than £1 billion in 2010-11. The doubling of that figure will provide the investment that will take us from the position in 1994 when only 40 per cent. of people had level 2 qualifications towards our goal of ensuring that 80 per cent. of adults are qualified to level 2 by 2011. The hon. Gentleman is right to say that the questions are inseparably linked.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): Does the Minister recognise that, to economists, the very concept of a shortage in a free market is a difficult one to grasp? If the wages for a particular skill are allowed to reach the market clearing level, the supply will, by definition, equal the demand. If demand changes, employers have to start paying more, but they might be reluctant to do so. They might prefer to employ cheap labour from abroad. In that sense, a shortage could persist only if a Government did not allow wages to rise to the market clearing level. When we kept nurses' pay below the market clearing level, we had a shortage of nurses and had to import them from abroad. When we raised their pay—as I had long urged—we found that we had a surplus of domestic nurses.

Mr. Byrne: The right hon. Gentleman is right in much of what he says, having studied the question in some depth. I have studied his recently published Centre for Policy Studies pamphlet and he is right to say that our view of this question is affected by the time frame that we are studying. It is also right, as our noble Friends pointed out in the other place, that any immigration reform has to go alongside much tougher enforcement around the low-wage economy. It was absolutely right for the House of Lords to point out that low wages legislation needs to be enforced much more robustly, particularly for those wages below the national minimum wage. That is partly why we have increased the number of working operations regarded as illegal by 40 per cent. over the last year. Where there is abuse at the lower end of the wage market, it is important to try to drive it out.

Dr. Starkey: Does the Minister acknowledge that in discussing the ethnic minority restaurant trade, it is important to understand how diverse it is in the sense that although the bulk of these establishments may be small family businesses spread across the UK—many of my constituents benefit from them—there is also a significant number of Bangladeshi and, indeed, Chinese restaurants that are quite up-market and have a completely different clientele and different labour market conditions? Should not any points system recognise the diversity in business size, wage levels and work experience required across this sector?

Mr. Byrne: I absolutely agree with that point, which is not unrelated to that raised by my hon. Friend the Member for Hendon. Relying on existing published Government statistics in this area is very difficult because those statistics do not go down to the level of specialism where shortages can emerge. We also need to acknowledge a geographical dimension to the question, as the availability of labour may be fairly sticky in some parts of the country. That is why the Migration Advisory Committee was asked to draw up a shortage occupation list for Scotland. There are two related problems: one is defining an occupation at a sufficiently detailed level in and of itself to understand whether it is skilled; but we also need to look, secondly, at bottom-up evidence for whether there is a particular shortage in a specific occupation. The chairman of the Migration Advisory Committee will thus need to look into movement in wage rates, as that might indicate a particular shortage in this area. The job cannot be done from a desk in the London School of Economics, where Mr. Metcalf is based. It is necessary to get out

[Mr. Byrne]

and compare the evidence in different regions in different parts of the country and in different industries.

Ms Abbott: Returning to the subject of ethnic restaurants, the Minister said that second-generation south Asian young people could be trained to do catering and cooking, but I have to say, with respect, that that is a real McKinsey consultant's point of view. The point is that second-generation Bangladeshi young people do not want to be restaurateurs in the same way that second-generation Jamaican girls, of whom I am one, did not want to be nurses and second and third-generation Irish young people did not want to be labourers. Communities move on, which still leaves our ethnic restaurants requiring skilled labour to meet the demand for the delicious food we all enjoy so much.

Mr. Byrne: I was never good enough to work at McKinsey, Mr. Deputy Speaker, but my point was not about second, third, fourth, fifth or sixth-generation people; my point was about people who did not have a job, and we have to accept that there are some city communities in which the unemployment rates are very high.

Kerry McCarthy (Bristol, East) (Lab): Will the Minister explain what analyses have been done so far? I have been told by restaurateurs in the Bangladeshi community in my constituency that there is a difference between working in the kitchens in their restaurants and working in those that deal with other forms of cuisine. They say that the pressures are higher, for example. Is there is a skills shortage and are there difficulties in recruitment in other restaurant sectors, or are they specific to the Chinese and what we tend to call Indian restaurants?

Mr. Byrne: It is important not to prejudge. Having set up the independent Migration Advisory Committee to tell us where the skills shortages are and where it makes sense to fill those shortages from overseas rather than domestic labour, I do not want to prejudge that consultation and deliver my own answer this afternoon. We set up the Migration Advisory Committee because we recognised the problems caused by the Government's plucking shortages out of the air. We wanted an independent study. The committee has been asked not simply to work on the basis of Government statistics, but to undertake proper field research so that the questions can be answered as accurately as possible.

Mr. Cash: I was a little disappointed by the Minister's response to my point about local authority statistics. He said that he thought we would be able to solve the problem eventually when we introduced identity cards. The problem is that although the figures are available, there is still a huge information gap. On 9 May, I shall present my Foreign Nationals (Statistics) Bill to the House. Would it be possible for me to have a chat with the Minister about some of the issues on another occasion?

Mr. Byrne: I always hate to disappoint the hon. Gentleman and should be delighted to have that conversation. I am mildly obsessive about statistics, and it would be good to set out the programme of work which—as I am sure he knows—the Office for National Statistics has in hand, and to discuss how it could be strengthened further.

The policy at the heart of the next stage of points reform relates to the principles that I have described, and I look forward to hearing the House's views on it. Let me touch very briefly—because others will do it better than me—on the question that I expect to divide debate. I think there is a great deal more consensus on some of these issues than we would care to admit in public, but, in the spirit of the House, I shall dwell on the issue that divides us rather than those that unite us.

Dr. Julian Lewis (New Forest, East) (Con) *rose*

Mr. Byrne: Before I do so, however, I will give way to the hon. Member for New Forest, East (Dr. Lewis).

Dr. Lewis: I am not sure whether I anticipate the Minister's next remarks correctly, but will he say a word or two about retrospection? He will recall the meetings that we both attended with representatives of the people who are already in the country on the highly skilled migrants programme, and who were so adversely affected by the retrospective changing of the rules that has now been overturned in court—much to the benefit of, for example, the Nair family, who are greatly respected in my constituency. Can he assure us that there will be no further problems involving the retrospective application of new points rules?

Mr. Byrne: I shall certainly try my utmost, although I may not get it right on every occasion. In creating the points system, we are trying to remove a degree of the instability which has bedevilled changes in the immigration rules over the past 40 or 50 years. We want a system that is more open, transparent, predictable and stable, and an end to policy changes that are not anticipated and are often retrospective.

Although I believe that there will be a element of consensus on some of the basic policies, I also believe that we should be frank about the element that divides us. The cap which has been has been proposed does not constitute a limit on overall migration. According to the international passenger survey of 2006, 229,000 people entered the United Kingdom, about 77,000 of whom were returning British citizens. I am delighted that no Member so far has proposed to prevent British citizens from returning home. About 136,000 were European citizens. Again, I think that there is all-party support for the principle of free movement. It is a little-known fact that there have been some nine free movement directives since we joined the European Union. Seven were passed under Conservative Administrations and two under Labour Administrations. The 2004 directive was unopposed.

Of the people who entered the United Kingdom during the period covered by the survey, 114,000 were students. We are now educating people from all over

the world, and it is an important part of our economy, worth some £8.5 billion. Another 74,000 of the people who came in were dependants—and there is now a degree of consensus that we should not reintroduce the primary purpose rule, which this Government abolished in 1997. That leaves the number of non-EU citizens coming to this country to work, which the Office for National Statistics says is about 101,000. If we were to add in a reasonable share of their dependants, that would mean that about 140,000 people will be affected by the proposed cap. That is, of course, only about 30 per cent. of the non-British people who came in. In effect, therefore, the proposed cap is not really a cap at all; it is more of a colander.

The number for the cap is a secret. The hon. Member for Mid-Sussex (Mr. Soames) has proposed that the net balance should be zero, whereas the hon. Member for Ashford (Damian Green) wisely said in *The Guardian* a year or two ago that it would be wrong to speculate too far in advance on what the right number might be; I acknowledge his caution, and he is probably right.

It would be helpful if Members of all parties made it clear that this cap would affect only, at best, 20 to 30 per cent. of the people who came into this country. When I look at these numbers, therefore, I see that there is probably more of a consensus in this House than a difference.

Mr. Lilley: The Minister seems to be saying that we should rely on a points-based system to restrict immigration, and that we should not rely on a cap as that affects only 20 per cent. of those currently coming in. As the points-based system affects only 20 per cent. of those coming in, he is simply trying to pull the wool over Members' eyes.

Mr. Byrne: Not really, because the ambit of the points system would extend to the 101,000 people coming in for purposes of work and their dependants, and to about 114,000 students and their dependants. Therefore, the points system applies to about three in five people, whereas only one in five would be affected by the cap.

Mr. Bone: I think that the Minister might be slightly wrong on the EU issue. He said there could be no restriction on the numbers coming in from the EU, but there are restrictions for Bulgaria and Romania, of course. I believe that the Government have granted 40,000 work permits. Other EU countries, including France and Germany, have put restrictions on people emigrating from the accession nations. Therefore, what he said is not quite right.

Mr. Byrne: No, I was merely alluding to the fact that under the free movement directive EU citizens can exercise treaty rights to come to the UK and spend time here, but there are, of course, restrictions on their ability to work.

Dr. Starkey: Does the Minister agree that the key issue in deciding between a points-based system and a cap is that the former can respond to the needs of the British economy in a much more specific way? If we suddenly had a massive shortage of nurses, the points-based system could cope, whereas a cap is just a total number; therefore, it would not be able to respond to the needs of the economy.

Mr. Byrne: My hon. Friend's line of argument is absolutely right. The unfortunate reality is that we cannot truly know about anything because the cap is a secret—we do not know how big, or small, it is. She is right that one of the chief virtues of the points system is its flexibility. It is possible to move the points score up if we think that inflows are too high, or to move it down if we think the economy is suffering through lack of access to skills.

The key point that I want to make by way of introduction this afternoon is that migration can make a clear economic contribution, but that it is crucial to ensure that only those we need are able to come here to work and study. Controlling migration is therefore important. A points system has a number of virtues to recommend it, and there is a degree of consensus about those principles in practice. I have come to learn, however, that many hon. Members are more expert than I am on immigration law, so I shall now stop talking and start listening.

3.19 pm

Damian Green (Ashford) (Con): It is always enlightening to hear the Minister describe and defend the Government's immigration policies; as ever, the imperturbable was defending the indefensible. Before I go on to investigate the gaping chasm between the world and the immigration system described by the Minister and the world in which the people of this country live, I should express some sympathy for him, because he has an impossible job. I say that not because it is impossible to run an efficient immigration system in this country, although I do not underestimate the challenge, but because he must claim, as he did at the start of his speech, that everything that the Government are doing on immigration, such as the introduction of the points-based system, is a radical, once-in-a-generation change. He must do that without admitting that the need for the change is the failure of his Government's immigration policies over the past 10 years.

The Minister's introductory remarks were the latest example of a faintly absurd level of hype that the Government attribute to every change they make in the immigration system. When the Home Secretary launched the points-based system, she said that it was

"part of the biggest changes to British immigration policy for a generation."

This afternoon, the Minister, perhaps outbidding his line manager, said that over the next year the Government will deliver the biggest shake-up of the immigration system for more than 45 years.

I shall return to the detailed virtues and vices of the points-based system in a moment, but we must ask why this bad analysis is so prevalent. The problem is that in their early years, this Government adopted a policy based on a straightforward analytical fallacy: they said that immigration was good for the economy and therefore the more of it there was, the better it would be for the British economy. Many of the problems we

[Damian Green]

face in immigration, strains on our public services and, worse still, community cohesion in this country, have their root in the faulty analysis that the Government adopted in their early years in power. The House of Lords report to which the Minister kindly referred pointed that out as well as anyone has done. It is worth this House remembering that the report was produced by a cross-party House of Lords Committee containing Labour ex-Ministers, distinguished economists, such as Professor Richard Layard, and, indeed, Adair Turner, whom the Prime Minister employed as his adviser on pensions.

Thus, the report cannot be dismissed. To do him credit, the Minister did not do so. He said that he thought that the analysis was good, but he took objection to some of the press coverage. I would be happy to ignore completely what the press made of the report, because the report itself was excoriating about the analysis that the Government apply to immigration and, in particular, about the policies that they have adopted. Indeed, rather gratifyingly, the distinguished cross-party Committee said that we needed precisely the cap for which I have been arguing, and against which the Minister has been arguing for the past 10 minutes.

Keith Vaz: As the hon. Gentleman is citing reports, I wonder whether he has had a chance to examine the Work Foundation report published this morning, which points to the success of migration and to the fact that high levels of immigration have helped our economy, and have kept interest rates and inflation down. Those facts were not analysed sufficiently by the House of Lords Committee.

Damian Green: We can all reach for our favourite reports, but I am quite happy to be on the same side as Professor Richard Layard, Adair Turner, Lord Moonie and many others, some of whom are right hon. and hon. colleagues of the right hon. Member for Leicester, East (Keith Vaz).

I shall make my position and that of the Conservative party clear to the right hon. Gentleman. immigration has benefited and does benefit this country, both economically and culturally. To ensure that we capture the benefits of immigration for those who are already here and for those who wish to come here, we need to ensure that the immigration system is under proper control and that immigration is at a level at which the population and our public services can be comfortable. It is wrong that the Government have failed to do that for the past 10 years.

Chris Huhne: I would not like to leave the subject of the House of Lords report without pointing out one fact. I agree with the Minister that the press reporting of the report was rather partial. I do not know why. The report contained some surprising quotations. For example, it stated:

> "Significant gross immigration of highly skilled non-EU nationals may well be desirable"

and that there are

> "important dynamic gains from the exchange and movement of people."

There is a lot of evidence in the report, such as that given by Professor Steve Nickell, David Blanchflower and other distinguished economists, that suggested that there could be dynamic gains from migration. That evidence was quite possibly underestimated in the report's conclusion, since it was cited after the recommendation on the conclusion was mentioned in the report.

Damian Green: Since we are all happily quoting the Lords report, I shall go along with the Minister and quote the report rather than the press reports. The report stated that

> "we have found no evidence for the argument made by the Government that net immigration generates significant economic benefits for the existing UK population.
>
> Overall GDP, which the Government has persistently emphasised, is an irrelevant and misleading criterion for assessing the economic impacts of immigration on the UK. The total size of an economy is not an index of prosperity."

Dr. Starkey *rose—*

Damian Green: The hon. Lady is now going to tell me that that is the difference between two large numbers and that we should therefore not take much notice of it, but I shall let her say it for herself.

Dr. Starkey: As the hon. Gentleman clearly understood the first time around, I was going to make a different point, and, of course, he has now put me off. If he would remind me of what he was saying before I stood up, I could remember. *[Interruption.]* No, it is not about GDP. I remember now.

The hon. Gentleman is right to say that the report states that there is "no evidence", but that is not the same as saying that there is evidence that there is no benefit. That was the mistake that was made in the press release. I am prepared to accept that the Lords said that there was no evidence, but they did not go on to say that they could therefore categorically say that there was no benefit.

Damian Green: That is completely right. I am glad that the hon. Lady thought of another point to make. It seems a slightly strange basis for an entire Government policy to have no evidence that that policy will be beneficial. The hon. Lady has just admitted that there might well be no evidence, and that does not prove the opposite, either. The Government have proceeded on that assumption for 10 years and so has the Minister, for all his statements that he prefers GDP per capita. Just as he is a student of my speeches and press releases, I am probably the world's greatest student of his. In all conscience, no one would believe that he did not regard the expansion of GDP by £6 billion, a figure he cited again today, as extremely important evidence in favour of the economic benefits of immigration. If he is now claiming that GDP per capita is a better measure, that is a welcome advance on everything that he has said over the past few years.

Mr. Byrne: The hon. Gentleman would accept, I think, that one of the best indicators of contribution towards GDP per capita is wages, so it is simply not true that there is no evidence that migration

contributes to GDP per capita. When we look at wage rates, for example, we can see that on average foreign-born people earned £424 a week in 2006 compared with the UK-born, who earned £395 a week. There is clear evidence, both in theory and in practice, of a positive contribution towards GDP per capita. As my hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey) said, of course that contribution will be relatively small when the sums are done, because 87 per cent. of the labour force is UK-born.

Damian Green: All the evidence that I have seen—I am sure that the Minister has seen it too—suggests that, as one would expect, there is an enormous spread in the wages of those who come to this country to work. There are many at the very top end and many at the bottom end.

Oddly enough, that is one of the points of consensus between us. We do not reject the points-based system altogether. We think that it should be used as a base for the cap that we propose and the Minister rejects. It would be a useful tool within our overall, very different policy. One thing that we can do, and indeed that the Minister is trying to do, is ensure that people with the appropriate skills come into this country. By and large, one imagines that in most areas those appropriate skills will be at the high end. The truth about the level of wages is rather more subtle than the point that he tried to make.

Mr. Clappison: May I take my hon. Friend back to the intervention on him by the hon. Member for Eastleigh (Chris Huhne)? Does my hon. Friend agree that it is important to correct the impression, which the Liberal Democrats may inadvertently have given, that some evidence was somehow not properly heard by the House of Lords Committee? The two gentlemen to whom he referred, Professor Stephen Nickell and Professor David Blanchflower, both gave oral and written evidence to the House of Lords Committee. They had the opportunity to consider their comments, and the Committee had the opportunity to consider the Minister's arguments. The principal conclusion that it reached, in the round, was the one that my hon. Friend read to the House.

Damian Green: My hon. Friend is exactly right. Of course, famously, if one assembles two economists, one will get three different arguments.

Pete Wishart: I know that the hon. Gentleman is an enthusiastic champion of his policy of a cap, and he has probably considered all facets of it, particularly how it will apply in all the constituent nations of the UK. Can he therefore tell me how it would assist Scotland, which suffers from chronic depopulation and has very different immigration and population requirements?

Damian Green: The problem in Scotland is that for many years, it has been under the yoke of Labour Governments that have treated it badly, at both national and UK level. It is therefore understandable that many people have sought to leave Scotland, and that its problems are rather different from those of other parts of the UK.

The hon. Gentleman makes a serious point, and one thing that it will be sensible to analyse, whether under the Government's points-based system or ours, is the impact that it would have in different nations, regions and areas of the UK. That seems perfectly sensible, and of course we would do that.

Chris Huhne: I would not like to move on from the House of Lords report without our dealing with the matter that the hon. Member for Hertsmere (Mr. Clappison) raised. The report does conclude, in paragraph 69, that

"we found no systematic empirical evidence to suggest that net immigration creates significant dynamic benefits for the resident population in the UK."

However, further on, the report mentions the macro-economic impact—perhaps the connection was not realised. It cites Professor Steve Nickell as saying that immigration may reduce the "equilibrium rate of unemployment"

"if, for example, immigrant workers are more flexible and reduce the extent of skill mismatch, are more elastic suppliers of labour with higher levels of motivation and reliability. This effect may, however, decrease over very long periods of time as migrants become more like the native population."

It seems to me that the report contains a lot of sensible material, but has not absorbed the key aspect of the dynamic potential benefits. Perhaps the hon. Gentleman underestimates that.

Damian Green *rose*

Mr. Deputy Speaker (Sir Michael Lord): Order. Before the hon. Gentleman responds, I appreciate that these are complicated, detailed and interesting matters, but interventions appear to be getting longer and longer. A number of hon. Members are seeking to catch my eye and will be disappointed if we take up too much more time, on interventions in particular.

Damian Green: The way to stop that, Mr. Deputy Speaker, is for me to be more ruthless when it comes to refusing interventions.

In the past 10 minutes, I have come to realise that I am much more comfortable with the House of Lords report than are those who want to criticise what I am saying. We all agree that that Committee is full of very distinguished economists: it looked at the evidence, and by and large I agree with its conclusions. Like other hon. Members, the hon. Member for Eastleigh (Chris Huhne) is trying to find the bits in the 1,000 pages of evidence that he agrees with. He says that those bits are right but that, for the rest of it, the House of Lords does not agree with him.

I am happy to say that I think that it is an extremely good report. It took evidence from many distinguished economists with all sorts of differing views, and arrived at a perfectly balanced set of conclusions. The Government should read the report seriously, and act on it. Their key policy recommendation is extremely close to the one that we have made.

The House of Lords report, like all the other evidence, shows that immigration can and does benefit this country in economic terms—it does the same in cultural terms, although we are not debating that

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today but only if it is properly controlled. The Government are making rather overblown claims about the PBS to hide their long-term failure to control the immigration system. They have lost public confidence, and thereby caused unnecessary anxiety.

The House of Lords report makes the general economic point that I have outlined, but also refutes the Government's claim that immigration has generated fiscal benefits. It makes the good point that estimates of the fiscal impacts are critically dependent on who counts as an immigrant, or a descendant of one. The report therefore renders invalid the Government's claim in that respect.

I think that the House accepts that the Government's policy on immigration is rather confused, and that they are having to hide behind rhetoric. One reason for that is that the quality of statistical information on which Ministers base their decisions is lamentable. That is simply not good enough for such a serious and important policy area. I suspect that the Minister agrees, as he has tried to institute changes to how statistics are collected and analysed. It is too little and too late, but better now than never.

The Statistics Commission told the House of Lords Committee that about £100 billion a year is distributed to the public sector using formulae that are directly affected by migration estimates. That is a colossal sum, and hugely important to local government in particular, but it is based on figures that are pretty dodgy.

Indeed, Mervyn King, the Governor of the Bank of England, told the Committee quite straightforwardly:

"We just do not know how big the population of the United Kingdom is."

That makes it difficult for the Monetary Policy Committee to asses potential output, predict inflation and set interest rates.

Dr. Starkey: I agree about the problems that rapid population changes pose for the funding formulae, but does the hon. Gentleman accept that a major element of those changes is migration within the UK? His constituency and mine are areas where many people who move in come from elsewhere in the UK. That causes just as much of a problem, in terms of the funding formulae, as does the arrival of people from outside the UK.

Damian Green: It certainly causes a problem, although such movements are easier to capture. There are general problems in areas with rapid population change, and especially rapid growth, but our constituencies would be able to cope if the national formulae were working properly.

Dr. Starkey Oh!

Damian Green: The hon. Lady makes a face at that. I completely agree with her, as I interpret that as an acknowledgement that both our constituencies have been badly treated by the local government funding settlement. I thought that I would take the opportunity to get that in.

Boston in Lincolnshire is often cited. Regardless of any of the other problems there, the underlying point is that the local council is funded for a population of 58,000. It estimates that the actual population is 72,000. The hon. Lady is right: it does not matter where those people come from, but the people who are trying to run schools and other local services for a population of 72,000 with funding for 58,000 will have problems.

Part of the general condemnation of the lack of control of the immigration system stems from the fact that, as in Boston's case, the problems are caused not by migration from other parts of the country, but migration from other parts of the world. Earlier this week, Trevor Phillips made that point very starkly and very well. He said:

"We can see on the ground that the systems of funding for local services are not keeping up with the rate of change."

That is the key point. The key failure has been that the rate of change has been too fast. The Minister mentioned those who might want zero immigration. I am not one of those—the Conservative party is not in that camp—but we very firmly believe that the rate of change has been too fast in the past few years.

Keith Vaz: I asked the hon. Gentleman this yesterday in a different forum, but will he tell the House what exactly is the level of the cap that the Conservative party is suggesting?

Damian Green: The Minister has been making that point repeatedly, and it took particular chutzpah for him to do so again today in the same speech that he refused to commit himself about whether he would let in any restaurant chefs—or, if so, what number. He must take that decision in the next few months after proper analysis, yet he and the right hon. Gentleman are asking me to say what our cap would be in, I assume, 2010. Of course, we will need to do the analysis before then. It would be ridiculous to give a figure now.

The number will be substantially lower than the net figure of about 200,000, which has subsisted for the past five years. Since the Minister will not give us a figure for a small sector of the economy, about which he must decide in the next two months, he in particular has no right to ask questions about a number that will be two years out of date. That is the equivalent of asking people to give Budget figures two years beforehand.

Mr. Clappison *rose*

Damian Green: If my hon. Friend will contain himself for a moment, let me say that the Government are, of course, keen to do that because they cannot answer the question—perhaps they will not answer it—about whether or not the points-based system is designed to reduce immigration to this country. The system is up and running now. Is it intended to reduce immigration or not? Was that the point that my hon. Friend was going to make?

Mr. Clappison: Rather than getting so excited about whether there is a cap, would not it be better for the Minister and his colleagues who are reflecting his views from the Back Benches to consider the fact that, if

there is no change in the Government's policy, between now and 2021 we will have an extra 10 million people crammed into England, with the consequences that that will have for housing, the environment, infrastructure and so on?

Damian Green: That is why I am happy to say that we cannot carry on with the rate of change and that we will therefore set the cap so that that rate of change will be substantially less than now.

Chris Huhne: The hon. Member for Hertsmere (Mr. Clappison) has usefully highlighted the contribution that net immigration clearly makes to overall population growth. Since the hon. Member for Ashford (Damian Green) has now responded by saying that we must consider that, what does the Conservative party believe the optimal population of this country should be?

Damian Green: That is the same question again.

Keith Vaz: What is the answer?

Damian Green: I do not want to weary the House by saying this; but we will give the answer at the appropriate time, when we have to take the decision. The right hon. Gentleman, who is the Chairman of the Home Affairs Committee, knows perfectly well that it is at least possible and, in fact, quite likely that circumstances may change between now and 2010. Can he tell me how many of those who have come from the A8 countries over the past three or four years will go home between now and 2010, when a Conservative Government will be elected to take the decision? I do not suppose that he can. I know that I cannot at this stage, but we will be able to do so by 2010.

Mr. Dismore: The hon. Gentleman's case is built on an overall cap that is not broken down in any way. It is somewhat disingenuous to compare his position with that of my hon. Friend the Minister, because my hon. Friend is looking in detail at the economic needs of the country on a case-by-case basis. That is rather different from simply saying, "We want a certain number of immigrants overall in one particular year; it doesn't matter what jobs they do or where they come from."

Damian Green: The level of analysis that we provide will be the same as—or, I hope, better than—that which the Minister is providing. I should point out to those who do not follow the Minister's announcements with quite the care that I do that he claimed that the cap would affect only 30 per cent. of those coming here. The last time he put out a press release on the subject, the figure was 20 per cent., so I find his figures particularly flexible on this issue. Indeed, I note that he reached the 30 per cent. figure by guessing the number of dependants who will accompany those who come here to work.

Barry Gardiner: Will the hon. Gentleman give way?

Damian Green: No, I have given way enough, and others will want to contribute.

The Minister has been more candid about the challenges than his predecessors were. In March, he gave an interview to *The Daily Telegraph*, saying:

"Immigration is a vortex issue, it sucks in other things—such as schools, hospitals or housing... In the past, people didn't think Labour took immigration seriously. My job is to say, 'the Government has got the message'".

I thought that that was a significant Freudian slip; his job is not necessarily to get the message or to do anything about it, but to say that the Government have got the message. That is the essence of the current Administration's approach to all politics.

As we all know, there is a serious undertone to the issue of the success or failure of immigration policy. That seriousness was amply illustrated earlier this week in a poll that the BBC commissioned, which showed that 33 per cent. of the population strongly agree, and 26 per cent. tend to agree, with the statement that there are too many immigrants in Britain. I am sure that the Minister and everyone else in the House thinks that it is deeply worrying if the British people think like that. We have to ask whether the points-based system will make enough of an impact to turn those feelings around. It seems unarguably to be the case that the answer to that is no. We have discussed the cap, which is one of the things that we need to introduce, but within that we need to ensure that people who come to this country are economically beneficial. In that respect, we agree with the principles behind the points-based system, whatever the stresses and strains in it.

As I have said, the problem is whether the system is designed to reduce the overall numbers; the Minister has not answered that. I was glad that despite the chutzpah that he displayed in his speech, he did not repeat a point that he often makes, namely that the points-based system is like the Australian system. Of course it is not like the Australian system; that system starts with a limit, which Labour Members do not want, and then selects people within that total. That is a point for the hon. Member for Hendon (Mr. Dismore) to note. Everyone accepts that the Australians appear to be doing well and running a dynamic economy with an immigration system on which a British Conservative Government would closely base their own. Indeed, the Australian system is so successful that the Government like to claim that the points-based system is like the Australian system, but it simply is not.

One of the reasons why the points-based system is not enough was brought up by my hon. Friend the Member for South Holland and The Deepings (Mr. Hayes), who mentioned people who are not in education, employment or training. The Minister rightly pointed out the existence of the lump of labour fallacy; like him, I have been a consultant, and I have done enough economics to know that that is a fair point. Of course, if somebody comes to this country to do a job, it does not necessarily mean that someone else loses their job. However, the Minister is in a slightly confused position if, while saying that the lump of labour fallacy means that we should not worry about unskilled migrants coming here, he is specifically stopping any unskilled migration from the rest of the world outside the EU. By doing that, he is implicitly accepting that there must be some short and medium-term effect on the British labour market, and in

[Keith Vaz]

I want to pay tribute to the Minister. I know that he sometimes feels that the Home Affairs Committee and others in the House are a little harsh on this issue. He has listened to the community and been around the country to hear its concerns. I welcome what he has done: he has been to Tower Hamlets and to the constituency of my hon. Friend the Member for Hendon (Mr. Dismore); he was due to go to Keighley and Manchester only yesterday, but was prevented from doing so by the votes in the House. That kind of first-hand experience is extremely important as the Government decide how to fashion their view.

I am pleased to tell the House that the Home Affairs Committee has decided to hold a detailed inquiry into the points-based system. It will begin in June, and we shall launch it in the constituency of my hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck), who is a member of the Committee. We will travel to India and Bangladesh and take evidence from those who have been and will be affected. At a time when we have a global economy, with a company such as Tata—an Indian company—buying Jaguar, the need for the interchange of technology has never been greater. It is therefore important that we consider how the system operates. The Government are right to take it in stages—not to announce everything immediately but to consider the impact on each of the tiers. I welcome the fact that the Minister has done that. This is the largest shake-up of immigration policy, and we should be very grateful for his enthusiasm and willingness to consult.

The Minister should note, though, the comments of stakeholders—groups such as the Immigration Law Practitioners' Association, which has already said clearly to him and to others that it is concerned about the changes to the right of appeal. He will know that in all the speeches on immigration that I ever make, I say that when the Government make a decision through administrative means there should always be the right of appeal. It is absolutely vital that the right of appeal is retained, whether for visitor visas, of which 50 per cent. of appeals are overturned, or for work permits and on issues surrounding the points-based system. I know that the Minister will bear that in mind as he goes through the system and analyses whether it is effective.

The Minister also needs to consider how information is made available to employers. I fear that despite his ambitions in this area and the good work that he is suggesting should be done, many employers are unaware of what is happening. He chooses to advertise in mainstream newspapers, but I hope that he will look at the flourishing ethnic minority media and the regional press. He represents a seat in Birmingham. It is important that the Home Office take out its advertisements in newspapers such as *The Birmingham Post* and the newspapers of the Asian, South Asian, Chinese, Bangladeshi, Indian and Pakistani communities, so that it makes employers aware of precisely what it proposes as regards these fundamental issues.

Last week there was a lot of talk—the Minister mentioned Trevor Phillips and others—about the fact that it is 40 years since the speech made by Enoch Powell in which he predicted for our country rivers of blood. Birmingham, Leicester, Manchester, Leeds, Bradford—none of those great cities conformed to the prophecy that he described. That is a tribute to the people of our country—a wonderful, tolerant country that has absorbed a lot of people with different cultures and identities and worked with them in partnership. That is what makes our country so special.

The hon. Member for Ashford is right to say that we should be concerned about the BBC poll and the disappointing statistic that two thirds of the people interviewed thought that there were too many immigrants. Those issues should not be ignored. It is important that we should feel free, not only in this place but outside, to talk about immigration openly and transparently without letting anyone feel that they are being prevented from having those discussions, which are happening in every household in every community in the country.

The real problem is not about legal immigration or people trying to stop chefs coming into this country, but about dealing with illegal immigration. I know that the Government have made efforts on illegal immigration, but I am afraid that they have to do better. The hon. Member for Hertsmere (Mr. Clappison) and I recently met the head of the Border and Immigration Agency because I was concerned, as Chairman of the Home Affairs Committee, that we were not getting the information that was required to make us better informed before we made decisions in the course of our inquiries. I would imagine that every week, on a Monday morning, the Minister would get a report on the numbers of people who have come in and gone out, who have been deported, and who are illegal immigrants who have been arrested and are subject to due process. Yesterday, however, there were newspaper reports claiming that one in three police forces tells its officers not to arrest illegal immigrants but instead to give them directions to an immigration office.

We need to look at enforcement, which is really what concerns the people of this country. There are those who come here illegally and remain illegally, those who do not contribute to the economy, those who do not pay taxes and those who stay for many years because the administrative system allows cases to go on for ever. In an answer at Home Office questions this week, the Minister said that 90 per cent. of cases were dealt with in three months. I do not know where he got that statistic from, but apart from the Minister, of course—my hon. Friend the Member for Brent, North and I probably have two of the biggest such case loads, and I am sorry to say that I do not think that 90 per cent. of the Minister's cases on applications for indefinite leave are dealt with in three months. I do not find that, and I write at least 50 letters to the BIA every week. I always get the same reply: "We are considering this. It has been allocated to a case worker. They have to wait because there is no timetable." That is not acceptable, and frankly, it causes resentment.

I want to deal with two issues that concern the restaurant and catering industry. In Britain, 2.4 per cent. of all employment is in restaurants and other catering establishments. The amount spent on the industry is estimated to be £37.6 billion. In 2006, the Guild of Bangladeshi Restaurateurs estimated that about 9,500 Indian and Bangladeshi restaurants and

takeaways in the United Kingdom employ 72,000 people, with an annual turnover of about £3.2 billion. Although those figures are estimates, they show the enormous benefit of this industry to our economy. The industry says that it is facing an unprecedented crisis that, if unresolved, will decimate it. Unfortunately, the crisis has been created by the Government through the points-based system. Each year, the restaurant sector has to recruit several thousand new staff to work in its kitchens. Once they were able to turn to the subcontinent to find talented chefs, brought up with the spices and cooking methods that made a great curry, but now, sadly, they have to fill the vacancies from the EU. As my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) pointed out, those skills are simply not available in the EU.

As I have said before, we welcome the enlargement of the EU; I was the Minister for Europe when those discussions originally took place and I am delighted by their success, but to be perfectly frank, the skills needed are not here. They are in the subcontinent. There is no great demand for second-generation immigrants, whether they are Irish, Indian or whatever, to go into the profession unless there is a family necessity for them to do so. When I was younger, I was given the choice of becoming a doctor or a doctor, which is why I became a lawyer. The expectations and the aspirations of the immigrant community change.

We want to ensure that the restaurant industry is maintained in this country, especially in our major cities. There are some terrifically great restaurants, such as Amaya, The Red Fort and Madhu's Brilliant in Southall, which are some of my favourites. When I last visited one of them, I was told that under the new rules they would lose about 90 per cent. of their chefs. That cannot be what the Home Office intended. The Bangladesh Catering Association estimates that there are now 27,500 vacancies in Bangladeshi-run restaurants. Whenever I hear from them, I find that they are even more concerned about what is proposed.

I should declare an interest, not as a lover of curry because I think that applies to everybody, but as the co-chairman of the Tiffin Cup, which encourages right hon. and hon. Members to nominate their favourite south Asian restaurant. We have a launch soon, and I hope that the Minister will come along to meet some of the chefs in person. It is not just the big restaurants in London that will be affected, but those on every single high street. If the Minister goes back to his constituency, as he does every Friday, and visits any of the south Asian restaurants in Hodge Hill, of which I am sure there are many, he will find that there is a shortage of chefs.

The number of immigration raids on south Asian restaurants worries me, and I have raised the matter with the Minister previously. Let us imagine a Friday night in Brick lane, with the diners sitting in the restaurants, when, suddenly, a whole lot of immigration officers and police officers come through the door. They raid the restaurants in the middle of their busiest period to find illegal immigrants. They go into the kitchen, and ask people to produce their passports and papers, as if everybody goes to work on their Oyster card, carrying their immigration file. There is no evidence of any huge illegality in those restaurants.

I have tabled a series of parliamentary questions to the Minister asking him, as a result of the raids that he has authorised—they are authorised by Ministers—how many people have been caught in any of the restaurants. I also asked whether, as well as Brick lane, he chooses to raid some of the bigger establishments, such as the Dorchester. I was at the Dorchester—I am telling hon. Members all my eating habits—last night at a charity awards event. There were at least 50 to 60 waiters there. Let us imagine that the Minister authorised the immigration services to raid the kitchens, and the ensuing disruption. I ask him to think again.

The Minister talks about the language of the kitchen and the necessity for English. The language of the kitchen in some of those restaurants is not English, but excellence, because people go to restaurants for excellent food. If the Minister does not believe me about the language of the kitchen and the fact that some of those great restaurants will lose their chefs, I issue him a challenge. He is good at accepting my challenges—indeed, so far, he has always done so. I challenge him to spend a day at one of the restaurants and experience the language of the kitchen.

Mr. Dismore: Will my right hon. Friend give way?

Keith Vaz: My hon. Friend may be about to invite the Minister to Hendon, but I made my offer first.

Mr. Dismore: My hon. Friend the Minister has already accepted my offer to visit Chinatown and spend some time in the kitchens of a Chinese restaurant.

Keith Vaz: I am pleased to hear that. Whatever the kitchen, we do not have a problem. I invite the Minister to come to hear the language of the kitchen, whether Chinese, Indian, Pakistani, Bangladeshi, Arab, Lebanese—I cannot go through the whole list. I simply encourage him to go somewhere to see what it is like.

The highly skilled migrant programme victory was the right decision. I do not say that simply because it was made by a distinguished High Court judge, Sir George Newman. I agree with the hon. Member for Ashford that retrospective law is not good law. I do not know whether the Government will appeal against the decision, but I have many constituents, as do several other hon. Members—I note that the hon. Member for New Forest, East (Dr. Lewis), who intervened earlier, had a similar problem with a constituent—who are affected.

The Minister conducted a meeting with me last year at which he heard concerns about the 49,000 people who came here on the highly skilled migrant programme. We understand why the Government have to intervene in immigration law—we live on a small island and we cannot have unlimited immigration—but such intervention should always be fair and just, and not retrospective. I have been a Member of Parliament for 21 years. Every year, there has been an immigration Bill and new immigration rules. I know that the Minister grasps the issues—more than others do, to be frank. The key is not to keep changing the law and creating uncertainty. Let us consider the consequences.

[Keith Vaz]

Like the hon. Member for Ashford, I accept the points-based system in principle, subject to the inquiry that the Select Committee will tackle. However, the Minister should know that, last year, a delegation went to see his predecessor, my right hon. Friend the Member for Harrow, East (Mr. McNulty), who invented the points-based system—I do not blame the Minister for that—and pointed out precisely what would happen. We now have a chance to re-examine the process. I hope very much that the Minister will use this debate in his deliberations. I recognise his sincerity and the integrity with which he has held office. However, I urge him not to pass laws just because they help the Government's case with the tabloid press, but to pass good and just laws that will not have an effect on the very communities on whom we, the settled community, rely and whose livelihoods are now at stake.

4.20 pm

Chris Huhne (Eastleigh) (LD): I am pleased to follow the right hon. Member for Leicester, East (Keith Vaz). He made a number of good points and reminded the House, for the first time in this debate, of the rather shameful anniversary of Enoch Powell's "rivers of blood" speech and of how, because of the tolerance in this country, he was comprehensively wrong about the results of the policy about which he was complaining. He was also right on enforcement and absolutely right to remind the Minister of the importance of rights of appeal and due process, which we on the Liberal Democrat Benches thoroughly support.

We broadly welcome the points-based immigration system, as it will simplify the mess of different immigration schemes, which is all to the good. We also hope—although we do not yet trust—that the system will dramatically improve what can only be described as the chaos of the current arrangements. The increased public concern over immigration reflects a lack of confidence that the Government know what they want, understand what they are doing or are delivering what people in this country need.

The most damning example of that chaos was the decision, made also by Ireland and Sweden, to allow immigration from the new member states of the European Union after 2004. The Liberal Democrats supported that decision on the basis of the Government's projections that immigration would be 13,000 people a year. In other words, on the Government's projections, immigration from the eight accession states would total some 52,000 to the end of last year. However, we now know that actual immigration has totalled 766,000.

Keith Vaz: The hon. Gentleman is a Member whom I respect on such issues, but I urge him not to play the numbers game. So what if 700,000 people have come here? Have they not contributed to our country?

Chris Huhne: We should always be careful about the numbers game, and the right hon. Gentleman is correct to make that point. However, when an important projection that, after all, has so many consequences, which I shall describe later, is so wrong, the House and the Government have to take that into account.

Frankly, the scale of the error is breathtaking. Actual immigration was 1,373 per cent. higher than the forecast. In years of scrutinising Government projections, which I have to own up to as a former economist—I am sorry that the hon. Member for Milton Keynes, South-West (Dr. Starkey) is not here, as she is a great expert in the effect that differences between large numbers can have—I cannot remember another projection, even for difficult objectives such as borrowing, that was wrong by such an order of magnitude. As we know, Christopher Columbus thought that he had discovered India, when in fact he was in America. By comparison with the Home Office, he was a practitioner of pinpoint navigation.

Mr. Bone: The hon. Gentleman makes a powerful point. Is not one of the problems with the points-based system that it applies only to non-EEA countries and that huge influxes from the European Union therefore distort everything that we are trying to achieve?

Chris Huhne: The chances of our having a huge influx from the European Union in normal years are minimal. However, I shall come to that point later, when the hon. Gentleman will perhaps want to intervene on me if he disagrees.

It is bizarre that even when it became clear that the estimates for EU immigration were wildly wrong, the Government did not take rapid countervailing measures. Clearly they could not do much to affect the flow from the accession states; nor would it have been right to do so. We in this country benefit enormously from the free movement of people in the European Union. Indeed, more British people live in other member states than other member states' nationals live here. That might have something to do with the sunshine or with other factors. Whatever the reason, pulling up the drawbridge on other EU nationals could cause a wholesale repatriation of British pensioners from Spain and Portugal, for example, which would be disastrous for our own public services and would deprive many of our citizens of an option that they clearly prefer.

However, it would be wise to use immigration flows from non-EU countries, over which we have some control, as a balancing factor. The Government have not done that. Therefore, net immigration—immigration minus emigration from the UK of non-British people trebled from fewer than 100,000 a year in the early 1990s to more than 300,000 in 2006. That is a large, completely unplanned and unforeseen increase.

As I have said, the British people are a tolerant lot. We have been open to waves of immigration on a greater scale throughout our history than almost any other European country, and we have benefited enormously from that. Far from being an island fastness, our easy access to the sea means that we have always been more open than many other countries. However, one thing that the British people will rightly not tolerate is incompetence from their Government, but that is what we have seen in the mismanagement of immigration over the past 10 years.

Nor can the official Opposition escape responsibility in this regard, as it was the last Conservative Government who took leave of their senses and began the process of dismantling exit controls. Perhaps they thought that we did not need to worry about anyone leaving. However, their action ignored the disastrous consequence that we were no longer able to check whether non-EU visitors had overstayed their visas. An essential element of control was lost, and that is why the Liberal Democrats have argued that the Government must get a grip on the management of immigration through a national border force—an idea that has now been taken up elsewhere in the House—and the reintroduction of exit controls.

The results of the recent mismanagement were detailed by the hon. Member for Ashford (Damian Green). They include local authorities not having the resources to tackle the needs of new communities, health authorities being unable to plan for the needs of their populations, and police services being stretched because population projections have been so far out. There have also been parts of the country in which particular trades have been hard hit. It is not easy for a trained brickie to find that their skills now earn only a fraction of what they got a couple of years ago. If the points-based system gives us a better grip on these random impacts of immigration, that will be all to the good, and a balancing factor between EU and non-EU immigration seems to be an essential part of that, alongside a greater effort to predict and respond to local impacts and to ensure that local authorities have the means to make the necessary adjustments.

The official Opposition have called for a national cap on immigration, which suggests that they have forgotten their other commitment, to the market economy. The needs of market economies are not always easy to forecast, and they are certainly impossible to plan. There has to be a flexibility, which a rigid cap would belie. With great respect to the right hon. Member for Hitchin and Harpenden (Mr. Lilley), who intervened to give us instruction on what it means to respect market economies and the price level, I have to tell him that when I was employing people in the City, there were occasions on which I needed to hire someone with particularly unusual skills that I could find only in New York or elsewhere. The idea that there was going to be a sudden market clearing because the price would go up was absolute nonsense, because it takes a number of years to train someone and to equip them with an economics PhD, let alone some of the other qualifications required. If the official Opposition's policy had been operating at that time, the impact on my business could have been devastating. We must not use excessively blunt policy instruments to score cheap hits in the tabloid headlines.

In addition, it is not obvious to me that all parts of the country have the same needs. That is a point that the hon. Member for Perth and North Perthshire (Pete Wishart) quite rightly made. It is another reason why a national cap might well be inappropriate. For example, there is a strong desire north of the border for Scotland's population to stop falling and, if anything, to rise. Scotland has more than one third of the UK's land area, but less than 10 per cent. of our population. Exactly the opposite situation arises in my own region in the south-east, where the density of population now substantially exceeds that of the most densely populated country in Europe, the Netherlands.

Moreover, we have arguably reached the limits of natural sustainability—for example, in water resources. We have had recent examples of the impact of drought in the south-east, and the UK as a whole—though primarily the south of England—has less available water per person than most other European countries. London is, in fact, drier than Istanbul, and Waterwise has pointed out that the south-east of England has less water available per person than the Sudan or Syria.

It may be strictly outside the scope of this debate, Mr. Deputy Speaker, but surely we as policy makers must have some view about the sustainability of our own population—and I challenge the hon. Member for Ashford to answer that point. In turn, that must have some consequences for how the Government adjust the tap of non-EU immigration. I accept that the logic of ensuring that immigration is appropriate in different parts of the country may be to adjust the points system to take account of the area in which the proposed immigrant wants to settle, perhaps making visas conditional on particular travel-to-work areas in the first instance. One may not want to apply conditions subsequently, but it is a policy option that we should put on the table and discuss since the points-based system would allow for some variation in the points awarded according to the proposed area of work within the UK—*[Interruption.]* Does the hon. Member for Hertsmere (Mr. Clappison) wish to intervene?

Mr. Clappison: The hon. Gentleman is putting forward a ridiculous policy. People cannot be admitted to this country on the basis of a restriction on where they move within it. As he well knows, EU law as well as English law—certainly in the long term—would prevent that.

Chris Huhne: I am not sure that EU law would apply in this case, as we are talking about—*[Interruption.]* No, if we are talking about employment rights, it is already possible to restrict people on the basis of skills, for example, so it would also be possible to restrict people on the basis of the area and the needs of the economy. I am putting this argument forward because, as we heard from the hon. Member for Perth and North Perthshire, there is very clear evidence of substantial differences in the needs of different parts of the UK. Perhaps we should put that issue on the table for discussion.

Pete Wishart: I may be able to help the hon. Gentleman a little. One feature of the Australian system is that the state Governments have control of immigration policy and recruit immigrants on the basis of their particular population needs and requirements. People are given access to specific states, but if they venture outside them to work, they are deemed to be illegal immigrants and returned.

Chris Huhne: I am interested to hear that point. There is clear evidence that there are substantial differences from one part of the country to another, and the Minister referred to a point put to him by people in Newcastle, suggesting that there was a desire to expand the population there.

[Chris Huhne]

I also want to raise the issue of the potential impact of managed immigration on existing immigrant communities. I firmly believe that proper management and control of immigration is in the interests of all UK residents, and perhaps particularly of those who have arrived most recently. As some of the economic evidence suggests, new entrants compete most vigorously with those who have most recently arrived.

Clearly, however, some recent immigrant communities want others to join them, and it is important to the objective of successfully integrating our existing immigrant communities that the Border and Immigration Agency is sensitive in the exercise of its powers. I am not convinced that going guns blazing into Chinese or Bangladeshi restaurants at the peak hours on Friday or Saturday nights when they are busiest in serving their customers qualifies as sensitivity. Immigrant communities run businesses across this country, not least in the catering trade, which make an enormous contribution to our national life. I understand that the most popular dish in this country is chicken tikka masala, which I had not discovered during any of my visits to India, so it is very much an English innovation. Although enforcement of the immigration rules is crucial and does involve inspections, I plead with Ministers to ensure that people are treated with respect and consideration for their businesses and their reputations.

It would be remiss of me not to mention the frankly appalling behaviour of the Government with regard to the highly skilled migrant programme. Whatever the need to change the rules, there is absolutely no excuse for retrospection. There is no excuse for moving the goalposts in the middle of the game. If families have come here, uprooting themselves in the expectation of a set of rules that will allow them eventually to become British citizens, it is deplorable for Ministers suddenly to decide that those promises no longer need to be honoured. We abhor retrospective legislation. The Government must honour their obligations to the 49,000 people who have come here under the scheme. Some may have to leave under the new points-based system giving preference to younger people, although they have been the subject of a favourable court judgment.

Immigration has brought enormous benefits to this country, economic, social and cultural. We must continue to be an open and tolerant society that looks out at the world with confidence, and not turn in on ourselves, fearing the phantoms of xenophobia. But if we are to sustain that vision, which has been so much a part of our own history and success, it must be on the basis of two strong conditions. The first is the integration of immigrant communities in our society on the basis of our common language and shared values, and the second is management of the system that controls our borders in the interests of all of us. On both those objectives, the Government have fallen down lamentably. The Liberal Democrats merely hope that the points-based immigration system will be a step towards the remedying of past failure.

4.36 pm

Barry Gardiner (Brent, North) (Lab): I congratulate the Minister not only on listening over the past few weeks to representations from colleagues and from many of the communities who have bent his ear over the points that we have been discussing today, but on his sound grip of those aspects of his Department's policy, and the way in which he has taken that policy further since he has been in office.

Public perception of immigration is at variance with the facts. Surveys show that people believe that 20 per cent. of the population are immigrants. According to the statistics, the figure is 4 per cent. Surveys show that people believe that the United Kingdom takes one quarter of the world's asylum seekers. The true figure is not 25 per cent., but 2 per cent.

I welcome the points-based system. I welcome its clarity and its emphasis on youth, professional skills and qualifications, but I caution the Minister about the drive to ensure that low-skilled job vacancies are filled exclusively by European Union nationals. I believe the evidence shows that it is not only Britons who are increasingly unwilling to do those low-skilled jobs in this economy. The tremendously hard-working groups of Polish and other eastern European communities who came here in 2004, and whom the Government expected to fill those vacancies, are also increasingly competing for higher-paid employment.

When the hon. Member for Ashford (Damian Green) spoke of his party's desire to introduce a cap on immigration, he was challenged to give a figure. I think we should analyse what this talk of a cap actually means. Either the number is determined by the UK economy's needs – in which case it is not an absolute figure, as those needs themselves are dynamic and will change – or it is absolute and fixed, in which case it is simply political posturing and dogma, which will act against the best interests of the British people and the British economy.

The fact is that the hon. Member for Ashford is not prepared to put a figure on the cap, because he knows that to do so would expose him to arguments that would challenge him on the basis of the economy's needs. He can have it one way or the other, but he cannot have it both ways.

I listened carefully to my hon. Friend the Minister's remarks on tier 2 requirements and the five principles on which they would be based. He said that only "some command" of the English language will be required. We originally understood that under tier 2 requirements people must have English language skills up to GCSE grade C standard before coming to the UK. I welcome the fact that the Minister has moved from that position – I take it that that is what he has done – and that he is now listening to the different points being put.

Many eminent British citizens, some of whom have sat on these Benches, might struggle to say yes if asked whether they have GCSE grade C in English language. *[Interruption.]* I am asked to name them; although that is tempting, I shall not do so. I know that most Chinese chefs are trained from apprenticeship at a very young age, and I am sure that that is also typical in other nations' catering industries, such as in the south Asian catering community, about which my right hon. Friend the Member for Leicester, East (Keith Vaz) spoke so much. Most of these apprentices have little academic training or achievements, and many will have left school early, if they attended it at all. Most Chinese chefs do not therefore have a high standard of written

Chinese, let alone a GCSE level C standard in English language. I hope that my hon. Friend the Minister will carefully consider whether the need for English language should be maintained within the sector.

Jenny Willott (Cardiff, Central) (LD): Does the hon. Gentleman not share the concern that I and a number of other Members have that even for people who do not require English to do their job, an inability to speak the language and to communicate with others in this country leaves them vulnerable to exploitation? Therefore, I have some concerns about what the hon. Gentleman has just proposed, and I urge the Minister to continue to hold to the idea that an element of English is necessary for individuals' protection.

Barry Gardiner: The hon. Lady makes a fair point; in fact, she makes the Minister's point. I am glad that a Liberal Democrat Member is agreeing with Labour. It is, of course, desirable for people to have a level of English that enables them to integrate into our society and to avoid being exploited. However, I ask the Minister to look very carefully at the needs of the industry, and to set that level of English taking into account the context that there is a community that can support people as they come in and that those people will be able to pick up and learn the language as they progress. Many Members—highly educated though we may be—might find it very difficult if there were a requirement that, before we emigrated to China, in order to fulfil our job requirements we had to know Mandarin or Cantonese. We might find it a good deal easier if we were allowed to go to that country and pick up the language by ear. The Minister and his officials should reflect on that.

I turn to the subject of low-skilled workers, and our discussion of that with the Minister during his opening remarks. The Department seems to believe that cleaning jobs, sous-chef posts and more menial jobs than first or second chef can be filled by low-skilled labour and that that low-skilled labour must be supplied within the EU context, by eastern European citizens. In practice, an eastern European operating in a south-Asian or Chinese kitchen would need a working knowledge of one of the south-Asian or Chinese languages. That would imply that, far from being low-skilled, such a person would need to have a very high skill level; they would need the linguistic skill to operate in that environment. That is one of the reasons why the requirements of the tier need revisiting.

I want briefly to reinforce the remarks made by my right hon. Friend the Member for Leicester, East about the raids on Bangladeshi and Chinese restaurants, most notably last October's raid in Chinatown, and about the press involvement in, and high public profile of, the raids. The Home Office is responsible not only for immigration control, but for race relations in this country—indeed, it has passed laws against incitement to racial hatred. I hope that it is conscious that the publicity generated by those raids has resulted in many cases of racial abuse against the communities involved, and that it will be mindful of the need to ensure racial harmony in any further attempts to secure, quite properly, immigration controls in this country through reasonable checks on the credentials of people who are working here.

This is not simply a debate about the catering industry, although it has sometimes seemed that way this afternoon. Therefore, I also want briefly to discuss the 38,450 work permits for IT jobs in the UK that were issued to non-EU residents last year—the figure is more than double that of five years ago—some 82 per cent. of which went to the Indian community. India's IT exports have been one of the startling success stories of India's economic performance in the past two decades. India's software and business processing exports are valued at about $40 billion a year, and the UK's imports of computer and information services were worth about £2.7 billion in 2006, the last full year for which figures are available. I am confident that the Minister will be conscious of the remarks made by Kamal Nath, the Indian Trade Minister, about the new points-based system, and its possible impact on the software industry and on IT executives who travel backwards and forwards between India and the UK.

Chris Huhne: The hon. Gentleman rightly mentions IT consultancy's extraordinary impact on and importance to the Indian subcontinent. If one visits some of the outfits in Bangalore, one finds highly skilled people with passports and visas to work in the US or in the EU at the ready; they are ready to go. He has not yet mentioned the enormous adverse impact on the UK if we were to stop such people coming in; they are highly skilled, and they often offer a service that is simply unavailable elsewhere and that can get businesses, in particular, out of a hole. I hope that the Minister does not underestimate the importance to our economy of ensuring that such services can continue to be provided.

Barry Gardiner: The hon. Gentleman is absolutely right. Of course, I have not yet said that because he pre-empted me, not because I was not going to. I am very glad that he took the words out of my mouth, as that will shorten my speech.

I want to quote the remarks of Kamal Nath, the Indian Trade Minister. He said:

> "'We are not asking for more permanent immigration. We are talking about people coming in for a month or so to integrate software systems.' An Indian software company that could not send executives or technical experts into the UK for short periods would be unable to service…warranties or sell new systems that would require on-the-spot maintenance in the future."

As the hon. Member for Eastleigh (Chris Huhne) has said, that would damage industry not only industry in that country but in this country. The Association of Technology Staffing Companies refers to the practice as "onshore offshoring". It is a vital service to UK industry and I hope that the Minister will bear that in mind.

Finally, I want to talk about the visa bond that has been proposed many times in the past and, I am pleased to say, has always been rejected. I hope that it will be rejected again. I hope that fervently on points of principle as well as pragmatism.

I find the idea that a visa bond should be available to somebody when they are seeking entry clearance for this country obnoxious. An entry clearance officer, in considering whether to grant a visa for entry into this country, must be satisfied that on the balance of probability the applicant will comply with the visa

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conditions that is, that they will return to their country of origin within six months, or within whatever period for which the visa is granted.

If we allowed a visa bond system, when our entry clearance officer doubted whether someone would comply with our visa conditions, that person could come to this country if they were rich and able to pay £5,000 or £10,000 whatever the figure might be but they could not if they were poor. That sticks in my craw and I hope that it sticks in the Minister's. I do not recognise it as anything like a Labour policy. If an entry clearance officer has genuine doubts that somebody will comply with our rules and regulations, a visa should be denied. When those doubts exist, people should not be able to enter the country if they are rich but not if they are poor.

If entry clearance officers were considering a situation in which they could grant admission, and thought, "I am not sure in this case. Perhaps I will offer to allow the person in if they put up a bond," that might start out as an exception, but I am confident that it would soon erode the decision-making ability and discretion of the officer. It would become not an exception but a norm. It is much easier to guard one's back as an entry clearance officer by imposing a bond. The Minister must resist that erosion of principle.

Many other Members wish to speak, Madam Deputy Speaker, so I shall draw my remarks to a premature close.

4.54 pm

Mr. James Clappison (Hertsmere) (Con): It is a pleasure to follow the sincere remarks of the hon. Member for Brent, North (Barry Gardiner), although I do not entirely agree with all of them. I commend the tone that the Minister set and his willingness to engage in debate and take interventions. I shall not go all the way towards consensus with him, although I agree with him on a number of points.

The first point on which I agree with the Minister is that the timing of the debate is fortuitous, because earlier this month we had the report of the House of Lords Select Committee on Economic Affairs. It seems that in some quarters there are difficulties with the report's conclusion. I invite those with such difficulties to examine the first paragraph, which my hon. Friend the Member for Ashford (Damian Green) correctly quoted. It states that the House of Lords examined the economic case for migration and found that net immigration did not generate

"significant economic benefits for the existing UK population."

We cannot pick and choose from the arguments that were made in the report, and it is difficult to get away from that overall conclusion.

For their part, the Government including the Minister, perhaps bravely put to the House of Lords their case that economic migration was an economic benefit, and the House of Lords rejected it. It rejected more or less every contention that the Minister put to it. He said that economic migration was of benefit to the country; the House of Lords said that it was not. The Government said that economic migration increased GDP; the House of Lords said this is not from a newspaper but from the report itself that that was based on

"an irrelevant and misleading criterion for assessing the economic impacts of immigration".

The Government said that economic migration was needed to meet skills shortages; the House of Lords said:

"We do not support the general claims that net immigration is indispensable to fill labour and skills shortages."

The Government said that economic migration was good for the Exchequer; the House of Lords said:

"We also question the Government's claim that immigration has generated fiscal benefits."

One could go through the whole list. The House of Lords categorically demolished the Government's case that migration is an economic benefit to the country.

It is interesting that that has been the Government's case throughout their time in office, irrespective of the other issues that I have always believed are very important, such as population growth, population pressures and pressure on housing and public services. The Government have said that whatever was happening in those respects, immigration was in the economic interests of the country. Against that background, I shall put some brief questions to the Minister in an endeavour to establish what is now the Government's position.

First and foremost, does the Minister expect the points-based system to bring about a reduction in inward migration, at least in the category of migration that is subject to it? We need an answer to that. Does he expect inward migration to be higher or lower? To put the matter in a wider context, is he content some elements of his speech indicated that he might be with the Government's official projection of net migration for the years to come, running at a level of 190,000 a year? That is the official projection of the Office for National Statistics, based on the work of the Government Actuary's Department. As the House of Lords pointed out, that number is equivalent to a city the size of Milton Keynes arriving in the UK every year. The vast majority come to England, and, as I think the hon. Member for Eastleigh (Chris Huhne) well knows, the vast majority, or at least a majority, go to the south of England.

Is the Minister content with the Government's projection that the population of the UK will grow from 60 million today to 71 million in 2031, with most of that growth taking place in England and the population of England growing from 51 million now to just over 60 million in 2031? Is he satisfied with that level of population growth and the implications that it has for the quality of life in this country? We need an answer is he satisfied with that prospect? That would be equivalent to putting the existing populations of Scotland, Wales and Northern Ireland into England by 2031.

The Office for National Statistics has said that 69 per cent. of that population growth can be attributed, directly or indirectly, to net migration. Will the Minister say whether the points-based system will alter those projections, or will changing the way that people are selected mean that the projections will stay the same?

Ministers claim that the points-based system will be more selective, but the more important question is how many migrants are admitted. Migrant workers might hold national vocational qualifications, bachelors or masters degrees, or doctorates—or, for the benefit of the hon. Member for Eastleigh, they might even be bankers. Regardless of the qualifications that they hold, however, they still need a roof over their heads, and that has implications for the numbers of households formed every year.

It is frankly amazing that the Government have drawn no connection at all between migration policy, which is controlled by the Home Office, the population projections derived from that policy, and the housing policy that is implemented by another Department and which requires counties in the English regions to accommodate very substantial extra households. My county of Hertfordshire has been told to find room for about 80,000 more houses in the years leading up to 2021. In the same period, the borough of Hertsmere alone must find room for 5,000 new houses. I understand that that will be very difficult to accomplish without losing at least some of the green belt in the area.

A significant proportion of the projected housing demand will arise from net migration, some of it covered by the points-based system. The Government have had to raise their estimate of that demand three times already since they came to office. The most recent estimate is that one third of household demand will come from migration, but that is based on an old figure and may have to be revised upwards in light of more recent population predictions. The House of Lords Select Committee was told in evidence that more than 200 new households per day will be generated by net migration in years, and one estimate is that more than 260 houses will have to be built every day. Is the Minister satisfied with that prospect? Does he plan to change anything to deal with it? Will the points-based system make any difference?

In his opening remarks, the Minister referred briefly to the resident labour market test. In their written evidence to the House of Lords Committee, the Government said:

"Under the new Points-Based System, Resident Labour Market Test will only apply to jobs below a certain salary, since it is here that there is most public concern about the impacts of migrant labour on the domestic labour market."

That evidence was submitted in the autumn of last year. When he winds up the debate, will the Minister say whether it is still the Government's intention to remove the requirement for a resident labour market test above a certain level of income? If so, at what level of income will the test be removed? How does the policy sit with the Prime Minister's talk of British jobs for British workers?

For its part, the House of Lords concluded that the resident labour market test was important for the employment opportunities of resident workers. It suggested that such a test should be properly enforced under the points-based system. I do not have as much confidence as I should like that the Government will be willing—or able—to implement that recommendation, especially given that we are still waiting to hear from them on the question of illegal workers. A year ago, Ministers discovered that workers were being employed illegally in the security industry, some of them guarding sensitive Government establishments. We have still to hear whether the Government have issued those workers with national insurance numbers. If the Minister knows that today, I ask him to give us an answer. One year on from first discovering that, how many of those workers were given national insurance numbers? Were any of them given numbers? Does the Minister know?

A number of detailed questions arise from the Government's proposals, but the most important question is simply the effect that they will have on the Government's projections for population. Will more or fewer people be admitted to this country? The Government have presided over an unparalleled period in our history of population growth and, particularly, inward migration. The hon. Member for Eastleigh mentioned migration history. There has never been a period in history of such sustained and concentrated inward migration as that under the 10 years of this Government. Never before has inward migration reached the level that it has reached under this Government today. Well over 500,000 people are inwardly migrating every year. There is no time in history when that has been the case. If the Minister is aware of such a time, perhaps he will tell us. *[Interruption.]* If the hon. Member for Eastleigh knows, I would welcome hearing from him. I believe that the evidence from the Office for National Statistics shows that there has been no such time in the past 30 years. I do not think that there has been any such time in history.

Chris Huhne: The hon. Gentleman may well be right about the past few decades, but he might be disregarding previous episodes in our history. Certainly, the Huguenot immigration to this country was proportionately far greater than anything that we have seen since. That is quite astonishing, given that the Huguenots were French speakers.

Mr. Clappison: I think that the hon. Gentleman would find, if he did some research, that certainly the Huguenots came to this country, fleeing persecution, and made a distinctive contribution, but it was not on the scale of the migration that we have seen in recent times. None of the previous migrations—whether Jewish, Huguenot or any other group—caused migration at the level of the past 10 years. I believe that the Government have a commitment to migration. They believe that migration is good; they are ideologically committed to high migration; they believe that there is an economic case for it. That case has been demolished, but the Government continue with migration nevertheless. That has been reflected in the migration that they brought about as soon as they took office, with the increase in the number of work permits that were issued to workers from outside the European Union. Since then, they have continued with high migration, sometimes through policy errors, as in the case of the accession eight countries, but more through the issuing of work permits and other means.

The interesting point about work permits—I would appreciate the Minister's answer on this—is that, even when it became apparent that Ministers had got their predictions completely wrong in 2004 and that far

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more people were coming from the accession eight countries than the Government had predicted, they still continued to issue work permits to workers from outside the European Union at an increasing rate.

Mr. Byrne *rose*

Mr. Clappison: I will give way to the Minister if he is prepared to explain why he did that.

Mr. Byrne: I will reflect in my concluding remarks on the points that the hon. Gentleman makes, but I intervened because I was intellectually curious as much as anything else. The thrust of his argument points toward a prescription of either zero immigration or, at best, a zero net balance. Is that what he is proposing?

Mr. Clappison: I have no problem with immigration, still less with immigrants, and I respect the hard work and the contribution that they make. When I refer to immigration, I am referring to the unprecedented, exceptionally high levels that the Government have caused or permitted to take place into the country over the past 10 years. I believe that the Government have a bias in favour of high migration. It will be for historians to determine the real policy reasons behind that. As I say, the economic rationale for the Government's case has been demolished in the debate. The Government have failed to take into account the housing and all the other implications. That view is held by not just myself, my hon. Friend the Member for Ashford was quite right to say that there is widespread public concern, which Ministers from time to time acknowledge and try to address. How has that concern come about? It is because the public can see what the Government are doing.

I shall draw my remarks to a close by saying that Ministers can pay lip service to those public concerns as much as they like; they can use whatever rhetoric they want, and they can pretend that a big shake-up is taking place in the migration system and that they will address those concerns, but the real concern of people is that the Government are not listening to their legitimate concern about the very high immigration, and that concern will not be allayed until proper and effective measures are taken to control that high immigration. I commend the measures that my hon. Friend has proposed in the debate.

Several hon. Members *rose*

Madam Deputy Speaker (Sylvia Heal): Order. There is less than an hour left for contributions from Back Benchers. I ask hon. Members to bear that in mind when making their speeches, so that more of them are successful in catching my eye.

5.10 pm

Mr. Andrew Dismore (Hendon) (Lab): I want primarily to speak on behalf of the Chinese community. I speak as the chair of the all-party Chinese in Britain group, and as a Member of Parliament representing a borough that has the biggest Chinese community in Britain. In particular, I want to speak on behalf of the hospitality trade. Traditionally, 51 per cent. of the Chinese work force have been employed in that line of work. From the very constructive meetings that we have had with the Minister, I think he is aware of the strength of feeling on the subject. However, businesses face considerable unease and fear for the future, which I hope that he can allay.

I can tell my hon. Friend that, as of yesterday, 600 submissions had been sent to the migration advisory committee from people in the industry. The submissions contained a large number of very moving stories, although obviously there is not time to refer to them now. I hope that he will be able to reschedule his revisit to Chinatown, which was due to take place last night, so that he can see for himself what I am talking about, and particularly the impact of tiers 2 and 3 on businesses. The fear is that businesses will not be able to recruit the staff from China and Hong Kong required to keep themselves going.

Of course, the issue is not just the points-based system; there are already recruitment problems, and it is feared that they will get worse. The Chinese community is high achieving, both academically and professionally, and those who are second or third generation do not want to work in the business. They are happy to be customers, but not employees. I can sympathise with that, having grown up in the hospitality industry. I was the third generation in that trade, and I was very happy to be able to go to university and qualify as a lawyer, rather than work in the kitchens and bars.

The problems are evidenced by the fact that the cost of staffing has increased. I am told that in the past six months alone wages have gone up by between 30 and 35 per cent. Head-hunting and poaching are becoming real problems as people try to find staff from an ever-diminishing work force. Families are being called in to help. Children's education is being affected, as they are called in to help in the takeaways. Parents and grandparents are enlisted. In Doncaster, I heard at the Emperor restaurant, owned by Mr. Yip, that his 80-year-old grandfather is now doing the cooking. In Chinatown, Mrs. Lee, whom my hon. Friend the Minister knows, says that her 75-year-old uncle is now the wok chef in the Golden Dragon.

People are working increased hours, and that inevitably affects the quality and range of dishes available. Businesses have closed, including the Furama restaurant in Chinatown and Dragon Springs in Doncaster. We are not talking just about catering establishments; the Loon Fung supermarket in Gerrard street closed because it could not find staff. A 10-year-old business in Doncaster, a noodle factory owned by Mr. Chan, has also had to close down. That is partly owing to the pressure on irregular workers, and the raids that have already been referred to. The real concern is the complete lack of respect for the businesses, the customers and others involved. I will not discuss the issue in detail, because it has already been referred to, but what has not been mentioned is that on 18 October—the week after the big raid in Chinatown—the whole of Chinatown closed down for three hours as a protest at the way in which people had been treated during those raids. Unfortunately, such

raids continue, there have been six such raids elsewhere in the past two months. That has a significant impact on businesses.

Relations with the Border and Immigration Agency have improved, there is better co-operation, and there is education and training for employers, but I am told that employers can never get through on the helpline number that they were told to use. There is no answer. They have been told that that is the way to get advice, but it simply does not work. I hope that my hon. Friend will be able to resolve that.

One of the key issues is that of irregular workers. Frankly, they will not be sent home, they will never be caught, and the sensible thing to do is to find a way of regularising them under tier 2, otherwise they will remain in limbo. Occupation 5434, cooks and chefs, is a very broad category, and as I said to my hon. Friend earlier, it has to be broken down much further, particularly given the needs of ethnic restaurants, because there are significant differences between the western catering trade and Chinese and south Asian restaurants. That is why workers from China and Hong Kong are needed.

There is not a single catering college in the United Kingdom that offers formal courses for Chinese chefs. There are eight main styles of cooking - each requires separate skills and specialised knowledge of ingredients, cooking methods and presentation - including Cantonese, Peking, Szechuan and dim sum. We have all tried them, and they all require special marinades and sauces - even the vegetable preparation involves specialist training.

The Chinese community resents the fact that takeaways are regarded as on a par with burger joints and fish and ship shops under the system. Takeaways, too, require highly trained chefs, and provide dozens of dishes. There is rather more to Chinese takeaway cooking than flipping burgers or deep-frying chips. The language barrier is an important consideration. Cantonese is the language of the kitchen, and the lack of experience, skill and cultural awareness of indigenous and EU workers is a barrier to their employment. They do not have the knowledge of the utensils and ingredients, let alone the knowledge of what to do with them and which cooking methods to use. I saw for myself the special high-heat naked flame cookers specially imported from Hong Kong - they are like volcanoes. The kitchens have tried to use indigenous and EU staff, but that has simply not worked out: the work is unpopular, and the staff cannot stick it. The language barrier imposes physical demands in a pressurised environment.

Formal qualifications are not required to become a Chinese chef, but we should remember that in the indigenous population, only 26 per cent. of cooks and chefs have level 3 NVQ or above. The apprenticeship for Chinese cooking is long, and begins at the age of 15 or 16. The best guide to skills is references, experience and ability in practice, and that must be reflected in the system. Recruits from Hong Kong and China do not speak English. I have heard an apocryphal story that there are more people in China who speak English than in England, but the fact that Chinese chefs cannot speak English. However, they must be able to speak Chinese in the restaurants for health and safety and efficiency reasons. Indeed, most indigenous chefs do not have grade C GCSE English, so I am pleased that my hon. Friend the Minister is looking at that in more detail. There must be a relaxation of the rules on language. The best answer is to allow people to learn English when they are here, through the total immersion system of language learning, and test them when they try to renew their permit; otherwise the requirement will impose an insurmountable obstacle to recruitment.

Last night, I visited Chinatown, not just to have a meal, although I was pleased to do so, but to meet chefs and talk to staff. I visited the Golden Dragon in Gerrard street - an excellent restaurant, I will give it a plug - to see the differences between Chinese and western restaurants. I very much appreciate those differences, given my background in the trade, and I was surprised by how different that restaurant was. I met Mr. Wong, the manager, who said the restaurant serves 500 covers a day, although I think that that is probably an underestimate. Some 50 per cent. of the restaurant's customers are Chinese, and it employs 15 waiters, two supervisors and two managers front of house. They all have to speak Cantonese, Mandarin and English. Mr. Wong is originally from Hong Kong, and has worked in the restaurant business in the UK for 30 years, 10 of them as manager of the Golden Dragon. He was worried about the impact of the new rules and their enforcement, as were many other restaurateurs whom I met last night.

Most interesting of all was my visit to the kitchens, where I met the head chef, Mr. S. H. Wong - no relation - who has no English to speak of, so I had to speak to him through an interpreter. He has 40 years' experience in catering, and his apprenticeship in Hong Kong lasted five years. He had to do a further five years' on-the-job training before he could be considered for the position of head chef, and he told me that he was still learning. He was hired from Hong Kong seven years ago, and he has worked in China and the Philippines. He had no problem obtaining a work permit, and has permanent residency status. However, as things are currently configured, the chances are that he would not qualify to come here under the points-based system. He is an expert in Cantonese cooking, but he said that he can only do "a little bit" of Szechuan cooking, which makes the point about the differences in cuisine. Indeed, the restaurant employs a different chef to make dim sum. There are 100 dishes on the menu that Mr. Wong has to be able to make, and he mixes marinades and sauces from his own ingredients, making them from scratch. He is in charge of a staff of 20 in the kitchen. He said he is four or five short - he cannot find the right number of people - so the staff have to work harder and longer hours.

I watched what I can only describe as a military operation. There was no shouting in the kitchen, and everyone was quietly getting on with their work - the only noise was the cooking sounds in the incredible heat. There was an incredible degree of organisation under Mr. Wong's control, and it was very different from trying to cook a Chinese meal at home or the pastiches one sometimes find in western restaurants. Mr. Wong insists that his staff speak Cantonese, which is the language of the Chinese kitchen. He said that it would create confusion and be very dangerous from a health and safety point of view if people did not speak Chinese. His staff are mainly from Hong Kong - some

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are from China – with little or no English. He says that without basic communication in Chinese, it would be difficult to create a 10-course banquet, which is a team effort and requires maximum co-ordination. The orders from the restaurant are written in Chinese. The suppliers from whom he buys his ingredients use Cantonese as their language. He is a hard-working member of our community but would probably not qualify under the present system.

The customers expect authenticity. They expect to see Chinese staff in a Chinese restaurant. They want the quality, variety and distinctive Chinese character of the cuisine, which would be significantly under threat without migrant chefs, and the quality would suffer. The techniques and ingredients are important, but the range and methods of cooking distinguish one chef from another. The erosion of that distinctive character would inevitably result in a reduction in quality and impact on the business.

There must be a common-sense approach. We must recognise the serious problem of recruitment and regularise existing staff. The points-based system must allow some flexibility with respect to experience, qualifications and the language requirement, otherwise we will see our popular Chinese takeaways and restaurants across the country closing down. When people cannot get their favourite meal, or they see the range and quality in decline, my hon. Friend will get the blame. Irrespective of what people say about immigration numbers, if one asks them whether they want their local takeaway or restaurant to close down as a consequence of clamping down on immigration, they would probably all say no.

I had wanted to make one or two quick points on human rights as Chairman of the Select Committee, to follow up concerns about my hon. Friend's evidence to us recently, but I shall have to write to him about that. I shall simply say, in relation to the highly skilled migrants programme, "We told you so", and I hope we do not see those problems repeated.

Finally, an agency in Edgware which hires au pairs would like to know when tier 5 is to start, which countries it can recruit from, and how the scheme will affect au pairs' free time and pocket money, bearing in mind that they are outside the existing tax, national insurance and minimum wage arrangements.

That is a little tailpiece added on at the end, but my main plea is that we should get real and use some common sense in the way that we approach our ethnic restaurants. We all enjoy Chinese and south Asian food, and if there are no changes or common sense, we will see those restaurants closing down, with a real impact on the wonderful variety of cuisine that we have in our country. The diversity will be lost and our regular Friday or Saturday night's enjoyment will be spoiled. I do not want my hon. Friend to get the blame for that, and I am sure he does not want that either. I look forward to his coming down to Chinatown and seeing what I saw last night.

5.22 pm

Mr. Peter Lilley (Hitchin and Harpenden) (Con): It is a pleasure to follow the hon. Member for Hendon (Mr. Dismore), who speaks with great knowledge about Chinese restaurants. He mentioned in passing that one of the problems, as he saw it, was that the pay of people working in Chinese restaurants had gone up by 35 per cent. I can see that that may not be welcomed by the employers, but I am rather surprised that on the Labour Back Benches it is considered deplorable that people in Chinese restaurants are seeing their pay go up to a level better reflecting that of the rest of the economy.

One distinctive feature of policy under the Government is that it is usually designed to create an impression, which is often very different from the effect that it is supposed to have on the reality. Nothing could better reflect that than the points-based system – the Australian-like points-based system to which the Government often refer – which is presented as though it will severely restrict immigration into this country. If that is its intention, could the Minister tell us his broad estimate of the effect that it will have on the level of net immigration into this country? Is that the Government's intention? Is the policy in line with the arguments that they use to justify the large-scale immigration that we have had since 1997?

The Government use two kinds of arguments to justify that mass immigration. The first set of arguments imply that the economic benefits resulting from immigration are proportionate to the number of people coming into the country to work. Their argument, for example, that it contributes to the gross domestic product implies that the more people who come, the more the contribution to the GDP. The argument that there is a net contribution to the budget of the country implies that the more people coming in, the greater the net benefit for the rest of us. The argument that immigrants will be paying for our pensions implies that the more who come, the higher our pensions will be. Clearly, the implication is that we should not restrict immigration and that we should, in the words of a Home Office document, encourage, sustain and increase the level of lawful immigration into this country. The implication is that there should be no case for using a points-based system, or any other, to reduce immigration. I shall come back shortly to those specific arguments and how they have been demolished by the House of Lords report.

Another set of arguments implies that there is a finite need for immigration. I am thinking particularly of the argument that there are shortages of certain categories of employee. That is relevant and could, at least in theory, justify the Government's proposals.

However, initially I want to discuss the first set of arguments – that net immigration adds £6 billion to the gross domestic product every year. The way in which the Government normally present the issue is to say that immigrants contribute £6 billion to the economy every year. The implication is that, generously, immigrants are giving us £6 billion, from which the rest of us benefit. That is a very false impression, because the Government are giving the gross figure. They do not say to us that immigrants, as well as producing added value worth £6 billion, expect – quite reasonably, in my view – to be paid for their work. They are paid a value that in the national income statistics shows up as exactly equal, at £6 billion.

According to how these things are calculated, those immigrants will consume, or remit to their home countries, exactly what they earn – £6 billion. So their

net contribution to the economy is zero. Just like all of us, they put in what they get out. None of us gives things to other people for free; we expect to be paid for them. We do not make other people better off by making the economy a bit bigger by being here. Unless and until the Government are prepared to recognise that people are consumers as well as producers, they will not make much sense.

Chris Huhne: Is the right hon. Gentleman not forgetting the element of profit in the income measure? That could stay within the UK and would be attributed to other people.

Mr. Lilley: I would have thought that the hon. Gentleman was a good enough economist to know that value added equals income equals consumption. There is not some loss by profit; if the people are earning profits, that is an income and they will consume it.

Chris Huhne: It is not an income to them.

Mr. Lilley: Well, if they are not earning the profit, someone else is getting the profit from employing people, and they could employ other people instead.

Chris Huhne *indicated dissent.*

Mr. Lilley: If the hon. Gentleman is saying that a marginal element of the £6 billion is a net contribution that has somehow been given to us, let us cut the figure down to that small part of the £6 billion.

The House of Lords Committee rightly demolished the argument that I mentioned—the fiscal contribution argument and the pensions argument. No one could do that more authoritatively than Lord Adair Turner, the Government's own adviser on the subject. He submitted a paper to the Committee, as well as being a member of it.

Keith Vaz: I had this exchange with the hon. Member for Ashford (Damian Green) earlier. The right hon. Gentleman is focusing on the House of Lords report. Has he seen today's report from the Work Foundation, which says the opposite of what the House of Lords said?

Mr. Lilley: No, I have not, but I will read it with great interest in due course. I doubt whether it is as authoritative or broadly based as the one produced by the House of Lords.

The shortages argument is plausible. It implies that we want a fixed number of people, should work out who they are and let them in, and that will be fine. Several years ago, Tony Blair, while Prime Minister, said that there were 600,000 vacancies in this country and that we needed net immigration to fill them. Since then, we have had several million people come into this country, and we still have 600,000 vacancies. Why? Because immigrants are not just producers but consumers—they consume as much as they produce. The essence of the fallacy on which the Government rely is exactly the same as the "lump of labour" fallacy that the British National party relies on when it says that immigrants take British jobs, implying that there is a fixed amount of work to be done and a fixed number of jobs, and that immigrants take them and therefore render the domestic population unemployed. That is a fallacy, and the Government recognise that. However, by the same token it is a fallacy to assume that when immigrants come into this country they will fill those jobs without creating an additional demand for more jobs, as all the evidence suggests that they have over time.

Another fallacy behind the "shortage" argument to which I drew the Minister's attention—in his agreeable way, he simply accepted it even though it entirely demolished his own argument—is that in a free and flexible market, where the value of each skill is allowed to reach its market-clearing level, there will not be a shortage, because the market-clearing level is by definition the level of pay, salary or remuneration that equates demand and supply with that level of skill. For a while, we held down the value of nurses' pay below the market-clearing level, and we had to fill the resulting shortage from abroad. When we started paying nurses a more realistic amount—as I had long urged that we should—we found that we did not have any intrinsic shortage, and indeed had a surplus. However, that has not stopped us in the meantime importing 60,000 nurses from sub-Saharan Africa at a time when the Government's official policy was not to recruit any nurses from Africa at all. If we maintain pay below the market-clearing level, we have to rely on sources of supply from outside on an ongoing basis, and at the same time we fail to give employers or employees the incentive to acquire those skills domestically. That is one of the powerful arguments that the House of Lords uses when it says that

> "there is a clear danger that immigration has some adverse impact on training … offered to British workers".

Let me focus on the essential feature of this points-based system. The Government present it as a system of control, so how will they actually use it? We already know that, because they have introduced a points-based system—the highly skilled migrant programme. That was an innovation, because up until that point someone could come to this country with a work permit only if they had an offer of a job. In 2002, the Government set the level of points that were required for someone to come to this country under that programme looking for a job. It so happened that they initially set the level of qualifications required to get sufficient points to be allowed in at a level that led to very few people applying. Did they say, "Oh, that's fine—there aren't many people with the qualifications that we think are necessary, so we'll just accept that that is the small number who are going to come here?" No; in June 2004, they promptly reduced the number of points required and reduced the skill level needed—still calling it the highly skilled migrant programme—and a year later they had been totally swamped by the numbers coming in under that programme. We must therefore have no expectation that in practice the Government will use this as a method of control.

Is there, therefore, no need for any immigration? No; there are certain categories of skill which by definition we do not have in this country and cannot simply acquire by offering a certain sum of money or making a certain training programme available. Above all, they are job-specific and firm-specific skills. A company such as IBM may have a specific accounting procedure, and when it is setting up a process here it will want to bring in its accountancy staff to set it up and train people to run it. After five or 10 years, they will probably go home again. Another firm, such as Nissan,

[Pete Wishart]

had finished their course. It was a fantastically successful policy, which was outlined by the previous so-called Labour-Liberal Executive, with 8,000 people going through its doors, benefiting the Scottish economy and enhancing their careers. That programme is now to be deleted, according to the guidelines from the Home Office, and subsumed into the tier 1 arrangements. Scotland will therefore lose its competitive advantage in recruiting those talents.

My very last, quick point is a plea to the Minister, to whom I know many representations have been made, about my other great interest, arts and culture. The Edinburgh fringe festival could suffer serious restrictions from the suggested ending of the free permit arrangements, which allow people to come to events such as the fringe without the need of a work permit. The introduction of sponsorship will affect some 3,000 people, and real solutions are required if non-EU performers are still to be able to come into the UK to work at the festival. If those solutions are not found, Edinburgh could lose its dominant position as the greatest, biggest and best international arts festival in the world. We have serious concerns about this matter, and I hope that the Minister will have something encouraging to say.

We have no problem with the principle of the points-based system, and there are solutions that the Minister could use if he had the political will to help us to deal with our specific requirements and needs. I hope that he will tell us that he acknowledges that and that he is prepared to look at these issues.

5.50 pm

Mr. Byrne: I welcome the fact that we have been able to have this debate. I said at the outset that I thought I would learn a great deal this afternoon, and I have not been disappointed. I have learned a great deal. I am glad that almost all the speakers started by recognising the extraordinary social and cultural contribution that newcomers to this country have made. I am glad that the House has put that issue beyond question. We have also had a helpful debate about the economics of the subject. I hope that we shall have a further opportunity to deconstruct the House of Lords report in more depth. The Government will have to publish their response to it quite soon; perhaps that will be our next big opportunity.

I appreciated the position that the hon. Member for Ashford (Damian Green) found himself in today. He has done a great deal to try to moderate the immigration policy that he inherited from the 2005 manifesto, but he is none the less a member of the party that he represents. However, he did a good job—if a little churlishly at the edges—of accepting that there are economic benefits to migration, although that was disputed a bit by some of his colleagues. He and I traded quotations and statistics, and I cannot resist the temptation to pop in just one more quotation. Somebody once said that

"it is true that immigration contributes to a higher GDP".

Those were, of course, the words of the right hon. Member for Witney (Mr. Cameron), who is not in his place at the moment, in a speech that he made on this subject last year.

The hon. Member for Ashford accused me of a lack of radicalism before refusing to lay out his own policy in detail. I accept that the questions will come to him, rather than to me, about precisely where the beef is in his policy, and that is a subject that he will have to contend with. None the less, he also said something extremely significant that I have not heard him say before. Indeed, I have not heard it said on his side of the House in the past couple of years. He said that he welcomed the points system and called it a step forward. That was a delayed confession, but a welcome one none the less, and it was echoed by the hon. Member for Eastleigh (Chris Huhne) as well as by my right hon. Friend the Member for Leicester, East (Keith Vaz), which I appreciate.

My right hon. Friend's words were echoed, to some extent, by my hon. Friend the Member for Bristol, East (Kerry McCarthy). They have both been extraordinary champions for the arguments that they put across this afternoon. I say to my right hon. Friend that I note the comments that have been made by the Immigration Law Practitioners Association and by the Bangladeshi Catering Association. I, too, have heard the estimates that they have made of the importance of the industries that they represent in this country. Those figures really are a testament to the hard work, entrepreneurialism and flair of the migrant communities in this country.

I listened especially carefully to my right hon. Friend's arguments about the need to retain rights of appeal. He will know that that is a subject on which we have a couple of consultations running at the moment and, before we conclude our responses to those consultations, I will reflect carefully on the remarks that he has made this afternoon. I hope that he will also be happy to hear that I have ordered a review of the way in which we use and work with ethnic minority media to get across the messages about some of our reforms.

I have also listened carefully to what hon. Members have said about the manner and conduct of enforcement operations. I very much welcome what they had to say about the need for enforcement operations. It is an area on which I think there is a degree of consensus throughout the House. Alongside a policy of stronger border protection, it is vital to have a policy for preventing illegal immigration. That means preventing illegal working, because it is illegal jobs which cause illegal journeys. That is why we have doubled the budget for enforcement and why we have stepped up operations to deal with illegal working by 40 per cent. over the last year.

My right hon. Friend may not know this, but raids are not authorised by Ministers; they are conducted on the basis of independent operational judgments and based on available intelligence. I listened carefully to what he said, some of which was echoed by my hon. Friends the Members for Hendon (Mr. Dismore) and for Brent, North (Barry Gardiner), particularly the need to be sensitive in the way in which we conduct those operations. I will ensure that that message is conveyed to the regional directors responsible for overseeing them.

The hon. Member for Eastleigh started off with an argument about projections of movements from east Europe that was not new. I always say, when that

argument is made, that although the Home Office may have written the cheque for the report—enabling the House to question the value for money that the Home Office achieved—it was a university of London report. Indeed, when the Immigration Minister at the time—my right hon. Friend who is now the Secretary of State for Defence—was questioned in the House about estimates for the future, he assiduously refused, on the record, to make any projections of his own.

I welcome some of the other remarks of the hon. Member for Eastleigh. I welcome his welcome for the points system and I am glad that he said that enforcement operations were important—I think he said that they were vital. The vote against the rises in visa fees that will help us double our enforcement work over the years to come was made before he became the Liberal Democrat spokesman. I hope that he will feel able to change that policy.

I want to pick up particularly on one point that the hon. Member for Eastleigh made. It is about the need for English as a foundation for integration. I absolutely concur with that analysis. When I spent three months going around the UK, talking to people all over the country about the values that they thought we needed to put at the heart of the immigration system, the need for everyone to be able to speak English was absolutely the first value that they thought was important.

I say to my hon. Friend the Member for Brent, North that I do not think that officially we have stated the standard of English that we believe will be important in tier 2. All I would say to the House this afternoon is that I do not think that we should see command of English as an issue simply in the context of the workplace. People come to this country and do not just work. While they are here, they are also members of British society. It is therefore important if we believe in an inclusive society that people are able to function as members of it. I think that some command of English would help, so we see the policy as important not just in the context of the points system but to those who want to make the UK their long-term home.

The second set of points that my hon. Friend the Member for Brent, North made concerned the definition of skilled work. That was also very much the substance of the remarks of my hon. Friend the Member for Hendon, who is a powerful voice for the Chinese community in this House. He will be pleased to know that I discussed with the Chinese Government in Beijing last week the subject that he raised this afternoon. I have discussed it too with the Chinese ambassador in London. I am very much looking forward to our field trip to Chinatown, which I hope can be reorganised quite soon.

My hon. Friend the Member for Hendon underlined the key point: how do we define a skilled job in the points system? The House will not know this, but my cooking is terrible and my grip on English is shaky enough, never mind my grasp of foreign languages, but if I had the ability to speak another language and to cook well, some in the House might accuse me of having some kind of skill. The question is how we recognise that skill in the points system. We cannot do it on the basis of some macroeconomic analysis; we need a more granular picture, which I hope the migration advisory committee will give us.

The hon. Member for Hertsmere (Mr. Clappison) made some points about numbers, and the hon. Member for Perth and North Perthshire (Pete Wishart) injected a bit of nuance into the issue. We must take a national approach to the question of numbers. Although there may be pressure in some parts of the country, in others there will be a need for more entrants, not just for the benefit of society but for the benefit of the economy.

Overall, we have had a good debate. It is important that we continue to debate these matters, not least the points made by—

It being Six o'clock, the motion lapsed without Question put.

Resolved,

That this House has considered the matter of a points-based immigration system.

PETITION

Anti-Social Behaviour

6 pm

Mr. Peter Bone (Wellingborough) (Con): Irchester, which is an important village in my constituency, has been suffering from antisocial behaviour for a while. I recently attended a protest meeting there. Despite all the excellent efforts of local councillors, there are still problems. I wish to present a petition, which reads as follows.

To the Honourable the Commons of the United Kingdom of Great Britain and Northern Ireland assembled.

The Humble Petition of the residents of Irchester ward and surrounding area.

Sheweth that the village of Irchester is suffering from anti-social behaviour from groups of youths, causing grave concern to the law abiding citizens of Irchester. They recognise the significant efforts of both Parish and Borough Councillors to solve the problem. However they believe the proposed location of the skate park and graffiti board on the village green is wholly inappropriate.

Wherefore your Petitioners pray that your Honourable House urges the Secretary of State for Communities and Local Government to liaise with the Borough of Wellingborough Council, Irchester Parish Council, Northamptonshire County Council and Northamptonshire Police to 1) relocate the proposed skate park and graffiti board to a more appropriate location and 2) draw up a plan to eradicate the anti-social behaviour.

And your Petitioners, as in duty bound, will ever pray, &c.

[P000176]

Basildon Golf Course

Motion made, and Question proposed, That this House do now adjourn. *[Alison Seabeck.]*

6.2 pm

Angela E. Smith (Basildon) (Lab/Co-op): I welcome the opportunity to raise the issue of Basildon golf course. As Members may know, the Friends of Basildon Golf Course has secured the right to a judicial review of the council's decision to grant planning permission. I appreciate that that places a constraint on what I can say, and will also constrain the Minister's reply. I assure the House that I will not trespass on the areas covered by the judicial review, and that all the information that I shall give is already in the public domain.

I thank the Friends of Basildon Golf Course for the tenacity it has shown in its campaign, and for the forensic and professional way in which it has conducted itself—particularly Mick and Janet Toomer and John Toplis, although I do not mean to overlook the contributions of many others. I am also indebted to the well-known local naturalist Rod Cole for information that he has supplied. The nearest that I have got to playing golf is crazy golf on holiday, and friends who have seen me putt on a crazy golf site might well be amused by my choice of debate this evening; but I intend to illustrate why the development or, more accufately, the destruction of Basildon golf course as we know it has incensed more people than just those who play golf.

Basildon golf course has been a municipal course since 1967, and before that had been cultivated land for hundreds of years. When Basildon development corporation created Basildon new town, it respected this valuable asset and planned its long-term protection by creating a golf course on the site, and placing covenants on the land so that it could only be used as a golf course or for farming or recreational purposes.

Much of the 164-acre site is located within a mile of Basildon town centre. It really is a green lung. It is popular with golfers, walkers and dog walkers, as well as those who just enjoy it and value its biodiversity. It would be possible to make an entire speech about that aspect alone, but I want to single out a few valuable nuggets of helpful information.

This is one of the few places in the new town where birds of prey are regularly seen. It is widely used by wild birds, including some rarities. We see badgers, weasels, foxes and grey squirrels, and even adders and lizards are known to inhabit the site. There are three scarce species of bumble bee—which is remarkable in south Essex—two of which are UK biodiversity action plan species, and no fewer than 28 species of butterfly are known to be on the site or immediately adjacent to it. However, even for those who do not share this enthusiasm for nature, it has to be said that it is a beautiful site and it has retained its beauty as the town has developed.

Basildon district council decided that the course should be leased for 99 years to a new company that is part of the Jack Barker golf group. There was real public concern about that, but the council is certainly within its rights to do that if it believes that it would be in the interests of Basildon residents. That decision on its own, although not universally welcomed, is not the reason why there has been such a huge public outcry. Personally, I would have preferred to have seen greater efforts made to keep this facility public and in the control of the council, and accountable to residents.

The origins of the decision to lease the course appear to be financial, as income from the course was not meeting council targets. Following a competitive bidding process, the Jack Barker golf group was awarded the lease, and I am told that at no stage in the process did the company mention the importation of landfill, let alone in the quantities that have since been agreed.

In September 2007, planning permission was given for 120,000 cu m of landfill to—it was claimed—"improve" the site. I have to admit that I am not an expert on golf courses, and I have no doubt that it is perfectly possible that the course could benefit from improvements. I would have no objection to some landfill being used for those improvements and for re-profiling, but not 120,000 cu m. Depending on the size of the lorries carrying the waste, there would be between 8,000 and 12,000 lorry loads of waste over a six-month period. I should add that this is only phase one of the development, and that the total plans are for 321,000 cu m of waste.

Aside from the huge amounts of traffic thundering through Basildon streets, we must wonder what the implications of this will be. I have tried to visualise what 120,000 cu m of waste actually looks like. If we think about a wall being built that is 1 m high and 1 m wide, we could rebuild Hadrian's wall, or there could be a wall from Basildon to Westminster and back again with some left over. That is the scale of the dumping there will be on this site.

Local residents and the wider community are understandably concerned about the impact of the proposed development on local traffic congestion, particularly outside Basildon university hospital, which treats 77,000 people a year and has one of the busiest accident and emergency units in the country. They are also concerned about the noise, dust and finer particulates that will be generated. Fine particulates are potentially carcinogenic and can be hazardous to those with respiratory problems. Older residents also fear a recurrence of the flooding that occurred in the 1960s, when homes were flooded by water running off the golf course after a storm. These fears may be unfounded, but what concerns residents is that there does not appear to have been a full assessment of all the possible implications, so residents have been unable to obtain the reassurances they need. For a number of homes overlooking the golf course, the view of trees and open space will be lost forever. Let us imagine what it will be like to see, instead of those trees and that green space, a 24 ft high wall of inert waste. It is no wonder people that are distressed. Basildon university hospital is located on a very busy roundabout close to the golf course, alongside St. Luke's hospice and Thurrock and Basildon college.

Despite council claims that it, local schools and the primary care trust were consulted over the plans, it appears that that was not the case. Therefore, given all these concerns raised by residents, how did this development and waste dumping get planning permission? It should be noted that there was not a

unanimous decision. The only two opposition committee members—Labour councillors Lynda Gordon and Danny Nandandwar—were unconvinced by the arguments and felt that not all their concerns had been addressed. They voted against planning permission. One councillor, Frank Tomlin, after voting in favour of the plans had a letter published in the local paper, the *Echo*. Somewhat surprisingly, he stated:

"Your report incorrectly describes me as a supporter of the scheme".

He went on to explain that he had

"no great enthusiasm for the proposed development"

and also said:

"It is highly likely that there will be unsightly heaps of material during the construction process. It is highly likely Jack Barker will make money from the development. If we could and did refuse planning permission because an applicant would gain financially, nothing would ever be built. The law does not allow us that option".

Does he really believe that those opposing planning permission do so only because there will be a mess during construction and the company will make money? In fairness, I think that if councillors had seen some of the information that I have now seen, there would have been more questions asked and greater examination of the detail, and permission might well have been refused.

I have made it clear that I am unable to discuss some issues today because of the judicial review. However, I can tell the House that the Equality and Human Rights Commission is investigating whether an adequate assessment of the impact on those with disabilities has been carried out and that the local primary care trust is considering undertaking a full assessment of the health implications, particularly those arising from dust and finer particulates.

A key part of the planning process is consultation. The result of the consultation with Natural England was reported to the committee thus:

"'No objections in terms of legally protected species, subject to mitigation measures, but recommends appropriate measures be put in place to protect populations of glowworms and their grassland habitat".

However, Friends of Basildon Golf Course has obtained a full copy of Natural England's letter to Basildon council dated 17 April 2007. Its first paragraph states:

"The application site lies close to Basildon Meadows Site of Special Scientific Interest (SSSI). Based on the information provided, Natural England has no objection to the proposed development on the basis of impacts on Basildon Meadows SSSI, subject to the proposal being carried out in strict accordance with the details of the application. The reason for this view is that we consider that this proposal in isolation will not have a significant effect on the interest features of Basildon Meadows SSSI. However, we are aware that this application is linked to the developer's aspiration to develop a much larger area of the golf course. The impact of this larger scale of development, including the proposals within the current application, would be likely to result in significant adverse impacts upon Basildon Meadows SSSI. These impacts would include significant hydrological change as a result of landscaping and air pollution impacts caused by increased road traffic, therefore, based on the currently available information, Natural England would object to such proposals".

I accept that it is legitimate for councillors not to have information on a subsequent development that is not before them at the time; every application has to be assessed on its own merits. However, Natural England's submission refers to:

"The impact of this larger scale of development, including the proposals within the current application".

Furthermore, on page 9 of the planning application it is stated:

"The application represents the first stage of proposals for the Golf Course and a subsequent application will follow for the remainder of the site".

I therefore query whether it would have been appropriate for this information to be formally reported to the members of the development control committee.

Another consultee was Sport England, and the result of that consultation was reported to the committee thus:

"Whilst not a statutory consultation, support for the principle of the planning application."

In subsequent correspondence, Friends of Basildon Golf Course learned that Sport England was supporting only the principle of a new clubhouse and the principle of a new driving range forming part of the facilities, and no more. It was not endorsing the detailed design, the precise location, the importation of landfill, the cutting down of trees or any other aspect of the environmental impact. Importantly, it was also not endorsing changes to the design of the course. Again, it would have been helpful if councillors had been given that information.

Shortly after the initial agreement to lease Basildon golf course to Jack Barker Golf Ltd for 99 years, the Conservative administration on Basildon council agreed changes to the local plan and the removal of what were considered to be restrictive guidelines. The rules calling on councillors to resist the building of large-scale clubhouses and to scrutinise closely the installation of driving ranges in the district have been jettisoned in the latest local plan. The council's cabinet member for regeneration, Stephen Horgan, freely admitted that councillors had had Basildon golf course in mind when deciding to scrap the guidelines. He said:

"It would be a bit silly to give the contract to a company who want to redevelop the golf course and then produce a plan that would restrict what they could do there."

One of the changes deletes the following commitment in the plan:

"Proposals for golf driving ranges will be closely scrutinised to ensure that they have a minimal effect on the visual and residential amenities of the area ".

That goes back to the 24 ft-high wall that I mentioned. Although changes to the plan were drafted, they were not ratified by the time the planning application was considered by the committee. Councillors who were making the planning decision were not told about the local plan or the issues it raised about how the proposals should be assessed.

I am also quite clear about the fact that councillors and the public were unaware of the extent of the dumping and the impact it would have. That is not surprising, given that some proposals were never put online as the files were said to be too big. In addition, the plans showing the contours of the height of the driving range—the range will be directly adjacent to a residential area—were not submitted to the council until 15 May. The closing date for consultation

[Angela E. Smith]

responses from the public and those affected by this proposal was 18 April. That is almost a full month before things were submitted to the council. So those people whose homes look out on to trees and a green area—they will now be faced by a 24 ft bank that holds a driving range with associated lights and so on—were not given any opportunity to object to the proposed height of the driving range.

A further issue of some confusion at the council—although I do not think it was the council's fault—was whether the waste being dumped fell under the terms of a paragraph 19 exemption or whether a waste management licence would be needed. It was finally decided that a no licence was required because the waste would not be stored but would be dumped where it would be used, so no landfill tax applied.

I disagree with my local council from time to time, although at all times I try to be co-operative and helpful and to work in the interests of local residents. Even in this case, I wrote to the leader of the council, and met him, to point out a number of my concerns. I asked him to delay progress so that the issues could be further examined and fully investigated. I assured him that he would face no criticism from me—in fact, I told him that I would praise him for being willing to consider some serious issues. He refused.

I have concentrated on Basildon, but it is not the only place where such dumping goes on. My hon. Friend the Minister made a welcome commitment in response to a question from the hon. Member for Romford (Andrew Rosindell) when she announced that the Environment Agency will look into the dumping of waste and will consult on the subject.

I appreciate that because of the time scales involved, and because of the opportunity for new legislation, it might take some time before any new policy comes into effect. Nevertheless, action is needed and I urge that there be no unnecessary delays. May I ask my hon. Friend the Minister to ensure that such a consultation involves not only consultation with members of the public and others who have been asked to submit their views? It should be a proactive examination of all the issues involved. Will she ask the Environment Agency to visit those areas that have already seen such works, such as Risebridge in Romford, and Nottingham, to get a fuller picture of what such dumping really means?

I realise that the hon. Friend the Minister cannot answer for Local Government Ministers on the issues I have raised regarding the decision-making processes, but will she pass on my comments to the appropriate Minister, so that we can see whether the current guidelines give sufficient clarity and advice?

I appreciate that although my hon. Friend the Minister is responsible for many things, I cannot hold her responsible for the decisions of Basildon council. However, given that such dumping on such a level is becoming more widespread, I would be grateful if she was able to answer the following questions—it will be perfectly satisfactory if she writes to me. How many waste licences have been issued since 2005? Is it possible to identify how many and which were for golf courses? How many involved paragraph 19 exemptions? What are the monitoring arrangements for ensuring that the licences and exemptions are adhered to? It appears that some local authorities merely give the DEFRA hotline number. Surely the local authority has some responsibility, too. How many licences or paragraph 19 exemptions have been withdrawn either temporarily or permanently? If a developer is granted a licence or an exemption for one purpose, can they change the reason once it has been issued?

My next point might be an issue for the Treasury, but I am sure that the Chancellor will welcome the opportunity to close any loopholes. Has any estimate been made of the amount of landfill tax receipts that would be generated if just a quarter of the waste exempted from the tax was not exempt?

Basildon council's intransigence on the issue means that the only option for local residents has been to raise their own money to fight the case through the courts. The fear is that unless the issues are widely publicised, the same thing will happen again and again. The Friends of Basildon Golf Course now has a network across the country and can offer advice and support.

I am grateful for the opportunity to raise the matter today. I will continue to work with and support my constituents in opposing these appalling, damaging plans. Basildon council's decision is utterly incredible and incomprehensible. It is just plain wrong. I regret that poor decision making has been allowed to go this far, causing distress and expense to the residents and council tax payers of Basildon.

6.19 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Joan Ruddock): I congratulate my hon. Friend the Member for Basildon (Angela E. Smith) on securing this important debate and on the excellent way in which she has presented her case. It is clear that despite her other onerous duties in the House she takes seriously the concerns of her constituents. She has obviously given great support to the Friends of Basildon Golf Course in their campaign. I fear, however, that she will find my speech rather less spirited than her own. This is one of those occasions on which I can say very little directly about the case in hand, but must explain the context and processes that surround its consideration.

As my hon. Friend explained, the development of sites involving the importation of waste, such as the Basildon golf course, is controlled by both the planning system and the environmental permitting system. I understand that Basildon council did not require the planning application for the development to be accompanied by an environmental impact assessment. Clearly, her quarrel is with the council.

It is a fundamental principle of the planning system that each application must be decided on its individual planning merits following consultation, as my hon. Friend said, with those potentially affected. The decision on the suitability of a site for a particular development rests with the relevant planning authority or, on appeal, with the Secretary of State for Communities and Local Government. As my hon. Friend said, proceedings for a judicial review on the planning decision have been issued by solicitors acting on behalf of the protest group. As a result, I am sorry to say that it would not be appropriate for me to

comment on individual planning issues at the site. I am unclear about the extent to which Basildon council consulted the county council. However, I understand that Essex county council has expressed disappointment that it was not fully consulted on whether the development should be considered as a county matter.

I have heard with concern what my hon. Friend said about the position of Natural England, and as the Minister with responsibility for biodiversity, I shall undertake to look into that further. For all the other reasons stated, I shall draw the matter to the attention of the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Hartlepool (Mr. Wright), who has responsibility for housing and planning.

Waste recovery and disposal activities are governed by a system of permits designed to protect the environment and human health. European legislation provides member states with the discretion to provide for exemptions from the need to have a permit for recovery operations. My hon. Friend the Member for Basildon asked how much landfill tax could be raised if a quarter of the waste that is currently exempted from the tax were not exempt, but we aim to reduce the amount of waste going to landfill and encourage the bona fide reuse, recycling and recovery of waste wherever it is legitimately possible.

To that end, the Government make extensive use of exemptions in order to apply a light regulatory touch and to encourage low-risk recycling and recovery operations. When the deposit of waste constitutes recovery, golf courses and other landscaping developments can benefit from one of the exemptions currently provided for, which my hon. Friend now knows are called paragraph 19 exemptions, after the relevant part of the regulations from which they derive.

The exemptions are valid only if the works in question are carried out in accordance with planning legislation, and it is limited to the types and origin of wastes detailed in the regulations. It is required that the operation be registered with the Environment Agency. Registration of an exemption is a much simpler system than permitting and does not in itself require consultation. A notification of an exempt activity at the site in question was received by the Environment Agency on 19 December last year. From the information supplied, the Environment Agency is satisfied that the proposal meets the terms of the exemption.

My hon. Friend asked how many such exemptions there are. There are currently more than 2,700 paragraph 19 exemptions registered with the Environment Agency. An exemption allows waste to be used for a range of purposes, not just the landscaping of golf courses. They include noise screens for major roads, foundations for new housing developments and the repair of roads and tracks using waste. I think that she might have wondered how many of the exemptions are for golf courses, but I am afraid that I am unable to tell her.

My hon. Friend asked a number of questions about the monitoring and enforcement of exemptions. The Environment Agency has a duty to inspect any site being managed under an exemption, to ensure that the terms of that exemption are being adhered to. It is also responsible for responding to complaints or allegations of unlawful activity. If the purpose of the activity changes from what was originally registered and does not fit with the allowed purpose of the exemption, the developer is required to re-register the exemption with the Environment Agency.

My hon. Friend asked about paragraph 19 exemptions that have ceased to apply, and I can tell her that just three have been deregistered in the past year. She asked about developments at other golf courses, such as the one at Risebridge park. As a result of concerns raised by the hon. Member for Romford (Andrew Rosindell), I have asked the Environment Agency to look into the activities at that site. I have also been advised that Environment Agency staff in the Thames, north-east area are in the process of setting up workshops with the relevant local authorities to discuss how they can work in partnership with regard to golf course developments.

I believe that work has not yet started at Basildon golf course, but I want to give my hon. Friend an undertaking that, should the project proceed, I will ask the Environment Agency to monitor the site closely and report its findings to me. If the activities are not being carried out in accordance with the exemption criteria, or if pollution of the environment or any risk of harm to human health occurs, the Environment Agency will remove the exemption registration and require the developer to stop the activity or obtain an environmental permit. I am confident that the Environment Agency has sufficient powers and that it will use them to take appropriate enforcement action against any unlawful operators, or against those causing harm or pollution.

This important debate and other communications from hon. Members have highlighted widespread concerns about the sometimes inappropriate use of the paragraph 19 exemption for "sham" recovery to avoid the costs of landfilling. As a result of that and other issues connected with waste exemptions, a review of the exemptions regime is already well under way—something that my hon. Friend suggested should happen.

The minimisation of abuses of the system is a key priority for that review, as is the need to encourage genuinely low-risk and small-scale recycling and recovery operations. A consultation is due to be launched this summer, with a new scheme of exemptions being delivered in October next year. My hon. Friend may want to make some representations to that review.

As part of the review, we have drawn on evidence from the Environment Agency, and on its experience of regulating exemptions in England and Wales. We have also made an assessment of the risks that those activities pose. As a result, our proposals will set out that the paragraph 19 exemption for the use of waste for construction purposes must be tightened significantly. There is currently no quantity limit on the amount of waste that can be used under the exemption—and it is clear that quantity is one of my hon. Friend's major concerns—but the proposals include the implementation of a very low quantity threshold for the exemption. Projects that are above the threshold—that group would clearly include the sort of operation that she described—will be required to operate under an environmental permit, with the additional regulatory controls that come with it.

[Joan Ruddock]

I have much more to tell my hon. Friend, such as the fact that we have introduced a mandatory system of site waste management plans that will require those running construction, demolition and excavation projects to draw up plans to reduce the waste that they produce, and to manage properly its recovery and disposal. We have many actions in hand that we hope will contribute to preventing operations that may turn out to be scams. We very much appreciate that there needs to be a better interface between planning and the granting of environmental permits, and work is in hand to produce a protocol for use by planning authorities and the Environment Agency.

I conclude by thanking my hon. Friend for securing the debate. Although I am not able to consider the specific planning issues, I hope that I have been able to make it clear that the Government recognise the problems that are occurring in the sector. They can cause the great distress, which she highlighted on behalf of her constituents, about an amenity that is clearly much valued in her constituency. I hope that I have also made it clear that we are addressing those issues. Legislation is in place to protect both the environment and people, and we need to be sure that it is doing so effectively.

Question put and agreed to.

Adjourned accordingly at half-past Six o'clock.

House of Commons

Friday 25 April 2008

The House met at half-past Nine o'clock

PRAYERS

The First Deputy Chairman of Ways and Means took the Chair as Deputy Speaker, pursuant to the Standing Order.

Jim Dowd (Lewisham, West) (Lab): I beg to move, That the House do sit in private.

Question put forthwith, pursuant to Standing Order No. 163 (motions to sit in private):

The House divided: Ayes 0, Noes 44.

Division No. 151] **[9.34 am**

AYES

Tellers for the Ayes:
Jim Dowd and
Jim Sheridan

NOES

Barker, Gregory
Beith, rh Mr. Alan
Boswell, Mr. Tim
Bottomley, Peter
Brown, Lyn
Burns, Mr. Simon
Chope, Mr. Christopher
Clarke, rh Mr. Tom
Davies, Mr. Dai
Davies, Philip
Devine, Mr. Jim
Eagle, Maria
Evans, Mr. Nigel
Fabricant, Michael
Fitzpatrick, Jim
Foster, Mr. Don
Francois, Mr. Mark
Goodman, Helen
Greening, Justine
Griffiths, Nigel
Hodge, rh Margaret
Hollobone, Mr. Philip
Horwood, Martin
Iddon, Dr. Brian
Johnson, Ms Diana R.
Khan, Mr. Sadiq
Kirkbride, Miss Julie
McCabe, Steve
McCarthy, Kerry
Pearson, Ian
Robertson, Angus
Robertson, John
Skinner, Mr. Dennis
Snelgrove, Anne
Vaizey, Mr. Edward
Villiers, Mrs. Theresa
Wallace, Mr. Ben
Waltho, Lynda
Weir, Mr. Mike
Whittingdale, Mr. John
Williams, Mrs. Betty
Williams, Mark
Winterton, rh Ms Rosie
Wyatt, Derek

Tellers for the Noes:
Mr. Russell Brown and
Andrew Gwynne

Question accordingly negatived.

Orders of the Day

Food Products (Marketing to Children) Bill

Order for Second Reading read.

9.47 am

Nigel Griffiths (Edinburgh, South) (Lab): Obesity, especially among children, is a threat to their health, to the NHS and to the economy. The World Health Organisation, the World Cancer Research Fund and the Government's expert scientists have warned that obesity is a problem of potentially epidemic proportions and that drastic action is needed if millions of young lives are not to be blighted and billions of pounds drained from the NHS and the economy.

The impact of obesity on Britain has been likened to climate change: a disaster for the lives of individuals, our health service and the economy. Today, in Britain, one in three children are classified as overweight or obese. More than nine out of 10 children consume too much saturated fat; more than eight out of 10 too much sugar; and more than seven out of 10 too much salt. The Government's foresight report has predicted that between half and two thirds of all our children will be overweight or obese if current trends continue.

The estimated cost of the rise of obesity in cash terms is put at £45 billion a year if no action is taken. Diabetes UK tells us that, unless action is taken, the incidence of type 2 diabetes will rise by 70 per cent., and of strokes by 30 per cent. and coronary heart disease by 20 per cent. Massive funding to advertise and promote junk foods—£800 million a year—is undermining the efforts of parents to control the food and sugary drinks that children take. As a former Minister with some responsibility for the advertising industry, I am pleased to introduce a Bill that will reinforce parents' efforts and make it easier to encourage healthier eating to benefit children and the economy.

There is no single solution to childhood obesity, but everyone except the food and advertising industries agrees that tougher regulations and restrictions on how unhealthy foods are marketed to children are essential. Even the advertising industry concedes that such regulations would make an impact, otherwise it would not oppose the Bill so vigorously.

Philip Davies (Shipley) (Con): The hon. Gentleman says that everyone accepts that the Bill is needed to tackle childhood obesity, yet a recent opinion poll showed that 76 per cent. of the public thought that the restrictions would make no difference whatever to childhood obesity levels. I am not entirely sure how he has worked out that everybody agrees with him. On what basis does he take that view?

Nigel Griffiths: It is the case because having listened to people, I have introduced a Bill that is a compromise. I am sure that if those people were polled on even tougher regulations, they would say that they would have an effect. As we are trying to reach a compromise, we have introduced a Bill that is practical and proportionate. I am sorry if members of the public feel that even tougher action is needed, and I certainly would not hesitate to introduce a Bill that would achieve it.

Martin Horwood (Cheltenham) (LD): Is the hon. Gentleman aware of the survey included in the Which? submission on the Bill, in which 80 per cent. of people told us that they did not think that TV advertisements for unhealthy foods should be allowed during the times when the greatest number of children watch? There is evidence on both sides of the debate.

Nigel Griffiths: That is a telling point from the premier organisation representing consumers—something it has done for many decades.

Mr. Simon Burns (West Chelmsford) (Con): Does the hon. Gentleman accept that this is a very difficult subject to get right? There are a number of changes and improvements that one can make to help to deal with the problem, but does he recognise that more parental responsibility is important? What does he think could be done to educate parents and ensure that more of them take a responsible line in feeding their children and seek to minimise the problems of obesity?

Nigel Griffiths: I certainly agree with the hon. Member, and I shall tell him what I think can be done. We can diminish the pester power that children exert on their parents, which is fostered by an advertising and food marketing industry that has already been caught using websites that were so unacceptable to the public that even some of the largest companies in Britain had to pull them. I hope that there is support for backing parental responsibility, which is one of the primary aims of my Bill.

Mr. Jim Devine (Livingston) (Lab): Central to my hon. Friend's Bill is reinforcing assistance to parents. I have had a lot of correspondence in my mailbag from constituents who support the Bill and the action that he is taking.

Nigel Griffiths: I am grateful to my hon. Friend for pointing that out, and for his continuous support for the Bill. It is a direct response to what I believe parents want, but more importantly, it is also a response to the scientific review that our Government carried out, which reported towards the end of last year. The foresight report of last October chillingly warned that a substantial degree of intervention was required to have an impact on the rising trend of obesity.

Miss Julie Kirkbride (Bromsgrove) (Con): I am grateful to the hon. Gentleman for being generous in allowing interventions. I wanted to stop him when he talked about little children's pester-power about food. On the basis of seeing my own child and those of parents whom I know, it is clear to me that pester power definitely applies to toys, but does it apply to food? I have never heard the phrase, "I've got to have that packet of crisps." Children may want a packet of crisps, but it will not necessarily be a packet of Walkers crisps. I do not agree that children are so motivated by food advertising. In the end, it is the mum who does the shopping, or maybe the dad, but definitely not the child.

Nigel Griffiths: The hon. Lady is one of the luckiest parents in the country. She must be one of the few whose children have not pestered them for fizzy drinks or candy bars. Perhaps she may care to write a treatise, which we can publicise so that every parent in the country can benefit from her near-unique experience.

Mr. Mike Weir (Angus) (SNP): Does the hon. Gentleman accept that pestering is not just for specific products, but for such things as McDonald's burgers or Kentucky Fried Chicken? Many of us have had to say to our children, "I am not taking you there," but they see such places on the television. Pester power is not just for Cheerios or whatever happens to be advertised.

Nigel Griffiths: I commend the hon. Member for that important point, which gets to the heart of the Bill. It is about advertising not only during children's programme hours, but during family television. Such products are relentlessly marketed to families, and in this case to children, too.

Lyn Brown (West Ham) (Lab): I thank my hon. Friend for being so generous in giving way. Before I came to the House I did work in the community, part of which was about parents and food. The message that I received from parents was that children would eat only the foods that they recognised and that, unfortunately, recognition came largely from television. The other problem that parents had was the accessibility of different foods. Many of them without cars found themselves having to shop at corner shops, which rely on highly advertised foods rather than fresh and affordable foods.

Nigel Griffiths: My hon. Friend speaks with great authority and reflects what food nutritionists, as well as Nick Nairn, Jamie Oliver and others, are saying. Her remarks illustrate the impact of pester power and the value of advertising. After all, why do we have such a large and successful advertising industry?

Jim Dowd (Lewisham, West) (Lab): I congratulate my hon. Friend on his success in the ballot and on introducing the Bill. In response to the hon. Member for Bromsgrove (Miss Kirkbride), I point out that when the hon. Member for West Chelmsford (Mr. Burns) and I served on the Select Committee on Health some half a dozen years ago or so, we conducted an inquiry on obesity. I am sure that the hon. Gentleman remembers it well, as he played a very constructive role. He will recall that we came across a company—I have a pretty clear impression that it was Kellogg's, and if it was not I apologise unreservedly—that had on its website a marketing strategy that actually encouraged the use of pester power. It quoted it as a strategy for selling its products. That pester power clearly applied to children, not adults.

Nigel Griffiths: My hon. Friend is absolutely right. That report was critical in ensuring that the Government's views on obesity were taken seriously and that, more importantly, society and Parliament took obesity seriously. More recently, Which? produced two reports. One was "Food Fables", on the myths that the industry had put out about how responsible its marketing was. My hon. Friend has given one example, and I shall give another later. The other report was "Cartoon Heroes and Villains", on the use of cartoons by such companies to lure children into having more of their products than is healthy. The views of my hon. Friend and other hon.

Members who have spoken in support of the Bill are reflected by the more than 200 right hon. and hon. Members who have signed early-day motion 445, supporting the 9 pm watershed.

Mr. Nigel Evans (Ribble Valley) (Con): The term used in the Bill, "less healthy food", is fairly subjective, but I assume that it would encapsulate products such as those of McDonald's. The Bill refers not just to broadcast advertising but to point-of-sale material. Youngsters walking down Victoria street past McDonald's would come to one of those plastic Ronald McDonald characters, which I suspect would be made illegal under the Bill. Does the hon. Gentleman really want to go down in history as the man who killed Ronald McDonald?

Nigel Griffiths: I do not want to go down in history. I am sure that this is true of the hon. Gentleman, too—as the person who put the health of our advertising industry and of McDonald's before the health of our children. He is mistaken, because there is nothing subjective about the provision. Clause 2(1) clearly refers to the Food Standards Agency definition of foods that are high in fat, salt and sugar.

Out of 1,484 early-day motions, I am glad to say that early-day motion 445 came in the top 10 for the number of hon. Members' signatures. Sadly, many hon. Members who signed the early-day motion cannot be with us today, because they are campaigning in the London mayoral elections or in their local council elections. I have received apologies from strong supporters of the Bill on both sides of the House. I am especially grateful to Which?, Cancer Research UK, Diabetes UK, Sustain, the Children's Food Campaign, the British Heart Foundation, the British Medical Association, the Royal College of Nursing, the National Union of Teachers, Unison and many others for their support for the Bill, which aims to control the advertising, marketing and promotion of less healthy food and drink products to children.

The Bill follows Government action to ban adverts targeted at children's TV programmes. What a generation ago was a treat—a bar of candy, a box of chocolates or a fizzy drink—is now taken for granted. Economic prosperity has made such treats commonplace. Of course, that is not enough for some companies, which have commissioned labs to come up with artificial smells outside food shops to act as a magnet to pressurise shoppers—at such outlets what smells fresh is totally artificial. It is difficult for children, who must learn that items that were treats to my generation are, when taken in quantity, damaging to their health.

Mr. Christopher Chope (Christchurch) (Con): We should be debating the issue of being "taken in quantity". If the Bill were to become law, unhealthy foods would include Marmite, honey and cheese, which are not unhealthy if they are eaten in moderation.

Nigel Griffiths: The definition would not include those foods. I urge the hon. Member to study what the FSA has actually categorised.

In one short generation, as economic prosperity has risen so abuses have occurred on the parts of both consumers and the producers of goods. As I said, parents have told me that their efforts to educate their children on reasonable consumption are being fatally undermined by the relentless advertising and marketing to their children of food products that are high in fats, sugars and salts. Frankly, they are sick of their children being manipulated, and they are sick of pester power.

Kerry McCarthy (Bristol, East) (Lab): My hon. Friend has focused on the impact on obesity in children of consuming junk food and the influence of advertising. Does he accept that the consumption of junk food can have a significant impact on children's behaviour in terms of attention deficit disorder, which can occur if they consume food containing lots of additives, and hyperglycaemia? Studies of children in young offenders institutions have shown how changes in diet can improve behaviour.

Nigel Griffiths: That is a critical point. That is the reason why local schools in my constituency—I am sure that this is true around the country—have taken out the fizzy drinks machines and reported great benefits in children's responses. Incidentally, that is one of the reasons why I strongly support universal school lunches, which would allow children to see what goes into a good meal. I congratulate the hon. Members who are taking forward that cause, which I strongly support.

Dr. Brian Iddon (Bolton, South-East) (Lab): I am glad that my hon. Friend has mentioned the role of education. Will he join me in congratulating Bolton council on committing itself to introducing free school meals for all first-time primary school children in September? That will lead those children down the correct nutritional path, rather than down the path of bringing junk food into school for lunch.

Nigel Griffiths: I certainly congratulate Bolton council. In the manifestos for the next election, I want to see all political parties pledge to support the funding of universal school meals, which could enhance not only children's health, but the educational environment. Universal school meals could give children benefits that last a lifetime.

Clause 1 defines "advertising and promotion", and lists the types of media that will come within its scope, including the internet, which I shall mention in a minute. Clause 2 refers to "less healthy" products, as defined by proposed section 7(c) to the Food Standards Act 1999—such foodstuffs are high in fat, sugar or salt. It specifies that such foods should not be advertised, marketed or promoted between the hours of 5.30 am and 9 pm. The 9 pm watershed has been selected for two reasons. First, evidence cited in the Ofcom report indicates that, among all the options that it examined two years ago, a 9 pm watershed would screen out up to 95 per cent. of junk food advertisements from popular TV programmes watched by children. Secondly, the 9 pm watershed is already accepted for TV adverts for gambling. I commend the Secretary of State for Work and Pensions for his work in his former post as Secretary of State for Culture, Media and Sport, when he achieved that watershed by threatening legislation. I hope that my right hon. Friend the Minister of State, Department for Culture, Media and Sport will not hesitate to do the same to protect our children's health.

Mr. Evans: Having killed off Ronald McDonald, the hon. Gentleman is moving on to kill off children's television. Does he realise that one of the unintended consequences of the Bill is that it will remove a substantial amount of advertising from children's television? In that case, why would it be in the interest of TV producers to produce children's programming? The Bill would have an enormous impact on such programming.

Nigel Griffiths: When the hon. Member previously intervened, I asked him whether he would put the health of the advertising industry before the health of our children; sadly, he has answered that question.

Martin Horwood: The BBC channels CBeebies and CBBC dominate younger children's programming. They have no advertising at all, so they would not be damaged in the slightest, and they provide a good, educational service for children.

Nigel Griffiths: The hon. Member is right. With the exception of one or two hon. Members, the whole House knows that there has been a long-term decline in the commissioning of children's programmes by UK companies. That is part of the argument that has been deployed against the Bill, but the bad news for the people who have deployed that argument is that the Bill is not law and that that has been the trend for the past decade, which has nothing to do with advertising restrictions.

Mr. Edward Vaizey (Wantage) (Con): Since the advertising restrictions were introduced, children's television commissioning has fallen off a cliff. The BBC effectively has a monopoly, which nobody wants, while other channels only carry American imports. Is the hon. Gentleman going to put the health of American television ahead of the health of British television?

Nigel Griffiths: The hon. Member is advocating putting the health of American television before the health of British children. His hyperbole, as a journalist, does him no credit, because the truth is that prior to the restrictions—they were rather small, and came in only in summer last year—all the evidence showed that tens of millions of pounds' worth of children's programming was no longer being commissioned in Britain, and that was the case before a single bit of legislation had been put in place. Small and welcome steps have been taken so far and they are being evaluated in full by Ofcom. However, Ofcom's evidence indicates that less than half of the programmes watched by young children are affected by the restrictions, which is why they are not very effective.

Miss Kirkbride: It is fairly obvious that not everyone agrees with the hon. Gentleman's Bill—there is a fair amount of disagreement. Given that there is already a ban on advertising during children's programmes, would it not be more appropriate to determine whether that ban is effective? If that were determined to be the case, he might be better able to persuade those of us who are extremely sceptical and think that this is just a "something must be done" Bill, rather than a Bill that will have any effect; indeed, this Bill might even have perverse consequences. We could then move forward in the knowledge that some science backs up the Bill.

Nigel Griffiths: The hon. Member makes a very valuable point. However, let me tell her that if such well-funded industries as the food processing and advertising industries thought that her conclusions were likely to be valid, they would have commissioned their own research and presented it to us. The fact that they have not done so tells me a lot.

Miss Kirkbride *rose*

Nigel Griffiths: I will, of course, give way to the hon. Lady, because she will want to explain her statement that there is considerable opposition to the Bill. I concede that an early-day motion was tabled against my early-day motion. Mine attracted 211 signatures and the other attracted nine signatures, although I notice that it has only seven signatories listed today. It is one of the few early-day motions that have lost supporters in the three months during which it has been tabled, and two people signed both early-day motions.

Miss Kirkbride: I will set that one aside; the hon. Gentleman can explain it later.

The ban on advertising fatty products on children's television has been in place for only one year, so there has hardly been time to assess its consequences.

Nigel Griffiths: The restrictions have been in place not for one year, but for less than 10 months. However, if it is too early to evaluate the consequences, why has everything fallen off a cliff, to use the words of the hon. Member for Wantage (Mr. Vaizey)?

Mr. Vaizey *rose*

Nigel Griffiths: I am going to make some progress. The hon. Member will have plenty of time to respond to my points later.

Clause 2 would allow the Secretary of State to produce guidance, in consultation with the Food Standards Agency and Ofcom, on the content of adverts and the association between a less healthy product and a brand name. It would also allow him to produce guidance on the appropriate level of fines. Clause 2(2)(a) sets the 9 pm watershed. Clause 3 clarifies the role of the FSA, and clause 4 provides for the time scale of the Bill coming into force and its extent.

All Governments readily accept severe restrictions on the advertising and marketing of perfectly legal goods and services. Not only cigarettes and alcohol are subject to very tight restrictions, but so are casinos, betting and gambling. From last summer, unhealthy foodstuffs could no longer be advertised on children's TV. That followed work by Liverpool university and others demonstrating that children watching cartoons interspaced with junk food adverts increased their consumption of such foods and drinks, while a control group watching the same cartoons with adverts for toys were not affected.

Ofcom, the TV regulator, now concedes that only 41 per cent. of programmes watched by children are currently covered by such restrictions and that barely 50 per cent. of programmes for the youngest children are covered. However, much of children's viewing is not of children's programmes, but of family entertainment.

Which? examined the top 20 most popular TV programmes this year watched by the whole family. "The X Factor" and "Ant and Dec's Saturday Night Takeaway" are among the 19 of the top 20 that are simply not covered by the present ban. Only one of the most popular TV programmes watched by the family—by many children—is covered.

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): Is the hon. Gentleman aware that as several of those top 20 programmes were shown after the 9 pm watershed, they would not be covered by his Bill either?

Nigel Griffiths: I do not dispute that. I am saying that existing regulations do not cover the top 20, most of which are popular family entertainment, which represents a serious loophole.

Mr. Whittingdale: Surely, then, the logic of the hon. Gentleman's position should be that he favours a complete ban on the advertising of unhealthy foods at any time of day.

Nigel Griffiths: I do not favour a complete ban. I believe that adults have the right to exercise a choice and that children have to be protected until they are old enough to make an informed choice. The gap is being exploited through the marketing of certain types of foods, which my Bill would abolish.

Mrs. Betty Williams (Conwy) (Lab): Those of us who have followed debates on this matter in the Chamber for a long time will have noticed that organisations such as those cited by my hon. Friend—the British Heart Foundation, Diabetes UK and the BMA—have made totally consistent arguments over the years. There is cross-country support for my hon. Friend's Bill, including in Wales—I think that I am the only Welsh Member in the Chamber—which I point out just in case he thinks that support comes from only England and Scotland. Does he agree that the consistency of those organisations' arguments shows that they believe that the health of the nation is more important than that of the marketers?

Nigel Griffiths: I do. In short, they have been right and we have been wrong. It is time that the House caught up by legislating to take firm action in the face of the dire warnings given by the organisations that my hon. Friend mentioned. I am pretty sure that that was why, on 17 October 2007, our Health Secretary said that

"the reason why advertising restrictions should go much further is that about 70 per cent. of children watch television...outside the traditional children's viewing times." [*Official Report*, 17 October 2007; Vol. 464, c. 838.]

In the House of Lords, on 29 November, Baroness Royall, a Minister, said that

"we need a ban on all high-fat, salty and sugary foods before the 9 pm watershed." [*Official Report, House of Lords*, 29 November 2007; Vol. 696, c. 1297.]

The Bill embraces other media, such as websites, which is necessary following the exposure by Which? of companies' tricks to hook our children on their HFSS products. In anticipation of the ban on adverts during children's programmes that started last summer, cereal companies set up child-friendly websites to entice children to pester their parents for their products. The public were so shocked by the cases that Which? presented that they forced the closure of at least six websites. The kids zones run by Pizza Hut and Burger King, the Nestlé cereals, Nesquik, Cookie Crisp and Golden Nuggets websites, the Frosties and Coco Pops sites, and dairylea.co.uk were all withdrawn after the name and shame report by Which?.

Mr. Evans: Can I ask a specific question on that point?

Nigel Griffiths: No.

We have to ask ourselves who is standing up against such weighty groups—apart from the hon. Member for Ribble Valley (Mr. Evans). It is just a few advertisers and a handful of companies that do very well out of peddling unhealthy foodstuffs to children, sometimes in unethical ways.

Jim Dowd: On that point, does my hon. Friend agree that food processors, and food processors alone, are resisting traffic-light front-of-pack food labelling? Instead, they go in for the spurious and reprehensible guideline daily amount scheme, which the public do not understand, as they do not want the public to understand exactly how much saturated fat, sugar and salt is in their products.

Nigel Griffiths: My hon. Friend could not be more right, and could not speak on a subject more dear to my heart. Early on in my time in the House, I sought to bring in a Bill introducing a traffic-light system. I commend Sainsbury's for introducing a system of that sort, but I am critical of Tesco's failure to use a simple colour-coding device. He is right that there is opposition to the traffic-light system, and when those who are opposed to it think that they have been overwhelmed by public opinion, they then seek to confuse us, as Tesco is seeking to do.

The Government started off so well; they introduced initial first-stage restrictions on advertising on children's television to children under the age of nine, and since January there have been further restrictions that apply to all children—that is, those under 16. We need my right hon. Friend the Minister of State, Department for Culture, Media and Sport, to commit herself to taking the current Ofcom review seriously. Ofcom will report later this summer, having taken into account the evidence that it is considering. I am sure that it will receive a massive volume of evidence in the lead-up to publication of its report in July. It should not be frightened to recommend a 9 pm watershed, and I hope that my right hon. Friend and the Government will not hesitate to implement such a measure, or even go further if necessary.

I commend the Bill to the House. I know that it is supported by many hon. Members, and I look forward to hearing the Minister give a commitment to ensuring that the health of our children is protected for the next generation.

10.22 pm

Martin Horwood (Cheltenham) (LD): I had not intended to speak on the Bill, not least because I am keen to see the next Bill on energy efficiency and microgeneration progress successfully, but I have heard such arrant nonsense being spoken by Conservative Members that I am forced to speak.

[Mr. John Whittingdale]

fruit portion on sale, but when they took it to the sales counter, they were asked whether they wanted it with fries.

Things can be done to remedy the problem. However, in my view there is no such thing as unhealthy food. Specific types of food are unhealthy if one eats too much of them. Eating a McDonald's will not shorten one's life, whereas, as the film, "Super Size Me" demonstrated, a diet of nothing but McDonald's probably will. That is a question of education and, to some extent, common sense.

Attention has been paid to efforts to inform consumers about what is healthy, and considerable progress has been made. The hon. Member for Lewisham, West (Jim Dowd) mentioned guideline daily amounts—GDAs. I do not share his concern about whether they are an effective means of educating consumers or cause confusion; I believe that they are useful. They indicate clearly percentages that are regarded as healthy. It does not take much common sense to work out whether a product contains too high an amount of a substance. However, there are two competing systems and doubtless, in time, consumers will make it clear which one they find easier.

The food industry has also worked hard. It is easy to demonise food manufacturers as wanting to pump out quantities of unhealthy food and force feed our children with it. It is worth paying tribute to food manufacturers for what has been achieved in the past few years. In 2005, the Food and Drink Federation surveyed its leading members and found that 36 per cent. of products, worth approximately £7.4 billion, contained lower amounts of salt than they did in 2004. To give just two companies as examples, between 2005 and 2007, Nestlé reduced the volume of salt in its food manufacture by 13.6 per cent., the volume of sugar by 12.3 per cent. and the volume of fat by 15.6 per cent. Mars, which has achieved a great deal, reviewed its snack portfolio in 2002 and set out to reduce trans fatty acids in products that had a content of above 1 per cent. That has resulted in an average reduction in trans fatty acids of 72 per cent. Now more than 99 per cent. of Mars's snack food sales contain less than 0.5 per cent. That represents a reduction in the use of trans fatty acids of more than 3,500 tonnes across its snack food portfolio.

Jim Dowd: We should make it plain that the Food and Drink Federation is not an impartial academic centre, but the mouthpiece of the very companies that the hon. Gentleman mentions, such as Mars, Nestlé and Kellogg's. He says that people will come to a conclusion on whether GDAs or traffic lights are easier to understand, but how does he respond to the work of the Consumers Association and the Food Standards Agency? They have done tests on both systems and found that the recognition level for traffic lights is more than 90 per cent., whereas the recognition level for the information garnered from GDAs is below 10 per cent.

Mr. Whittingdale: All I would say to the hon. Gentleman is that I have some reservations about traffic lights. They are too simplistic and tend to suggest that anything with a blot of red on the packet will automatically be bad for people, whereas consumers need to know that it might represent, for instance, only 75 per cent. of their recommended daily intake of salt. If they decided that they still wanted to purchase the product, it would not damage them, as long as they recognised that they probably should not eat another packet within the next 24 hours. One has to give some credit to the intelligence of consumers and their ability to reach judgments when they are given the information.

The other point that I would make to the hon. Gentleman is this. It is very easy to say that any trade body representing an industry is completely unreliable and that one should not believe anything that it says in defence of its members. However, I take it that he is not disagreeing that the food manufacturers have made huge progress in reducing in their products the content of the more damaging substances, such as salt, sugar and trans fatty acids in particular. Just because the FDF has pointed out that that has been achieved does not mean that we should not commend the food manufacturers for doing it.

As well as giving consumers the information that allows them to make a judgment, we could also give the public more opportunities to work off the calories that they have taken in, through sporting activities. There is a danger that people will tend to focus on criticising the advertisers and food manufacturers because they do not want to face up to what would be a much more effective strategy, namely putting more money into sport and encouraging children to go out and take physical activity. The Government are vulnerable on that issue, because the amount of money available for sport across the country will be reduced, owing to the black hole of the Olympic games, which is sucking lottery money in. That has resulted in less money being available for Sport England to spend on sporting facilities outside London.

One should pay especial tribute to the private sector on the money that it puts into sport. Without that money, sporting clubs up and down the country would be considerably poorer. I should like to pick out two companies in particular. The first is McDonald's, whose record of supporting amateur football up and down the country is second to none. Every year, McDonald's sponsors junior football coaches who do a tremendous amount in voluntary sports and football clubs, training young people and encouraging them to take up the game. Presumably the hon. Member for Edinburgh, South would wish to prevent that under the terms of his Bill.

The other food manufacturer to which I should like to pay tribute is Kellogg's, which for 10 years has sponsored the Amateur Swimming Association, putting millions of pounds into swimming, to encourage young people to take part, get in pools, learn to swim, enjoy swimming and make it part of their exercise regime. The danger is that the measures that the hon. Gentleman is proposing would prevent companies that invest in sport from continuing to do so. That would be damaging, which is precisely the opposite effect to that which he seeks to achieve.

The Government have already implemented measures to restrict the advertising of so-called unhealthy foods to children. I was fairly sceptical about whether the measures that have been put in place would have any effect at all. The first question that we have to address is: how do we define unhealthy food? The FSA's model,

which is based on nutrient profiling, has been subject to considerable criticism. My hon. Friend the Member for Christchurch (Mr. Chope) has already referred to one or two perverse outcomes of nutrient profiling. Because it focuses on measuring the salt, sugar and fat content in a 100 g portion, it has deemed Marmite to be extremely unhealthy, despite the fact that the idea of anybody eating 100 g of Marmite is utterly perverse.

Michael Fabricant (Lichfield) (Con): Well I would—I love the stuff.

Mr. Whittingdale: I may have to make an exception for my hon. Friend, who is clearly a Marmite addict, but most people would not consume that amount. There is some dispute about whether it is helpful to brand cheese and other dairy products, which provide a considerable amount of the daily requirement of calcium, as unhealthy just because they do not fit the model adopted by the FSA. That has created some problems.

Philip Davies: My hon. Friend is making a typically powerful case. Other products covered by the restrictions include some cereals. Does he agree that it is rather perverse to restrict the advertising of certain cereals, when one of the biggest problems in children's diets is not eating at breakfast time?

Mr. Whittingdale: My hon. Friend is entirely right. My children grew up eating cereals—I imagine that most parents in this country had the same experience—and I agree that that restriction is a perverse result. There are a number of reasons why the blunt instrument of simply banning a particular kind of advertising not only will not achieve the effects that the Government are seeking, but might have perverse effects of precisely the kind that my hon. Friend identifies.

When the Government decided to go down that road, they asked Ofcom to conduct a thorough analysis and undertake a wide consultation, both to determine how effective advertising restrictions would be and to calculate the consequences of those restrictions on the broadcasting industry. That exercise was conducted over two years and produced voluminous reports. As a result, Ofcom concluded that food advertising had

"a modest, direct effect"

around 2 per cent.

"on children's food choices."

Nevertheless, Ofcom still decided that there was a case for introducing a ban on advertising HFSS foods in programmes that are watched by children or made specifically for them. Ofcom went as far as children aged 15, which I was concerned about, since that would affect, for instance, music channels such as MTV, as well as programming specifically for children.

That was the decision that Ofcom reached, although it recognised that it would come with a cost attached. The cost was removal of some £20 million in revenue from the commercial broadcasters that they would otherwise have received in advertising around UK children's programming. The hon. Member for Edinburgh, South was right to say that the problems facing UK children's programming predate the advertising ban. Investment in UK children's programming has been in decline for some six or seven years. Indeed, between 2001 and 2006 it fell by 56 per cent., from £62 million to £27 million. However, we can see from those figures that if another £20 million is removed by the ban already in place, a huge hole is left. The consequence is that investment in UK children's programming in the commercial sector is now essentially dead. The hon. Member for Cheltenham (Martin Horwood) is right to say that excellent children's programming is available on the BBC, CBeebies, CBBC and the main terrestrial channels offer children's programming of a very high quality.

It is not desirable or healthy, however, to have only one broadcaster supplying a sector of public service programming as important as children's programming. It is not desirable that all other programming on the commercial channels directed at children should be American or Japanese imports. That is why my hon. Friend the Member for Wantage (Mr. Vaizey) is right, and it is why the Select Committee concluded that there was a case for intervention, using public money, to support the provision of children's programming in the commercial sector.

Mr. Don Foster (Bath) (LD): The hon. Gentleman makes an important point, but so far he has not told us of his estimate of the Bill's impact on advertising. Can he confirm that the Ofcom estimate is not £20 million, but £250 million, which is the equivalent of all of the money spent on children's programming and on news programming?

Mr. Whittingdale: The hon. Gentleman demonstrates his usual foresight by anticipating the exact point that I was about to make. Ofcom decided that the specific restrictions that are now in place, and the money that would be lost as a result, were a price worth paying. The restrictions were therefore put in place last year. At the same time, as the hon. Gentleman rightly points out, Ofcom considered the proposal in the Bill for a complete pre-9 o'clock watershed ban. It said that it had

"considered the option of excluding all HFSS advertising before the 9pm watershed."

It recognised that that would remove 82 per cent. of recorded HFSS advertising impacts on all children, which would achieve one of the key regulatory objectives, that of significantly reducing the impact of HFSS advertising on younger children. Based on data provided by the FSA, Ofcom recognised that that would have social health benefits of perhaps £50 million to £200 million a year. However, Ofcom also concluded that

"this option would also undermine two other regulatory objectives. Most importantly, it would impose a disproportionate impact upon broadcasters, given that television advertising only has a modest impact upon food preferences. We estimate that the exclusion of HFSS advertising up to 9pm would cost broadcasters somewhere between £130 million-£240 million in lost advertising... Secondly, rather than being a targeted measure on younger children, its effect would be to restrict the viewing of audiences other than younger children."

That was why Ofcom said that it had

"concluded that a ban on HFSS advertising before 9pm would not meet Ofcom's regulatory objectives, and that it is therefore not appropriate to consult on this option."

Martin Horwood: The hon. Gentleman makes a strong case, and I am touched by his concern for my former employers and for the media owners. Is he aware that another foresight report puts the cost to our society of

[Martin Horwood]

obesity-related diseases at some £49 billion a year? In being concerned about advertisers, we are not perhaps getting our priorities right.

Mr. Whittingdale: If I thought that bringing in a pre-9 pm ban would remove the problem of obesity and save the nation £49 billion, I would be first in the queue to support the Bill, but I simply do not believe that it would have that effect. It is easy to say that the opposition to the Bill comes from multinational food producers such as McDonald's and Nestlé. I draw the House's attention to a letter sent to Members on behalf of ITV, Channel 4, Channel 5, Sky and Virgin Media Television. It states:

"Such a ban would have a major and dramatic impact on our companies' ability to fund programming and invest in original UK production—without achieving significant health benefits. There is no...evidence that advertising restrictions can have a major impact on obesity, and academic research has concluded that advertising has modest direct effects of maybe 2 per cent."

We cannot go ahead with a measure that will have such a dramatic effect on the commercial television sector, when there is very little evidence that it will achieve its objectives.

Kerry McCarthy: What is the hon. Gentleman's opinion on the advertising of alcohol and cigarette products? It is generally accepted that such advertising should be restricted, presumably because otherwise young people would be encouraged to smoke and drink more alcohol. What is the difference between those products and food products?

Mr. Whittingdale: There are differences, but the hon. Lady raises an interesting point. It is worth considering whether it is right in a free society to say that certain products are legal and people have the right to choose to consume them if they wish to do so, but to ban completely any advertising of them.

Mr. Vaizey: Is my hon. Friend aware that there is no evidence that a total ban on advertising alcohol has any effect on alcohol consumption? It is slightly odd for Labour Members to be pious about alcohol advertising when they introduced 24-hour drinking and a binge-drinking culture in this country.

Mr. Whittingdale: My hon. Friend makes a strong point. As I had the honour of representing the Opposition during the passage of the relevant Bill, I can remember expressing some concern at the time.

Whether one chooses to smoke is a matter of freedom of choice, and I certainly do not favour banning cigarettes. Indeed, I opposed the smoking ban, but I accept that the evidence is overwhelming that smoking even one cigarette is bad for people and they risk damaging health consequences. That is not the case for eating a McDonald's. If people eat one McDonald's, it will not shorten their life. It is a question of proportion and the extent to which people overeat McDonald's or live on nothing but McDonald's. Therefore, there is a big difference between so-called unhealthy foods and products such as cigarettes, where even one is probably bad for one's health.

Nigel Griffiths: What is the hon. Gentleman's opinion on a 9 pm watershed for gambling advertising?

Mr. Whittingdale: Again, gambling is a different issue, but I wish to address the issue of the 9 pm watershed. The Bill picks out the 9 pm watershed as the appropriate time to draw the line—everything banned before 9 pm and complete freedom afterwards. However, the 9 pm watershed is becoming meaningless. It was created in the days when viewers had a choice of two or three channels and, yes, most children probably were in bed by 9 pm.

Several things have changed since then. I wish that my children were in bed by 9 pm, but time and again they are not. I have a 14-year-old son—*[Interruption.]* I have previously revealed some of his tastes in films and music, probably not endearing myself to him in the process, but I can say that one of his favourite programmes—and this is a confession—is "Skins". It is an extremely good programme that resonates with teenagers. It is made for them—perhaps for teenagers slightly older than my son—and appeals greatly to 13 and 14-year-olds, yet it is broadcast at 11 o'clock at night. I can tell the hon. Member for Edinburgh, South that I am not quite such a negligent parent as to allow my son to watch television at midnight, but, like a growing number of households in this country, mine has a personal video recorder, so my son watches the programme on the PVR. He sets it and can then watch it any time. The ability to do that is increasingly destroying the meaning of the 9 o'clock watershed.

We are now in the age of PVRs, which make time shifting so simple that we no longer have to pore over the *Radio Times* and punch in numbers; we can time shift with one button. We are now getting video on demand, which means that we can call down programmes at a time of our own choosing. Focusing on the 9 o'clock watershed as somehow protecting children from exposure to late-night programmes is increasingly becoming irrelevant and ineffectual. For that reason, I believe that the Bill will not achieve the objectives that its promoter seeks.

Mr. Chope: My hon. Friend, wearing his Select Committee hat, knows a lot about the advertising industry and the gambling industry. Does he have any evidence that the incidence of childhood gambling has reduced as a result of the 9 o'clock watershed?

Mr. Whittingdale: The question is a little premature. Gambling advertising has only just been permitted on television, so there is not much evidence as yet. Children are not allowed in gambling establishments anyway and they are prevented from online gambling because they have no access to credit cards—and those are much more effective measures. I entirely accept that it is important to protect children from gambling, but we can already take effective measures to achieve that without preventing advertising, which is intended to inform adults and allow them to take rational decisions based on the information they receive.

It is important to stress that advertising is not brainwashing. There is a great tendency for people to demonise advertisements by claiming that they force people to buy things that they really do not want to buy, but that is not the case. A functioning free market

depends completely on advertising, because only through advertising are consumers given the knowledge they need to reach judgments about which products they want to buy. Advertising has a very important part to play in a market, which is why we need to be extremely careful before adopting measures to restrict it.

Mr. Chope: My hon. Friend talks about advertising and markets. Does he accept that for a product such as cannabis, which cannot be advertised because it is illegal, the lack of available information about the different types is actually very damaging?

Mr. Whittingdale: I am not sure that I would agree that it is necessarily very damaging. I would have to confess my almost complete ignorance—obviously unlike my hon. Friend!—of the different types of cannabis; but strong advocate of advertising as I am, I am not sure that we should be making that information widely available.

Let me conclude by returning to the main theme. The Select Committee conducted an inquiry at the end of last year into the future of public service broadcasting—a very serious issue. I believe that it is extremely important for the healthy functioning of democracy that there should be plurality, so public service programming should not be monopoly of the BBC. Public service programmes—the news, current affairs, documentaries, children's programming, regional programming—should also be available on the commercial channels, but we have to recognise that those channels are under pressure to an extent that they have never been before.

A revolution is taking place in this country's broadcasting, which I welcome, as it will result in a huge increase in viewer choice. The Government are the catalyst as a result of their courageous decision to proceed with the switch-off of analogue broadcasting, but digital switchover will result in the fragmentation of audiences and an inevitable decline in the market share of every single broadcaster. That will have huge financial consequences for those broadcasters, some of which we are already seeing, with Channel 4 telling the Government that it might not be able to sustain its business model without future financial help. ITV has asked the Government about withdrawing from some of its regional programming commitment and ceasing to commission UK-produced children's programming. The Select Committee thus believed that there was a case for Government intervention to sustain public service programming.

Philip Davies: Is it not striking that, although we know the consequences on commercial broadcasters of such a ban on advertising, no supporter of the Bill has been able to give any indication of how much childhood obesity will be reduced as a result of it? Perhaps that is because, as they may concede themselves, the Bill may make no difference to childhood obesity levels, even though we know that its impact on commercial broadcasters will be devastating.

Mr. Whittingdale: My hon. Friend is right, and I am sure that he will want to expand on that point in his own speech. In countries where restrictions have been imposed, there is no certainly evidence that they have led to a sudden reduction in obesity. In fact, the levels have normally tended to increase. Such evidence and research as there is actually goes to show that advertising restrictions have extremely little, if any, impact on obesity.

Mr. Chope: Does my hon. Friend agree that what probably has a much greater impact on obesity is how much television children watch? Would it not have been better to bring in controls over the amount of TV that children can watch rather than control advertising?

Mr. Whittingdale: My hon. Friend is showing alarming interventionist tendencies for a Tory! I have to say that that is unlike him; he is usually a great believer in freedom and libertarianism. I agree with him, however, that one of the key solutions in this area is the exercise of parental responsibility; it is parents who should be determining what their children eat and, equally, how much television they watch. I do not believe that that role is appropriate for the Government, but if my hon. Friend is suggesting that parents should restrict the amount of TV that their children can watch, I certainly agree with him.

Mr. Chope: I gave that example to produce a reductio ad absurdum in respect of the Bill's arguments. As my hon. Friend knows, I greatly believe in parental and individual responsibility. Does he also accept that we should point out to parents the connection between sitting on the sofa and obesity?

Mr. Whittingdale: Yes, we should do that. As I suggested earlier, we should also make available more facilities in the community so that children, rather than sitting on the sofa, participate in sporting activities. As I pointed out, many food manufacturers are contributing to that effort.

Let me finish on the point I was making before we got slightly side-tracked. This is a very difficult, as well as exciting, time for television in this country, and it will result in huge pressures on the commercial sector. As Ofcom has determined, the measures in the Bill are likely to cost commercial television broadcasters £224 million. That would be a catastrophic loss of revenue at any time; at this particular time, it would be hugely damaging. As I said to the hon. Member for Cheltenham, if I thought that the Bill would result in a dramatic improvement in the health of our children or in a huge reduction in the level of obesity, I might accept that there was a case for it, but nothing in the speech of the hon. Member for Edinburgh, South persuaded me that there is any evidence to suggest that the Bill will achieve that.

11.9 pm

Mr. Nigel Evans (Ribble Valley) (Con): I congratulate the hon. Member for Edinburgh, South (Nigel Griffiths) on being successful in the private Member's Bill draw, but that is where my congratulations end—so that is the generous part of my speech over with. It is a great shame that he has wasted this opportunity. I am sure his Bill is well intentioned—a little more generosity from me—but, like other Members, I do not believe that it will address the important topic of obesity.

[Mr. Nigel Evans]

Obesity must be addressed. Too many youngsters are overweight. There are all sorts of reasons for that, such as lack of sport, or just too much eating, or too much eating of the wrong foods. We would have to be blind not to see that there are too many overweight youngsters, and we must address that. However, the Bill will not kill off obesity, but it will kill off a lot of advertising, and as advertising leads to programmes appearing on our televisions, that would have an enormous impact.

The hon. Gentleman talked about colour coding on products. That goes some way towards giving the information that parents need about whether products are healthy, but it is simplistic. I far prefer the information that is contained on some packaging, particularly on some Tesco products, which states how many calories, sugars, fats, saturates and salts products contain. Sometimes we might think a product is healthy, but when we read that information we are amazed to discover how many calories it actually contains. When people are given that information, they can be far more intelligent about not only about what they eat, but how much of it they eat, and how often they eat it.

Kerry McCarthy: I do not know whether the hon. Gentleman does the weekly shop for his family, but nowadays a lot of information is displayed on products. Children in some families might be lactose intolerant or glucose intolerant. I am vegan so I have to scrutinise everything right down to the last detail to see whether it contains, for example, lactic acid. Would it not make it a lot easier if people could see a very clear red, amber or green traffic light, rather than have to analyse all that GDA guideline daily amount information?

Mr. Evans: No, that is too simplistic. Some people are allergic to nuts, for instance, and if a product contains even traces of nuts it can have a huge impact on them. Yet eating nuts can be quite healthy for those without a nut allergy, if eaten in the right quantities. I do my own shopping, but now may be the appropriate time to declare that I have an interest as I own a retail convenience store in Swansea. It is called "Evans the News" and it is open early in the morning and stays open until late at night, selling good quality products advertising on the parliamentary channel cannot be beaten, Madam Deputy Speaker.

Madam Deputy Speaker (Sylvia Heal): Order. I think that that has been quite sufficient. Will the hon. Gentleman please confine his comments to the Bill?

Mr. Evans: I shall do so, Madam Deputy Speaker, but I take every opportunity to plug the shop. I guess I could, therefore, be accused of being a pusher of sweets, and even Frosties, to youngsters, so I should make that declaration as well.

Philip Davies: Like my hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale), my hon. Friend the Member for Ribble Valley (Mr. Evans) touched on the point of the quantity that people eat rather than what they eat. Does he agree that if there were a restriction on advertising, as the Bill proposes, many food manufacturers might decide to spend the money that they had spent on television advertising on other forms of promotion, such as buy one, get one free? Therefore, rather than reducing the amount of unhealthy products being consumed, such a restriction could easily lead to much more unhealthy products being consumed because the marketing spend would change in that way.

Mr. Evans: My hon. Friend, with his expertise in the supermarket field, knows exactly what might happen. That is another unintended consequence of this proposed legislation; it is intended to promote health, but it would have the opposite effect. Of course manufacturers will look at different ways to promote their products. The Bill does not even address whether these so-called unhealthy foods should not be allowed to be promoted in any way, even by price discounting or buy one, get one free offers. The Bill opens up a can of worms in that respect.

We need an element of common sense about these matters. Members have mentioned parental involvement, and ultimately this issue is all about guidance from parents. However, too often some parents are themselves obese, and are the wrong role models for their youngsters.

On the quantities that people eat, I remember reading in a newspaper once about a woman who went to see her doctor because the pigmentation of her skin had changed; she had turned orange. She was rather worried about that, as we can imagine.

Philip Davies: It was Peter Hain.

Mr. Evans: I shall not name and shame anybody. When the doctor discussed with the patient's eating habits with her, he found out she was eating tomato soup for breakfast, lunch and dinner. Nobody would say that tomato soup is dangerous or unhealthy, but it clearly has such an effect if that is the only thing someone eats. That is not a balanced diet. We ought to be promoting a balanced diet, not picking on so-called unhealthy foods and clobbering them with an advertising ban.

I was going to ask the hon. Member for Edinburgh, South for guidance on a technical point. The Bill covers a lot of issues, as the hon. Gentleman has tried to cover every base on the promotion of products, including the internet, but he will know about social networking sites such as Facebook and Bebo, where a lot of youngsters put up their own sites supporting products they like. For instance, there may be a "We love Smarties" site. I suspect that under the Bill the promotion of Smarties on the internet before the watershed would not be allowed. However, if youngsters put up a fan page for a product that they like, would that be covered by the Bill? I am unsure whether it would be, but that raises the prospect of the food police knocking on a youngster's door and telling the youngster that they were promoting an illegal produce. That would be perverse, and I am sure that it would be an unintended consequence.

The Olympics has been mentioned. We cannot ignore it and its sponsors, whether international or otherwise. The Bill contains restrictions on sponsorship. McDonald's or Coca-Cola, as international sponsors, would fall foul of it. Does that mean that there could be no perimeter advertising of such products around the Olympics stadiums, or might there be a ban on advertising products within

a certain distance, as there is with, for instance, point of sale material in the school tuck shop? Cigarette packets would have to be under the counter so that people could not see them until they went into the shop and asked for them. The extension of that logic would be that sweets or unhealthy products should not be on show, in case that entices people to put them in their trolleys. That raises the image of shoppers going up to the shopkeeper and whispering to them, because they should not be asking in a loud voice in case someone else hears them, "Could I have a packet of Frosties, please?" and the shopkeeper wrapping the pack in brown paper so that nobody can see the product when the customer puts it in their bag. That is ludicrous. Such products, particularly breakfast cereals, tend to be fairly colourful. A lot of the packets contain gifts—I understand that there is a voluntary code on that—and even items such as CDs and DVDs, which may be educational or promote sports, are given away with these products. Even they could be said to be enticing youngsters to buy such products, so all that might become illegal, as well.

Mr. Chope: My hon. Friend says that they "might" become illegal; under clause 1, they would. It would be illegal for the international sponsors of the 2012 Olympics—Coca-Cola and McDonald's, for example—to refer to that sponsorship on any of the products on sale in this country. That is absolutely ludicrous.

Mr. Evans: Yes, and I therefore wonder whether products such as Coca-Cola and McDonald's would even be allowed to use the Olympic rings, because in a way, that would be reverse advertising: trying to associate themselves with something healthy. However, and as my hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale), the Chairman of the Culture, Media and Sport Committee, said, a lot of these firms actually do support sport, and they do so because they want their consumers to be healthy and to live longer, in order to carry on buying the products that they rather like. So the situation I described would be an unintended consequence, as well.

I spoke earlier about another unintended consequence: the programming that would disappear. We have heard estimates of the cost to the commercial television industry of this ban coming in. Friday mornings here have almost become a case of, "What are we going to ban this week?", and this is the latest in that sequence. A lot of current family programming—including after the watershed—would also disappear. As my hon. Friend the Member for Maldon and East Chelmsford intimated, the watershed is becoming increasingly ridiculous. Sky Plus and other such products enable people to record television programmes, and there is also the internet. I understand that most of Channel 4's programming is now available to watch on demand, at any time people like. Would there therefore be restrictions on such advertising of these products? There are doubtless a lot of youngsters who watch not just "Skins" but "Shameless"—another programme that one might deem unsuitable for those under the age of 16, but one that I suspect has a fair following among such people, who will watch it on the internet or via Sky Plus.

Philip Davies: May I bring my hon. Friend back to the point raised earlier about the promotion of particular brands? I should be interested to know what he thinks about this issue, because the Bill does not make it entirely clear to me where we stand on it. The Bill covers

"any brand name which is associated with the food product in question or similar less healthy food products."

Does he have any thoughts on what might happen to a food manufacturer that produces healthy, as well as so-called unhealthy products? Could its brand be advertised, in the sense that it associates itself with healthy products, or would it be banned from advertising that brand because it is also associated with unhealthy products? I am not entirely sure where we stand on that.

Mr. Evans: I suspect that Coca-Cola would fall into that category, because it produces not only the drink Coca-Cola but a number of other soft drinks. Some of them might be deemed healthy under this simplistic guide, and some would be deemed unhealthy, so that would be an issue. Following the cigarette ban—this was not even an unintended consequence—the Marlboro clothing range was effectively banned from sale, simply because it contained the word "Marlboro". Nobody has ever argued that clothes are going to kill people, but the fact is that there was legislation intended to deal with just that issue. All this would prove rich pickings for lawyers—they must be rubbing their hands together. I suspect that they are on their knees praying that this Bill is passed, so that they can enrich themselves even further.

Mr. Burns: I am listening to my hon. Friend's speech with great interest. Does he also accept that in recent years tremendous strides have been made by food and drinks companies? Britvic, which I have the honour of having in my constituency, has done a tremendous amount of work in reducing and removing the sugar content of its drinks, and in producing ranges of healthy drinks to meet a changing and developing market.

Mr. Evans: I fully accept that, and that is the direction in which we need to go. We need to work with the industry to find out how it can alter the content of some of its products in order to make them healthier. I understand that the amount of salt and sugar has been reduced in a number of products, but that cannot be done overnight, apparently. Our taste buds are so sensitive that, if all the salt and sugar were removed from such products, sales would plummet. The industry simply does not have the flexibility to do that overnight, but I am sure that it could be done over a period of years in order to change people's tastes, until we finally reach a stage where the product in question is deemed as healthy as it possibly can be. So my hon. Friend is right—such work should be done, and should be recognised.

Philip Davies: Does this not get to the nub of the issue? In the past 20 years or so, at the same time as the amount of salt and sugar in such products has been reduced, there has actually been a reduction in the amount of advertising of those products. There are now far fewer advertisements for such food products on TV than there were 25 years ago, but it is during that period that the increase in obesity has occurred. Does my hon. Friend not conclude, therefore, that the advertising of such products makes absolutely no difference to obesity levels? If it did, we would have seen a reduction in obesity in that time.

Mr. Evans: I fully accept that. People are becoming obese for reasons other than sitting watching television adverts; indeed, I suspect that sitting watching television per se is part of the problem, not the advertisements themselves. We have to target where the problem is, and it is not addressed by the Bill.

There is another issue about which we must also be very careful. The problem is not just the disappearance of children's television from the commercial sector that we have increasingly seen since the ban came in—there is now a virtual state monopoly of children's television on the part of the BBC, which is unhealthy—but the fact that if the Bill is enacted, there will be wider ramifications, such as loss of advertising on other programming that has been deemed family entertainment. Ant and Dec were mentioned earlier, and several other such shows could be jeopardised by the loss of advertising. We can already see the impact that the economic downturn is having on the commercial sector; such legislation would add insult to the injury that already exists.

There would also be a problem with product placement, which is seen as a more sophisticated form of advertising. It is not blunt, in-your-face advertising; however, product placement—be it watches, cars or soft drinks—is vital to a lot of films that we see in the cinema. As a form of advertising, it would be covered by the Bill, and I suspect that that would destroy in one fell swoop the film industry in this country. In fact, the provision would be almost impossible to enforce and would constitute bad legislation. Product placement is an issue that the hon. Member for Edinburgh, South did not cover.

Philip Davies: My hon. Friend is making a very powerful point. As an esteemed member of the Select Committee, he will know that much of such legislation is now emanating from European Union directives. Could it be that the Bill flies in the face of such directives, which in itself would raise constitutional issues?

Mr. Evans: We had to wait two hours before the mention of the dreaded EU on a Friday morning; we apologise for being so lax in that regard. My hon. Friend is right: the Bill has wider ramifications, such as the importance of the EU in meddling with these affairs. That point has to be taken on board, as well.

I mentioned earlier how difficult it would be to enforce the legislation relating to the point of sale. We have also mentioned some of the characters that are involved in selling certain products, including Ronald McDonald, a clown who has been closely associated with the McDonald's product. Such characters can appear within a store or outside it, but they would all be banned immediately under the legislation. Other characters such as Tony the Tiger and the Honey Monster would all be assassinated in one fell swoop by the Bill. The hon. Member for Edinburgh, South would be guilty of killing off a long list of characters. The only person left would be Father Christmas, and I suspect that the hon. Gentleman's next private Member's Bill would ban him as well.

Mr. Vaizey: My hon. Friend should be aware that the Father Christmas that we know so well is actually an invention of the Coca-Cola company, so he would go as well.

Mr. Evans: In that case, the hon. Member for Edinburgh, South would not even need a separate piece of legislation to kill off Father Christmas. How popular he would be with every child in the country—*[Interruption.]* The hon. Member for Cheltenham (Martin Horwood) says that Father Christmas does not exist—*[Interruption.]*

Madam Deputy Speaker: Order. I want to make two points. First, please can we follow the rules of debate in this House if people want to make interventions? Secondly, may I remind hon. Members that the Bill is about the provision of advertising and marketing, so can we please keep on the subject?

Mr. Evans: Thank you, Madam Deputy Speaker. I am sure that none of us would wish to see Father Christmas killed off.

Clause 2(4) says:

"A person or body guilty of an offence under this section is liable on summary conviction to an unlimited fine."

I know that the next subsection talks about sentencing guidelines, but we could be talking about substantial sums of money if anyone were to contravene the provisions of the Bill. We have already said that those provisions are open to interpretation as far as product placement and the definition of a point of sale are concerned. There is also uncertainty about what appears in or on a pack that might suggest that it is promoting itself to youngsters. This is a complete quagmire, and I would be totally opposed to opening these companies up to unlimited fines.

In coming to my conclusion—[Hon. Members: "Hear, hear!"] That seems to be very popular. I congratulate the hon. Member for Edinburgh, South on trying to do something about a problem that we know exists, but I think that he is going down the wrong route. We all ought to be doing a lot more to help youngsters to be more healthy and to get them involved in sports, but employing the nanny state to deny parents and youngsters access to the information contained in the advertising is wholly wrong. As the hon. Gentleman knows, a lot of advertising is more to do with market share than with increasing sales per se. We have some of the best television in the world, with some of the best programmes, and in enacting this legislation, he would be killing that off as well. That is an unintended consequence that we should be able to prevent by not giving the Bill further passage.

11.33 am

Mr. Don Foster (Bath) (LD): I should like to begin more or less where the hon. Member for Ribble Valley (Mr. Evans) ended his speech. I pay tribute to the hon. Member for Edinburgh, South (Nigel Griffiths) on his good fortune in being able to present the Bill and on giving the House the opportunity to discuss the important issue of obesity. That has been touched on by many hon. Members already today, and Members on both sides of the House agree that we need to take more action to address the problem.

I know that many of my hon. Friends support the principles behind the Bill and that they have signed the early-day motion, as an expression of their concern about the growing problem of obesity. I congratulate my hon. Friend the Member for Cheltenham (Martin Horwood) on his speech earlier in the debate. He has a

great deal of personal and professional experience in these matters, and he made it clear how crucial it is to find ways to address this issue.

We know that 25 per cent. of the adult population in this country is already obese, and it is estimated that, in a couple of years' time, one in five children will be overweight or obese. Currently, three in 10 women and four in 10 men take part in less than the recommended 30 minutes of physical activity, five days a week. My hon. Friend has already mentioned the prediction that, if we carry on as we are, the cost to the nation in 40 years' time will be more than £45 billion as a result of the problems that will arise from obesity.

The point has been made that addressing obesity requires a multi-faceted approach. There is no silver bullet solution. The hon. Member for Ribble Valley made a crucial point when he said that we should be concentrating on the fact that far fewer people are taking part in physical activity. Statistics show that, on average, we consume the same number of calories today as we consumed 50 years ago. The reason that we have a problem of rising obesity is that we are far less active. It is crucial that we try to get more people to be active, not that that would provide a silver bullet solution in itself.

It is deeply worrying that about 50 per cent. of young people drop out of all sports activity once they leave school. Despite some welcome measures by the Government, it is worrying that we are still selling off playing fields and that, even where funds have been allocated to improve sports provision, the money often remains unspent. The sum of £750 million was announced some time ago for sports action zones, but only £6.2 million has been spent. So, despite well-intentioned announcements, even where funding is being made available, it is not being used. Indeed, the vast bulk of the £200 million that was promised years ago for improving children's play areas has still not been spent. Addressing the issue of activity is crucial.

The Bill concentrates on advertising, but we must be confident if we are going to introduce regulations. The hon. Member for Edinburgh, South has spoken passionately about the overburdening amount of regulation that exists, so it is somewhat surprising that he is now proposing to introduce more. He needs to convince the House that there is overwhelming scientific research evidence to show that those regulations would have the effect that he and the rest of us want. Like the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale), I would happily support the Bill if I could see that there was clear research evidence that the result would be a significant impact on rising obesity levels in this country, but as hon. Members have said, the research is not that clear. Indeed, in countries such as Sweden and Quebec—part of a country, admittedly—that have introduced all-out bans on junk food advertising, levels of obesity have not fallen but have continued to rise. Other research provided by Ofcom indicates that such measures have only a 2 per cent. impact on children's food choices.

Nigel Griffiths: We must be clear about one thing: everyone is agreed that extending the watershed would work. The debate between myself, the advertising industry and the food processing manufacturers is about whether, as they would claim, this matter involves as little as a 2 per cent. impact, or whether it involves more than that. Like climate change, this is an incremental issue—one where a number of significant steps, although they may be small in themselves, must be taken to staunch the tide of obesity in childhood and subsequently in adults. If we were to seek overwhelming scientific evidence on this subject—to use the hon. Gentleman's words—we would wait for decades, and the consequence for our children's health, our nation's economy and our national health services would be catastrophic.

Mr. Foster: The hon. Gentleman rightly speaks with great passion, as this is an important issue. My concern is simply that I am not convinced that there is even relatively significant evidence, let alone overwhelming evidence, for this proposal. If we go ahead with it, there will be damaging consequences and we will be making a big mistake.

The hon. Gentleman may say that we cannot afford to wait, but it is interesting that a number of Departments are conducting research into these and related issues. It is only very recently that the Department for Children, Schools and Families has rightly introduced research, to be carried out by Professor David Buckingham, on "Assessing the Impact of the Commercial World on Children's Wellbeing". The clear terms of reference make my point, because they state that

"there is a gap in understanding properly the impact that cumulative exposure to shopping, advertising and commercial messaging may have on children's wellbeing."

There is a lack of understanding in that particular area, which the research will examine.

The Department of Health is also commissioning work to examine the balance and nature of advertising for HFSS products—those that are high in fat, salt or sugar—across a range of media, including television, radio, press, outdoor and cinema advertising. That work is going on, so the House would be somewhat foolish to accept the Bill's stringent limitations without sufficient evidence to back them up.

Mr. Vaizey: Quebec's ban on advertising was introduced in 1980, which is 28 years ago. Does the hon. Gentleman not think that sufficient time has elapsed for any evidence that the ban has an effect on childhood obesity levels to have become apparent?

Mr. Foster: Of course I do. That is why I used that particular example—although the point would apply equally to the provision in Sweden—and why I have huge reservations on the matter. I know that other research has contradictory views to the ones that the hon. Gentleman and I are expressing. My point is that we simply do not have a good enough understanding of this issue to carry on with the imposition of severe regulation. I do not believe, for reasons that I will demonstrate, that it would have the effect that the hon. Member for Edinburgh, South suggests.

I therefore wish to examine some of the Bill's provisions. As the House knows, the Bill deals with broadcast media and with non-broadcast media. I give huge credit to the hon. Gentleman for raising the latter issue properly for the first time in this House, because it has been avoided by many people for far too long. Initially, however, I shall concentrate on broadcast media, on which the Bill would make it an offence to

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advertise "less healthy" products between 5.30 am and 9 pm. The Bill would also change the definition of junk food to include not only HFSS products, but all products "associated with" the brands that make such products.

We have heard much debate about the impact that that association provision will have, so I do not propose to discuss that, although the fact that it is of great concern to many of us is crucial. For instance, why should the firm that makes Frosties not be able to advertise Bran Flakes? Such a situation would be extraordinary and inexplicable. I pay tribute to hon. Members who have debated these issues before. For example, Debra Shipley, the former Member for Stourbridge, introduced a private Member's Bill on the issue, and only last year Baroness Thornton introduced such a Bill in the other place. Much has happened in the relatively short period since those most recent attempts to go down this line. The House should be aware that this country already has some of the tightest and strictest restrictions on junk food advertising on television in Europe, and more is still to come in what has already been proposed.

Since reference has not yet been made to this, let us remind ourselves what has happened in that short period. promotional offers targeted at the under-fives are now banned; celebrities and well-known cartoon characters are banned in advertisements aimed at children; HFSS ads are not shown in or around programmes aimed at children or programmes likely to appeal to children aged four to 15; and regardless of the time of broadcast, these advertisements cannot be shown during programmes for which more than 17.6 per cent. of the viewers are children. There is more to come, because from December dedicated children's channels will have to phase out all HFSS advertising. That is what is currently taking place.

Martin Horwood: My hon. Friend is making characteristically astute observations on the Bill, and I hope that they will be addressed in Committee, if it progresses. On the viewing figures for particular programmes, does he accept that the regulations prevent advertising of this kind during programmes that have a preponderance of children viewing them, but not during the most popular programmes that appeal to children, for instance "Dancing on Ice", or my children's current favourites, which are programmes aiming to provide cast members for the various musicals of Cameron Mackintosh or Andrew Lloyd Webber?

Mr. Foster: My hon. Friend is right, but as the hon. Member for Edinburgh, South has rightly pointed out, a number of those programmes appear after the 9 pm watershed and would not be covered. If the Bill goes to Committee, I hope that the Committee will examine ways of addressing that issue, because it is important. I would like any Committee to address the possibility of a ban that specifies an actual number of children watching the programme, rather than just a percentage. Provision should be made for a percentage and an absolute number, because that would address that issue.

Ofcom will conduct a review in respect of all these changes. In July, it will carry out a review of the effectiveness of the new measures that have been put in place, and before we make any further changes we should wait to hear the impact of that. We have heard discussion about the nutrient profiling model, which is referred to in the Bill. That, too, is under review; by early 2009, recommendations for possible changes will be made, and we should also wait for that.

Mr. Evans: As part of its review, will Ofcom examine not only the efficacy of the new changes that have been introduced—whether they work and have any impact on youngsters' eating habits—but the unintended consequences that they have had, such as the disappearance of children's programming from the commercial TV sector?

Mr. Foster: I have no doubt that Ofcom will consider that aspect, because it acknowledged in its own recommendations that the stringent new rules would reduce advertising revenues, but it will do it at a time when there are other pressures on commercial broadcasters. It will have separate the two factors, which may prove difficult.

Philip Davies: Might not many broadcasters be fearful about where banning advertising when a problem is identified might lead? It does not involve a great leap of faith to imagine that those who are concerned about, say, debt levels might decide that all advertising of loans should be banned.

Mr. Foster: The hon. Gentleman may be right, but having seen figures showing the significant decline in broadcasters' advertising revenue that has already taken place, I think that they have a good many other problems on their plate. For that reason, Ofcom's review of the future of public service broadcasting and how we may have to fund it in future is critical. This is a very difficult time for broadcasters, particularly as so much advertising is moving away from broadcasting and into the new media. The Bill picks up that point, although not necessarily in a way that will achieve the effect that the hon. Member for Edinburgh, South wants.

Some of the toughest measures in Europe were introduced relatively recently. Reviews of those measures and of the nutrient profiling model are in progress, and research is being conducted by the Department of Health and the Department for Children, Schools and Families. The Bill strikes me as somewhat premature. Given the absence of any scientific research evidence to suggest that it will have the desired effect, I think we ought at least to wait until we see the results of all that research.

Mr. Eric Joyce (Falkirk) (Lab): I am touched by the slavish defence of the advertising industry that was presented from those on the Tory Front Bench. I am listening carefully to the hon. Gentleman's arguments and he has made some good and sophisticated points, but does he not agree that my hon. Friend's Bill is primarily about children's health, and did he not find it depressing to hear the hon. Member for Wantage (Mr. Vaizey) simply refer to vested interests?

Mr. Foster: I want to be slightly more generous to the hon. Member for Edinburgh, South than others have been—particularly the hon. Member for Ribble Valley (Mr. Evans)—and I hope that I was at the beginning of

my speech. I genuinely believe that the hon. Gentleman has raised an important issue about obesity and children's health. The debate between him and me concerns whether the Bill is being introduced at the right time in the absence of the necessary research and investigations, and whether there is any clear evidence that it will have the effect that he wants. I shall advance further arguments that may persuade him that problems exist other than the lack of research evidence.

What we do know is that the new measures are already having an impact. Core category advertising during terrestrial children's programmes has fallen to negligible levels. The decline of such advertising on dedicated children's channels has been greater than the reduction that was required in Ofcom's phased rules. The greatest decline has featured in programmes watched by children aged between four and nine, which I consider the most important age range. Interestingly, Ofcom has said:

"While it's still too early to come to any firm conclusions about the success or otherwise of the new rules, there are clear signs that the new rules are having the intended effect on reducing the amount of food and drink advertising that children are exposed to on television."

As others have said, other measures are also having an impact. I do not want to go overboard in praising the food industry, but it has responded well to the new regulations. The Advertising Standards Authority has said that

"the food and soft drink advertising industry had successfully understood and acted upon new rules"

As we have heard, there have been further industry-led initiatives. We have heard about GDA labelling, for instance. Like others, I am not sure whether "traffic light" or GDA labelling is the answer, and hope that a way can be found of merging the two.

We also know that in recent years more than £15 billion-worth of branded products have been reformulated to contain lower levels of fat, salt and sugar, and that a further £11.5 billion-worth of products have been launched as lower LFSS variants. There is little evidence of a correlation between junk-food advertising and obesity. A new set of rules was introduced relatively recently and there are more to come. There are early indications that those rules are having an effect, and research will take place on all that, so I believe that we should wait. I also believe that, in any event, the Bill would prove to be a blunt instrument if it were implemented.

As my hon. Friend the Member for Cheltenham (Martin Horwood) pointed out, the pre-9 pm watershed would not target programmes watched by a high proportion of children after 9 pm. "Ugly Betty" being a good example. It would, however, affect all the programmes shown before 9 pm that do not target children, including news and current affairs programmes and documentaries. That is not proportionate, effective or fair.

As others have observed, there would be a serious impact on broadcasters' revenues, representing up to £250 million. That was dealt with effectively by the hon. Member for Maldon and East Chelmsford, and I do not want to repeat all that he said. However, if we think of that £250 million as the equivalent of all the money spent on all UK-initiated children's programming and all news programming across all broadcast outlets, we realise how serious the impact would be.

I find it interesting that so many Members have signed early-day motions in favour of protecting children's television programming, while also backing an early-day motion supporting the Bill. I find it equally odd that so many Members who support the Bill have spoken of the importance of regional news programming, particularly on ITV, and have signed early-day motions calling for more such programming. They cannot have their cake and eat it. They cannot support measures that will significantly reduce the amount of money provided for broadcasting, and then ask broadcasters to spend more money on children's television and regional news programming.

Martin Horwood: I thank my hon. Friend for giving way again. He is being extremely patient with me. He says we cannot have our cake and eat it by wanting more money to be spent on children's programming while also supporting the Bill, but perhaps less money overall could be spent on programming because fewer programmes were being produced, while the quality of output could rise because more children were watching admittedly fewer non-commercial channels. Is that not a possible scenario?

Mr. Foster: My hon. Friend is a very intelligent gentleman so I am sure that he has made an important point, and I promise him that after the debate I shall go into a darkened room and put a wet towel around my head so that he can explain it to me. I shall then have the benefit of his expertise. I thank him for that well-made point.

I hope that by now the House has caught my gist—the Bill is well intentioned but I do not think it will achieve its aims. It is absolutely appropriate that the hon. Member for Edinburgh, South has raised the issue of non-broadcast media, with which there are all sorts of problems. However, there are problems with the Bill's provisions relating to the 9 o'clock watershed, because fewer and fewer people watch actual television; they watch what are sometimes called the new media. There is also the problem of time shifting and the introduction of personal video recorders in more and more households, meaning that people can watch programmes at any time of the day or night regardless of when the watershed is imposed.

As well as all those problems, there is also the question of what we should do about increased advertising in the new media. We have heard stories about children receiving food advertising on their mobile phones, and although the practice is now wholly contrary to the rules that the industry has set itself, more and more advertising of such products is going on to the internet. That is why I welcome the fact that the industry has acknowledged the need to do something. Without the need for regulation, the industry has set up working parties to look at the issue and set up a code of practice. The New Media Group has been established to review the regulations. As a result, the industry has already introduced many of the things that the hon. Gentleman seeks to impose on it by regulation. I welcome the fact that the industry has done that.

The point of the industry taking such action rather than its being done by regulation is that regulations imposed in the UK apply only to UK organisations, but

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much of the advertising comes from outside the country. Self-regulation would have the effect of dealing with that problem. Indeed, the European Advertising Standards Alliance is already working vigorously in that area. If self-regulation is working, as it appears to be, I believe that it is better than imposed regulations.

Furthermore, I have reservations about the sanctions the Bill would impose, such as the unlimited fine about which we have already heard. It is interesting that the industry has for several years imposed a set of sanctions on itself for breaches of its self-regulated rules, and those sanctions have been effective. They include notice and take-down, name and shame and disqualification from awards.

In the field of non-broadcast advertising, why would we want to impose new regulation on an industry that has been able to self-regulate effectively and has addressed many of the concerns in the Bill? It would be additional, unnecessary regulation.

The Bill is well intentioned. It raises issues in respect of obesity that are crucial to the future of our country, but I genuinely do not believe that its provisions will solve the problem that it rightly raises.

12.2 pm

Mr. Edward Vaizey (Wantage) (Con): Following the speech of my mentor, I thought I would take this opportunity to speak. As the Minister knows from many debates I often refer to the Liberal Democrat Front-Bench spokesman as my mentor. Such was the eloquence of his speech that he has inspired me to make a few brief remarks before my hon. Friends and the Minister comment.

One thing that unites everybody in the Chamber is the recognition that obesity is a serious problem in the UK. I make that statement in the full knowledge that I am an obese man who needs to lose at least 40 lb and who was obese long before the advertising and food industries got their teeth into me. It is obviously true that obesity problems start in childhood, from bad habits picked up as a child.

The causes of obesity are extraordinarily complex, but in essence it comes down to three things. We will avoid obesity if we take more exercise and eat less food, and parents will avoid having obese children if they are prepared to take responsibility for the kind of food their children eat. However, the Bill suggests another solution: if we close off exposure to the advertising of food that is high in fat, sugar and salt, we will somehow reduce obesity.

I recognise that the hon. Member for Edinburgh, South (Nigel Griffiths) has made it quite clear that he sees the Bill as part of incremental measures to help to reduce obesity in this country. I certainly take on board the fact that he does not claim that the Bill is a magic bullet or that obesity will be eradicated as a problem a few years after the Bill is introduced. If he were to make such a claim, it would be quite rightly shot down. However, he contends that the Bill will have some effect on obesity in this country. I will not get into an argument about the extent of the effect that it could have or whether it would have any effect at all, but even if it had a small effect on obesity—I do not concede that point—one must consider whether this is not a case of a sledgehammer being used to crack a nut, or rather a huge legislative sledgehammer that will have a very small effect on the problem that he seeks to address.

We already have some of the tightest restrictions on such advertising in the world. Indeed, a great many companies and advertising agencies have already engaged in a voluntary downgrading of such advertising. Since Ofcom introduced its ban, the exposure of unhealthy food to children aged four to nine has been reduced by a quarter, to children under 16 it has been reduced by more than half. Food advertising is now at its lowest level since 1982, on an absolute measure of food advertising. As a proportion of the total advertising take, it is less than half the level in 1982. Indeed, the advertising industry has been found to be 100 per cent. compliant with the Ofcom ban. So we find ourselves in a conundrum, where the advertising of unhealthy food has been dropping not simply since the Ofcom ban, but for several years; yet obesity continues to rise.

As has been pointed out by some hon. Members, including me in an intervention, bans on the advertising of unhealthy food exist in other countries, and as yet no evidence can be seen to show that they have any effect on childhood obesity or, indeed, adult obesity. As has been said, in Quebec, a ban has been in place since 1980—almost 30 years—and if it had had a noticeable effect, such as even a 10 or 20 per cent. reduction, and we could stand here and say that the Quebecois were 10 or 20 per cent. thinner than the British or that a graph showed a downward trend in obesity in Quebec, the Bill's proponents would have an enormously powerful argument to deploy. But they cannot deploy that argument, because the ban on the advertising of unhealthy food in Quebec has had no noticeable effect on obesity there.

If we look at Sweden, which also has a ban on unhealthy food advertising, we learn that there are more spherical Swedes than there are fat Finns next door in Finland, which has no such ban. Sweden has a higher obesity problem than Finland, yet the ban has not produced svelte Swedes; there are still spherical Swedes and fewer fat Finns. So we have controlled models. [Hon. Members: "That was good."] Do hon. Members like that? There is more if they want it.

Mr. Burns: On fewer fat Finns, might the problem relate not to food but to the alcohol problems that the Finns suffer from?

Madam Deputy Speaker: Order. I want to protect the hon. Gentleman from being led astray by his hon. Friend. He is well aware of the nature of the Bill that we are discussing.

Mr. Vaizey: I think that there is an alcohol advertising ban in Sweden, but I hear what you say, Madam Deputy Speaker, and you are aware, as are many other hon. Members, that I am a vastly inexperienced performer at the Dispatch Box. I am therefore extremely grateful to you for your guidance and for setting the boundaries. Indeed, you are in danger of taking over the role of mentor from the hon. Member for Bath (Mr. Foster).

As I was saying before the helpful intervention by my hon. Friend the Member for West Chelmsford (Mr. Burns), an analysis of bans in other countries shows us that a

ban on food advertising does not dramatically affect levels of childhood obesity. It is important to make that point, because while the proponents of the Bill think that a ban will have a good effect, which is the point that they want to push, a ban on food advertising will have some very bad effects. If the proponents of the Bill cannot show that the Bill will have dramatically good effects on the health of our children, they must consider the catastrophic effects that it will have on our children and ourselves.

We have already discussed children's television, which I described as having fallen off a cliff. There is no doubt that the Ofcom ban has had a serious effect on children's television. It has been pointed out that children's television has been in decline for a number of years, but the advertisers and the broadcasters implemented a voluntary code of conduct and a voluntary reduction in the advertising of unhealthy foods during children's television programmes before the Ofcom ban came into effect. I will take any hon. Member who wants to challenge me on that point to a meeting with the Producers Alliance for Cinema and Television to meet dedicated, professional television producers who have spent their careers making children's television programmes. I have met such people, who have told me exactly what has happened in their industry, and they put the blame fairly and squarely on the advertising ban.

Mr. Joyce: In that case, will the hon. Gentleman explain why Nickelodeon.com and Nickelodeon TV are taking market share from CBBC?

Mr. Vaizey: They are using American imports. The hon. Gentleman, who has made comments about other people and vested interests, has a vested interest in Nickelodeon. I concede that there is more children's programming, but it is cheap American imports rather than home-grown British product. The hon. Gentleman might as well write "Disney" on the back of his jacket, because if he supports this Bill in the Lobby, he will promote Disney.

Nigel Griffiths: Can the hon. Gentleman not see that the solution to the problem of encouraging domestic production lies partly in ensuring that the licence conditions applied to the BBC, and the commercial conditions applied to independent television, lead to the sourcing of material made in Britain rather than the United States?

Mr. Vaizey: We are back in the land of unintended consequences. As a result of the abolition of the 10p tax rate, the House has spent a whole week debating what happens when one advances a measure and then realises the consequences. Certain methods could be considered to help indigenous children's programming. PACT has been lobbying the Government for a tax credit for children's programming for three years. It is possible to play around with the conditions, but the fundamental point is that we are in this position because of the ban. If the Bill is enacted, we will see what has happened to British children's television multiplied 10 times over. Hon. Members have mentioned figures of £224 million and £250 million, which are well-established figures for the revenue that would be lost to commercial broadcasters as a result of the sweeping advertising ban proposed in the Bill. A reduction of £250 million in revenue would mean £250 million less to spend on programming. As a result, the hon. Member for Falkirk (Mr. Joyce) would see many more imported, cheap American television programmes on our screens and far fewer home-grown products.

Martin Horwood: I am not following the hon. Gentleman's argument. How can Conservative Members argue simultaneously that the Bill would be a boon to American TV and that it would reduce competition and give an unfair advantage to the BBC channels that promote domestic television production? It is nonsense.

Mr. Vaizey: No one, not least the Liberal Democrat Front-Bench spokesman, the hon. Member for Bath, has ever been able to follow a point made by the hon. Gentleman. I join the hon. Member for Bath in being a member of an ever-growing group of people unable to comprehend one of his points. If he wants a British broadcasting monopoly, he can by all means advocate it. He can say, effectively, "Let's ban all advertising, close down our commercial broadcasters and just have the BBC." To be sure, the BBC has a large budget—£3.5 billion or £4 billion.

Madam Deputy Speaker: Order. I really do feel now that the remarks must be related to the Bill under discussion. We are going rather wide of the Bill.

Mr. Vaizey: As I have said, by banning advertising, the Bill would take £250 million away from the commercial broadcasters. That is money that could be used to produce British programmes. I, for one, believe that British programmes should be produced and shown on a range of channels, not just the BBC.

Obviously, the ban would affect the advertising industry. I make no apologies to the hon. Member for Falkirk, who wants to parody me as seeing the advertising industry as a vested interest. We have a very successful advertising industry in this country. The Minister has just published her creative industries strategy paper, which flagged up the contribution that advertising and other creative industries make to this country, and the hon. Gentleman should know that there is a thriving advertising industry in Edinburgh. I therefore make no apologies if the message goes out from this House that the Conservative party supports the advertising industry and believes that it is doing a good job, including in self-regulation. I shall come to that in a moment.

Mr. Joyce: When I referred to vested interests, I was referring to the food processing companies. I agree that the advertising industry can certainly be a force for good, and I am very pleased that we have a successful industry.

Mr. Vaizey: The record will show that the hon. Gentleman referred to me as the vested interest of the advertising industry, and I accept that criticism.

An important point of principle is the position of Ofcom. Hon. Members have referred in detail to the extensive consultation that Ofcom undertook before it introduced its current regulations on advertising to children, and the fact that it is reviewing the effect of the regulations and will report back in the summer. The point has been made, not least by my hon. Friend the

Mr. Chope: My hon. Friend makes his point extremely well without any need for me to try to trump it in response. Sport is highly relevant to this debate. It is fair that the Government should come in for quite a lot of criticism for not promoting their investment in sport as they said they would. The statistics that the hon. Member for Bath adduced on that subject were highly enlightening.

The next question is: where is the scientific evidence in support of the Bill? In intervening on the hon. Gentleman, the promoter of the Bill said, "Well, we haven't got the scientific evidence yet, but we'll find it later, after we've regulated." That is completely at odds with the sound regulatory policy that is pronounced by the Government and certainly supported by us on the Conservative Benches.

Philip Davies: As usual, my hon. Friend makes a powerful point. Does he also agree that the hon. Member for Edinburgh, South seemed to be saying that the Bill should go forward whatever it takes, no matter how big the cost or how small the benefit? Does my hon. Friend also agree that any sensible legislation must come with a sensible cost-benefit analysis? It strikes me that the huge costs to commercial broadcasters more than outweigh any tiny benefit to obesity.

Mr. Chope: Absolutely. The Bill has a number of shortcomings, including the absence of a proper cost-benefit analysis or regulatory impact assessment. The Bill does not even have any explanatory notes attached to it, which we would normally expect to see on Second Reading and which might be able to throw some light on the potential impact of clause 3, for instance.

The situation is not that there is no scientific evidence in support of the Bill; the situation is that there is scientific evidence against it, which the hon. Member for Edinburgh, South conveniently omitted from his introduction. He started with such enthusiastic, over-the-top language that he was clearly hyped up—I do not know what he had in his diet this morning, but he was certainly not in a position to overstate his case.

Let us consider some of the evidence that exists, some of which is produced in an excellent article that has been drawn to my attention by Patrick Basham and John Luik, the co-authors of "Diet Nation: Exposing the Obesity Crusade". They point out that

"none of the studies purporting to demonstrate that food advertising causes childhood obesity control for more than a handful of...other risk factors. These studies...cannot establish an evidence-based case about the connection between food advertising and children's weight.

If food advertising caused children's weight gain and obesity, wouldn't you expect to find an increase in advertising that parallels the increase in obesity? This is not the case. UK food and drink ad spending has been falling in real terms since 1999 and is now roughly at 1982 levels...while rates of overweight and obesity have been rising."

The projections are that those rates will continue to rise under the Government. The authors also point out that

"in 1982 food ads constituted 34 per cent. of total television advertising, whereas in 2002 they made up only 18 per cent. Where is the link between food advertising and children's weight, let alone children's obesity?"

In the US, similar evidence has been adduced. According to the Federal Trade Commission, advertising during children's television programming has declined by 34 per cent. in recent years and food advertising on television has declined by 13 per cent. since 1994. However, there is no evidence that childhood obesity levels in the US have declined as a result.

The authors then say that if the level of advertising has not increased, perhaps the level of television viewing has increased. In fact, to the surprise of many—including me—television viewing has not increased over the period of the obesity epidemic. Some observers suggest that it has not changed for children and adolescents for the past 40 years. There is some evidence that the time children spend watching television has actually declined in recent years. The idea that people are getting fatter because they are couch potatoes may be wrong according to that evidence.

The authors then draw attention to the fact that when children sit down and watch television, they view a balanced presentation of foods. A British study looked at the food messages and references in regular programming, as opposed to those contained in food advertising, because there are as many references to food in regular programming as during the adverts. Children's regular programming contained references far more centred on so-called healthy foods. For example, fruit and vegetables were the most frequently portrayed foods in regular programming, and that might be regarded as positive advertising for healthy eating. If one of the unintended consequences of the Bill would be less good children's programming, there would be less opportunity for those positive messages to be put across.

Philip Davies: One of the supporters of the Bill said earlier that if advertising made no difference, companies would not advertise. Does my hon. Friend agree that that misunderstands the purpose of advertising by food manufacturers? The chief purpose of their adverts is to build their market share in a sector, rather than to grow the sector as a whole.

Mr. Chope: I am sure that that is the avowed purpose, although I have some disappointing news on that subject for my hon. Friend, from the same study.

Mr. Evans: Everybody knows that people should eat five pieces of fruit a day, and there is a lot of advertising promoting that, whether on television, in magazines or elsewhere. Children who come into my shop rarely ask for fruit. Instead, they want crisps, cans of fizzy drink and other sweets. That reinforces the point that advertising on its own does not have the impact that people suggest.

Mr. Chope: I agree with my hon. Friend. Indeed, there is substantial econometric literature that disproves the alleged connection between advertising, diets and weight. Peter Kyle of the University of Lancaster examined the impact of food advertising on food consumption, and he found no evidence to support the popular myth that advertising increased market size. Martyn Duffy of the University of Manchester studied the impact of advertising on 11 food categories. Not only did advertising have no effect on food demand, but it also had virtually no effect on the demand for any individual food. Duffy's

conclusions are hardly exceptional. Other studies into the effect of advertising of such items as breakfast cereals and biscuits, both frequently cited as bogeymen in the childhood obesity epidemic, have concluded that advertising did not affect market size in any general way or to any material extent.

Martin Horwood: The hon. Gentleman is putting on a characteristically fascinating exhibition, but if he really supports these academic theses, how does he explain the explosion in the consumption of breakfast cereals, for example, in emerging economies where they had never been promoted before?

Mr. Chope: First, I am not sure of the facts about the amount of breakfast cereals consumed in emerging economies, but one of my concerns—I referred to it earlier—is the increase in drug taking, particularly cannabis, among young people, which is totally dissociated from advertising. I suspect that drug taking is increasing in this country for exactly the same reason as cereals are being consumed more widely in the third world countries that the hon. Gentleman mentioned—mainly as a result of availability and the fact that word on the street says that they are good things to get one's hands on.

Philip Davies: My hon. Friend is absolutely right about that. It also depends on the maturity of the market, and the particular market that the Bill focuses on is a very mature market, so the point raised by the hon. Member for Cheltenham (Martin Horwood) does not apply. Would not the only consequence of the Bill be to protect the market share of the current biggest food producers because no one else would be able to advertise to get a slice of the market? If someone produced a slightly healthier version of a particular product but it was not healthy enough to meet the demands of the hon. Member for Edinburgh, South, they would not be able to advertise it, so people would have to stick with the current more unhealthy product.

Mr. Chope: I think that my hon. Friend is absolutely right. We are not talking only about advertising on television. If we are talking about advertising in the wider sense of promotion, many new products are promoted because they are offered at a reduced price in supermarkets or smaller shops. People, including me, are always looking for a bargain, so they can choose a new brand of a well known product with new ingredients to discover whether they like it. They can do so by buying it at a price significantly below that of the standard product. That is another way in which producers can get new products on to the market, but if the foods were regarded as being unhealthy for children, they would be outlawed under the Bill.

My final example on the same theme is the report by Bob Eagle and Tim Ambler, who looked into the impact of advertising on chocolate consumption in five European countries in order to test the claim that a reduction in advertising would reduce consumption. They reported no significant association between the amount of advertising and the size of the chocolate market. When we went to supermarket check-outs in the past, they used to try to tempt consumers by offering two bars for the price of one; nowadays, they have two bars or one very large bar on offer and try to tempt us by saying, "More to share". I am not sure that people buying those bars are not going to eat them all themselves, but this provides an example of the promoters attempting to be politically correct, in the sure knowledge that most of the "more to share" bars are going to be consumed by one particular individual.

As I suggested earlier, as well as there being no evidence in support of the Bill and of the thesis advanced by the hon. Member for Edinburgh, South, there is evidence against it. The Bill completely breaches the principle that regulation should be based on proper scientific evidence.

Philip Davies: My hon. Friend mentions chocolate marketing. Does he agree that when Cadbury's sponsored "Coronation Street", which would presumably be outlawed by the Bill, the company did not expect everyone immediately to leap off the sofa, switch off the TV and go out to the nearest newsagent to buy an extra bar of Cadbury's Dairy Milk, but rather advertised in the hope that the next time someone went to the newsagents to buy a bar of chocolate, they would buy a bar made by Cadbury rather than Nestlé?

Mr. Chope: My hon. Friend is absolutely right. Another example that springs to mind in the light of today's opinion polls is that despite spending ever-increasing amounts of taxpayers' money on Government advertising, the Government have not become any more popular!

Mr. Evans: As my hon. Friend will remember, the leader of our great party once attacked one well-known shopping brand for promoting Terry's Chocolate Oranges and not having real oranges in its shops. If the Bill were enacted, people would look into different ways of promoting products. In some stores, we see signs saying, "Five chocolate bars for a pound". I suspect that it is those offers, rather than watching advertising on television, that entice people into buying five bars—and then, perhaps, eating one or two more than they should.

Mr. Chope: As always, my hon. Friend is absolutely right.

There is the related issue of school lunchbox inspections. At the behest of television chef Jamie Oliver, and promoted by the Department for Education and Skills and the Food Standards Agency, there was a plan to promote healthy food in school lunchboxes by encouraging teachers to confiscate unhealthy products. As a consequence of that, head teachers were a lot busier than hitherto, as they had to deal with angry parents. Those parents might previously have made only an occasional visit to the school, but their interest in what was happening at school was provoked by the fact that their children were unable to eat for lunch what they had decided would be good for them.

Let me turn to another fundamental flaw in the Bill. Who will decide what is unhealthy? The Bill's promoter suggests that the FSA's remit should be extended so that it has a role not only in informing the public about food facts but in making a judgment on behalf of the public that could, in a regulatory context, result in the promoters of certain foods becoming criminalised.

Mr. Evans: Buoyed up by the Jaffa Cakes I have eaten, I have thought of another instance of people or organisations involved at the point of sale possibly falling foul of the law if the Bill is enacted. Strawberries and cream are advertised at the Wimbledon tennis tournament. The strawberries would be deemed good, but the cream would be deemed not good. Therefore, would Wimbledon fall foul of this Bill and be liable to pay an unlimited fine?

Mr. Chope: Provided that they are English strawberries and it is British cream, I am sure that that would be all right. However, my hon. Friend provides another point on which the Bill can be ridiculed. It is good that Members are scrutinising it today, because the fact that so many of our colleagues have signed early-day motions in support of it shows that a lot of them have not fully thought through its implications. It might sound like a good idea to say, "Obesity's an issue, so let's deal with it by not allowing television advertising to target unhealthy foods at our children."

Philip Davies: Does my hon. Friend share my surprise that when the promoter of this Bill was a small business Minister he said he had four ministerial goals, one of which was

"to argue within government against over-regulation, red tape and zealous bureaucracy"?

Has he not performed an astounding somersault since his days as a Minister?

Mr. Chope: It is certainly hard to find any consistency between what the hon. Gentleman said was his role then and his work in the House at present—although I am sorry that he is temporarily absent from the Chamber and therefore unable to defend himself. Like other Members, I hope that he will decide to withdraw his Bill, rather than try to press on to a Second Reading and then into Committee. My own view is that it is so far short of perfect that it is incapable of being improved and made into a proper and acceptable Bill in Committee. It would be much better to go back to the drawing board and to look at calorie intake and how we encourage children to balance their intake with their outputs.

Giving to the FSA the additional role assigned to it in clause 3 gives rise to a very serious point. At the moment, people look to the FSA as an impartial, rational provider of information. As soon as that role is changed to that of a partial, judgmental decider of what does or does not constitute less healthy food, it will find its position compromised and increasingly untenable. The idea of extending that duty to the FSA, which would be necessary to make the Bill work, is particularly ill-conceived.

In an earlier intervention, the hon. Member for Conwy (Mrs. Williams) said that the Bill is very much supported by the people of Wales. However, the Welsh National Farmers Union and the NFU generally are extremely concerned about its implications. As was said in earlier interventions—my hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale) also made the point—foods such as dairy products would be regarded as less healthy, even though they are absolutely critical in establishing a balanced diet.

Parents are being bombarded with many different messages. I even read in a newspaper recently that the "five a day" message is now being distorted. Some children are having so much in the way of fruit and vegetables that they are not getting enough carbohydrates: their diet is becoming unbalanced, with perhaps too much fruit and acidity in it. Because fruit and fruit juice are linked, people think, "Let's have a lot more fruit juice." I know people who consume litre upon litre of fruit juice each day, yet such juices are rich in sugars and in calories. I do not know whether my hon. Friend the Member for Wantage has a lot of fruit juice.

Mr. Vaizey *indicated assent.*

Mr. Chope: So it all comes back to the basic principles, which are moderation in all things and a healthy mind in a healthy body, as we used to say at school. I leave it for others to judge whether that has worked out in practice.

The Bill's next major defect is its references to non-broadcast media, which are listed as (a) to (h) in the second part of clause 1, on interpretation. Under (h) we have

"sponsorship, including communications which refer to sponsorship",

with all that that involves regarding the Olympics. The hon. Member for Lewisham, West (Jim Dowd) was critical of what I said about the London 2012 Olympic Committee having got McDonald's as a sponsor.

Mr. Evans: I want to drag my hon. Friend back to when he was talking about the print media. We are talking about red wine here, because the provisions include alcohol. Doctors tell us that the odd glass of red wine is healthy and does us good, but under the Bill the advertising of red wine would be outlawed.

Mr. Chope: That is an aspect of the Bill that I have not yet noted, but I am sure that my hon. Friend is absolutely correct. We do not necessarily want our children to go out and buy a lot of red wine too early in life, but I certainly support the continental approach to bringing up children, which involves allowing them an occasional glass of wine at the table, rather than creating a climate in which alcohol is regarded as something that they should not get their hands on until they are 18. Responsible drinking and eating are all part of the same thesis. The Bill would pick out a particular item and demonise it, as my hon. Friend has pointed out.

Angela Watkinson (Upminster) (Con): Does my hon. Friend not agree that the main responsibility for what children eat lies with their parents? Similarly, the amount of pocket money that they are allowed to spend unsupervised is also a matter for parents. If children have enough money to buy expensive items such as wine, that also ought to be the responsibility of their parents, who should be supervising what their children spend their money on.

Mr. Chope: My hon. Friend is absolutely right. I am not sure whether she was here during some of the earlier enthusiastic contributions from people who support the Bill, but we almost reached a stage at which it could be suggested that shopkeepers should be banned from

selling some foodstuffs to children. Obviously, there are rules and regulations relating to the sale of alcohol and tobacco to children, but it seemed that, if we were to follow the logic of some of the promoter's supporters, it would not be long before we were banning certain items from being sold to children in the shops because they were regarded as less than healthy. That is another example of what some of the zealots would like to see.

Philip Davies: My hon. Friend is touching on an important point. When the initial restrictions were placed on advertising, it became perfectly clear that they would not make any difference to childhood obesity, but the health zealots have come back and said that those restrictions did not work because they did not go far enough. Then, when farther restrictions are shown not to work, they will no doubt come back again and say that they want even more restrictions. It will not be very long before they are advocating banning certain products from being sold in shops.

Mr. Chope: We know what the consequences of that would be. The law of unintended consequences would apply, and any products that could not be bought openly in the shops would become contraband among children. They would become the products that the children would most want to go for. That is the way in which the real world operates, and there is nothing that those who advocate a more nannying state can do about it, thankfully.

The category of non-broadcast media includes sponsorship, cinema, video, text messaging and the internet. It is significant that the restrictions on the non-broadcast media would apply 24 hours a day, seven days a week, 52 weeks a year, whereas the restrictions on the broadcast media would apply only between 5.30 am and 9 pm. That is a grossly simplistic and unfair division to impose. Television programmes that are broadcast between 9 pm and 5.30 am can be recorded and watched at other times. In the context of the Bill, we must note that such programmes could contain a mass of advertisements targeted at children and urging them to buy particular products. If such programmes were being recorded and watched at other times, they would be in a different position from internet programmes. If such a programme were broadcast on the internet, such advertising would be outlawed completely, but if it were originally broadcast between 9 pm and 5.30 am and then recorded, such advertising would not be outlawed. That inconsistency has not been properly explained.

Angela Watkinson: Does my hon. Friend agree that the same principle that applies to the spending of pocket money and what meals children eat also applies to what they watch on television and to their internet use? Parents should be aware of when their children are viewing, when they are using their computers and what they are doing. This is a matter for control within the home.

Mr. Chope: My hon. Friend is absolutely right. The more we undermine responsible parenthood by measures such as this Bill, the less responsible parenthood there will be.

My hon. Friend the Member for Wantage, who speaks from the Front Bench, has not particularly blamed anybody for his make-up, size and so on. The former head teacher of the school where my children are being educated reminded all the parents collectively, before they got too ambitious for their children, that "Genes travel." That is very relevant to this debate on shape, size and so on. We are in danger of creating a climate where people who have a different shape from others and who are not so lean and lanky get bullied in the school playground—they may get called Billy Bunter.

I cited the Scottish statistics on children's diets, which show that the fatter people may not have a more unhealthy food intake than the thinner ones, so we must take the extremely complex issue of metabolism into account in this debate. The Bill does not address that, other than by trying to simplify the matter, to condemn all food advertising and to undermine individual responsibility.

Like adults, children need to experience new foods, and the best way of their doing so is probably in a family setting, around the table with their parents at home. If they are exposed in that setting to healthy food, preferably home-prepared food—they may even have been encouraged to do some cooking—that is good news. One of my children has recently discovered how to make flapjacks, and as a result he knows what goes into a flapjack. That is much more important than trying to read the back of a label on a manufactured flapjack, which is probably much less nutritious than one that has been baked at home.

Mr. Evans: We are again returning to the ridiculous nature of this Bill. A ban on the advertising, and therefore the promotion, of these products would extend to scout fundraising jamborees, because if the scouts had made and were advertising or promoting their own lemonade or brownie cakes, that would fall foul of this legislation. One can imagine the food police marching into fêtes and arresting youngsters simply because they were promoting their home-made lemonade.

Mr. Chope: My hon. Friend tempts me to mention home-made ginger beer, on which many of us were brought up. Those who make their own ginger beer know exactly how much sugar needs to go into it, just as those who make elderflower cordial know that, as well as elderflowers and water, a heck of a lot of sugar is needed. Some may think it a good idea to drink gallons of elderflower cordial diluted with fizzy water or lemonade, but if it is drunk in excess, their sugar intake will be massive. People who prepare their own food and drink have a better understanding of the ingredients.

I shall end my speech shortly, because I am absolutely gagging to hear what the Minister has to say about this subject. She has been sitting there very patiently. On past Fridays she has spoken at length, because she enjoys the Friday experience. I do not know whether she will speak at length today, but I hope she will be able to address the fundamental issue of regulation that is raised in the Bill.

The Prime Minister gave the Better Regulation Commission a task. He said

> "The Government believes that policy-making would benefit considerably from a fuller and more rounded consideration of public risk. I have asked the Better Regulation Commission, building on its report 'Risk, Responsibility and Regulation', to devise a structure and approach that ensures that this ambition is embedded in real policy action, even when facing pressures to react to events."

Philip Davies: When he was a Minister in the Department of Trade and Industry, the hon. Member for Edinburgh, South was a big supporter of the Better Regulation Task Force, as it then was. He once said, apparently criticising the European Union for its regulatory burdens, that what was needed was

"every government following the principles of good regulation – proportionality, transparency, accountability, targeting and consistency."

Does my hon. Friend agree that the hon. Gentleman seems to have strayed from that noble ambition?

Mr. Chope: I fear so. The facts speak for themselves. Paragraph 1.1 of the Better Regulation Commission's report "Public Risk – the Next Frontier for Better Regulation" states

"Intervention in matters of public risk, whether in Whitehall or Brussels, often involves systems with many, sometimes hidden, interdependencies and complex behavioural challenges"

It specifically identifies

"climate change, obesity in children"

and other factors which I shall not spell out. It continues:

"This complicates not only targeting and devising the counter-measures – the policy choices – but also managing the delivery of the intervention. Good risk assessment and management is vital in both the policy-making and the implementation. The policy-making process is often made all the more demanding by the need to seek views from and build consensus amongst a broad and diverse group of stakeholders and to understand fully options and trade-offs. Such interventions require a rigour and breadth of consultation and consideration that are rarely displayed in the face of such pressure."

I do not think that that rigour and breadth of consultation have been displayed by the promoter and sponsors of the Bill – or, for that matter, by those who seem to have signed the supportive early-day motion without thinking about it properly.

That, I think, is what lies at the heart of this and so many other Friday debates. Do we really need more regulation, more outlawing and condemnation of people going about their ordinary lives, more intervention in the marketplace – in this case, the advertising industry – or should we allow common sense to prevail, and rely on individual and family responsibility as the best judge of these matters?

1.14 pm

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): What is good about Friday debates is that people engage with the issues in a much more open and less partisan way. I have learned a lot this morning – for example, that Father Christmas was invented by Coca-Cola. We have had an informed debate and I thank all Members for it.

I particularly thank my hon. Friend the Member for Edinburgh, South (Nigel Griffiths), and congratulate him on choosing such an important issue after his success in the ballot. Obesity is one of the important issues that confront our society. It poses enormous policy challenges and requires considered reflection by all Members from all parties.

We have heard some good contributions. The hon. Member for Cheltenham (Martin Horwood) referred to the importance of obesity and children's health. My hon. Friend the Member for Bristol, East (Kerry McCarthy) made an interesting intervention that linked mental health issues to what we eat. As she pointed out, there is growing evidence of the interrelationship between mental health conditions and diet, and we should be doing much more work on it.

The hon. Member for Maldon and East Chelmsford (Mr. Whittingdale) made two really good points. The first was about the impact that a ban on advertising before the watershed could have on investment in children's programming and how damaging that would be to plurality in the provision of television – a point reiterated by a number of Members. The second point was that the 9 o'clock watershed has ceased to be effective because we can record programmes and watch them at other times.

I agreed with the hon. Gentleman on those two points, but I did not agree with him about sport. The Government have a good record on sport. In the past five years or so, we have increased participation in school sport so that 86 per cent. of our children now enjoy two hours of school sport a week, with an aspiration to take that to five hours. It is a fantastic achievement. Opposition Members are feeling rather negative about the Olympics but I think the opposite, and the Olympics will have a further impact by encouraging more people to engage in sport.

Mr. Don Foster: The Minister cannot be allowed to get away with skimming over things that easily. Will she confirm that more than 1 million schoolchildren do not currently participate in two hours of sport, and will she further confirm that to meet the Olympic building costs vast chunks of money have been taken away from lottery good causes that would have funded grass-roots sport?

Margaret Hodge: The hon. Gentleman wants Rome built in a day. Let us consider the statistics. Five years ago, I think either 40 or 60 per cent. of children were doing two hours of sport a week; we have raised that figure to 86 per cent. It is one of the areas where we have actually exceeded our target. Of course, there is more to do to reach 100 per cent. He is correct about that, but we have made fantastic progress. If I compare what children do in school nowadays with what my children did, when they would go for weeks with no engagement in sport whatever, I can see that there has been a terrific improvement since the Labour Government have been in office.

The point about the Olympics is that the infrastructure that will be built, whether in sport or elsewhere, and the stimulus and catalyst of the games in engaging more children in sport make it worth investing in such a once-in-a-lifetime opportunity for all of us. There will be an impact on our lives in all sorts of ways.

The hon. Member for Ribble Valley (Mr. Evans) killed off Father Christmas. My apologies. *[Laughter.]* He accused my hon. Friend the Member for Edinburgh, South of killing off Father Christmas as an unintended consequence of the Bill. I found that a little difficult to take. The hon. Member for Bath (Mr. Foster) talked a lot of common sense, however, and brought to our attention the fact that the ban on the advertising of high-fat foods to children has had little impact in both Sweden and Quebec, which are the only two countries

where an attempt has been made to introduce such a ban. He said something that it is important for the House to remember: we have some of the toughest regulations in the world on the advertising of food to children, and we ought to wait to see how the new regulations bed down and whether we need to introduce further regulations or whether a ban would be a blunt instrument.

The hon. Member for Wantage (Mr. Vaizey) talked about the damage that could be done to indigenous British children's television. I accept that there is some correlation, but we are taking further action, as we need to do, to ensure that our indigenous programme makers have the opportunity to provide what is always excellent programming, because of the talent that we have in Britain. I am not sure whether advertising is the one issue that would change the way in which more American television programmes are being imported into the UK. We need action on all sorts of fronts, some of which are included in the creative economy strategy programme. No doubt the hon. Gentleman will have further ideas to ensure that we get the high-quality British children's television for which we are renowned. It is important that Ofcom is undertaking its current review, as the issue is of concern to all hon. Members.

Mr. Evans: I agree with the Minister. We are all concerned about the disappearance of children's programming from the commercial sector. Will she state what she believes the Government ought to do to ensure that we can get good children's programming made in this country and shown by the commercial sector, so that there is not a monopoly provider?

Margaret Hodge: We must wait to see what Ofcom recommends, as it is the body to which we have given responsibility for investigating the matter, and it is considering the whole of public sector broadcasting and children's programming, so let us wait to see its recommendations. In the meantime, the effort that we are putting into growing the talent and providing the appropriate competences, so that we have talented programme makers in the UK, is probably about the best contribution that the Government can make to ensuring a thriving children's programme sector. Whether or not more subsidy should be given to it is an issue that I should like to reflect on when I see the research and evidence that Ofcom is gathering at the moment.

Philip Davies: Is not what the Minister has just said exactly the point? Ofcom is looking into the issue, and its review will take place in June or July. I think, dealing with the effect of the restrictions that have been put in place already. Therefore, it would be wholly premature to pre-empt that review by passing the Bill now.

Margaret Hodge: I agree; I have been given some words to say on where we are in the timetable, and I hope that they will also provide some comfort to my hon. Friend the Member for Edinburgh, South. As we set out in the public health White Paper, the Government are committed to reviewing the impact of the rules introduced across all media. We have continued to monitor the impact of the measures that we have already put in place. As the hon. Member for Bath said, the Department of Health will produce an interim review later this year that will consider changes in the nature and balance of food promotion to children across all media. That review will be followed by a more comprehensive assessment, again to be produced later this year. The Ofcom review, which has been brought forward, will complement the work undertaken by the Department of Health.

The important point is that, as the public health White Paper has clearly stated, if the measures that have been taken so far fail to produce a change in the nature and balance of food promotion to children, we will take action to implement a clearly defined framework for the regulation and promotion of food for children. For broadcast advertising, we can do that within existing legislation, so we do not need a new Bill.

The Communications Act 2003 provides the legislative framework to respond to concerns about food promotion to children and, if necessary, allow further action to be taken. The 2003 Act details Ofcom's statutory responsibility for setting broadcast standards for advertising and for the sponsorship of programmes. It is in accordance with those duties that Ofcom examined the case for greater restrictions and subsequently strengthened the regulation of broadcast food promotion. Based on the available evidence at that time, Ofcom concluded that the new rules that it introduced were a proportionate and appropriate response.

Taken with the wider, cross-Government range of measures aimed at tackling childhood obesity and poor diet, to which I shall return, we have a tough agenda for action, which will stimulate the necessary culture change in our society. The Secretary of State has the power under the 2003 Act to issue directions in relation to prohibiting categories of advertising. If he were persuaded by the evidence that the rules were not strong enough, the 2003 Act includes powers to direct Ofcom. On non-broadcast advertising, we will continue to work with the Advertising Standards Authority and the industry.

The committee of advertising practice and its broadcast committee will undertake full reviews of all advertising codes in 2008, and they will publish revised codes for public consultation later in the year. The findings of those reviews into the effectiveness of the advertising codes will be taken into account in formulating and enforcing revised codes, if they are needed. Both broadcast and non-broadcast advertising regulations must be based on best evidence, and they must be robust and subject to appropriate assessments. If new evidence were to emerge that clearly highlighted major problems in relation to children's exposure to the advertising of food with high fat, sugar or salt, the regulator would have a duty to consider the matter and take appropriate action.

Nigel Griffiths: The sponsors of the Bill and the many hon. Members who have signed early-day motion 445 will be reassured by the Minister's firm words. The regulator has a specific duty in the light of the evidence that is currently being considered, and I hope that she will join me in urging those organisations with an interest in the matter to ensure that appropriate evidence is submitted to the regulator for consideration.

Margaret Hodge: I hope that everybody submits appropriate evidence. During the debate, it has become clear that the evidence base is sparse. Although we can

[Margaret Hodge]

establish a correlation between childhood obesity and television advertising of foods with a high content of sugar, salt and fat, we cannot establish causality, which has been a contested issue in today's debate.

On obesity in general, I agree with my hon. Friends that obesity is a huge challenge. One has only to consider the figures. In 1997, one in five women was obese; in 2005, one in four women was obese. In 1997, one in six men was obese; in 2005, the ratio was more than one in five. That is a 25 per cent. increase in a mere eight years. The foresight report was important, because it drew attention to a major issue. The report estimated that by 2050, 60 per cent. of men and 50 per cent. of women might be considered obese. We know that obesity is responsible for premature deaths, reduces life expectancy and imposes a massive cost on the NHS as well as a cost on the economy as a whole. However, we must understand the causes of obesity to ensure that we take the appropriate public interventions. It is a multi-faceted and complex issue, and therefore requires a multi-faceted and rather more complex response.

All of us tend to reach for what looks like a simple solution, because it makes us feel that we are taking action and doing something. We must ask ourselves whether it is effective action and whether there will be unintended consequences such as those mentioned by a number of hon. Members, including the hon. Member for Christchurch (Mr. Chope), whom I have not yet mentioned — my apologies for that.

Many hon. Members have mentioned parenting, and of course parental influence on children's behaviour is hugely important. It is an interesting statistic that only 17 per cent. of parents with an obese child were correctly able to gauge their child's weight status. That demonstrates the challenge for other Departments and the type of work that they need to do to provide support for parents and help them to understand the impact of what happens to their children.

I assumed that Members would mention the fact that we have stopped walking our children to school, but nobody has. There has been a 10 per cent. drop in the number of children walking to school over the past couple of decades, partly because time has become more precious and partly because of fear.

Mr. Chope: Speaking of unintended consequences, there is a campaign in the House for free bus travel to school for children. Does the Minister share my concern that one of its unintended consequences would be even fewer children walking to school?

Margaret Hodge: That is a difficult one. That is precisely the type of issue that one should consider so that we can ensure proper understanding of motivations and consequences. If travelling by bus were to cut the number of parents going to school by car, that would be good for the environment and probably have zero impact on obesity — although people would have to walk to the bus stop, so I suppose that they would do a little more walking than they otherwise would. I am sure that the motivation for that suggested measure comes from environmental concerns, not obesity concerns, but I would like to examine the evidence before expressing a view on it.

We have more choice now. We go out to eat much more, and the built environment has changed. I well remember that when my children were small, we did a month's house swap with a family in Sacramento. They had two cars and a wonderful swimming pool, but interestingly, they came to our inner-city house and had not realised that we walked to Sainsbury's, the shops, the park or the tube station. They were used to getting into the car. We could see their completely different culture and the different way in which individuals used the built environment. We in the UK are moving further towards that American-style environment. We tend to get into our cars much more for simple journeys, which we would not have done in the past.

Mr. Evans: The Minister has just stated that we eat out more often, which is absolutely right. When we are preparing food for ourselves, we can go around the shops and look at the little tables on the cans, whether they use the traffic-light system or something more detailed. We can assess how many calories are in a food and what sort of portions we should have. When we eat out in restaurants, we are not given that same information. A lot of people are absolutely ignorant about how many calories are in what they buy. Would it not be useful to give people more information, particularly about children's food, and therefore more power over how many calories they consume each day?

Margaret Hodge: I share that view, although the hon. Member for Christchurch, who is sitting behind the hon. Gentleman, might see it as involving yet further regulation and the nanny state. I agree with the hon. Gentleman that better information is important.

There is a role for parents in tackling obesity. There is also a role for the public services, whether schools or the health service, and a role for the industry in examining what it markets and how, and in considering the better nutritional profiling that we have just discussed. The industry can help us to promote healthy diets and proper exercise. The Government's role is to give people information and opportunities that will help them to make good choices for themselves and their children, to ensure that people get clear and transparent information about food and exercise, and to put in place the right incentives and facilities to support people in making healthier choices.

I am proud of what the Government are doing to try to tackle obesity. We have a comprehensive cross-government approach. In January, we published our most recent strategy on ensuring that we tackle obesity in children. We are being extremely open by saying that we will report every year and use experts when possible to try to ensure that we take any steps that we can. There are good innovations in the strategy, not least of which is making cooking a compulsory subject for children at key stage 3.

The evidence base for the impact of advertising and promotion is contested — I think that that is the best that one can say. The Hastings Strathclyde review produced probably the most serious piece of evidence that we have. Its main finding was that a direct link between the prevalence of obesity and food advertising could not be proved, but it established that there was evidence that advertising had a 2 per cent. impact on children's food

preferences. We must remember that that, in itself, was based on a 1983 study that took place in Arizona, America, using the diaries of 262 children.

Everyone who is concerned about the issue should read Ofcom's thorough review. When it asked about the role of parents through a NOP survey, the overwhelming majority of people—79 per cent.—said that parents had "a great deal" of responsibility for ensuring that their children had a proper diet. The survey showed that people thought that others—schools, food manufacturers, the media, the Government, supermarkets and broadcasters—had responsibility. However, when people were asked which group could do the most to ensure that children ate healthily, 55 per cent. of people named parents, while only a small minority—16 per cent.—named food manufacturers. Schools were named by only 14 per cent. of people, and very few named the media and the Government. Supermarkets were named by 3 per cent. and broadcasters by 1 per cent. The public's view is that parents are key to this. Even with regard to the 2 per cent. figure that I cited, one cannot even determine whether that effect is due to television viewing itself, the snacking that tends to take place when watching television, or the impact of the advertising.

Many hon. Members talked about the regulations that Ofcom has instituted, and we want to see how they bed down. The hon. Member for Maldon and East Chelmsford, the Chairman of the Culture, Media and Sport Committee, made a strong point about the possible loss of advertising revenue if we were to extend the watershed threshold. We must think about that seriously, which is why we would need much better research-based evidence if we were to take further steps.

We have had an interesting debate and I shall conclude my speech now.

Mr. Don Foster: I had rather hoped that the Minister would move on to the important non-broadcast points raised by the Bill before concluding her speech. Will she confirm that the Government are happy—for the time being, at least—with the self-regulatory approach, which appears to be working quite well? Will she comment on the sanctions proposed in the Bill, which I argue are perhaps not the right approach?

Margaret Hodge: I concur with the hon. Gentleman's remarks; we believe that, for the non-broadcasting media, a self-regulatory approach is far more effective. We would intervene with regulation only if there was overwhelming evidence demonstrating that regulation could have a real impact on issues such as obesity.

I once again congratulate my hon. Friend the Member for Edinburgh, South, and all those who supported him, as well as the voluntary organisations and communities that have worked hard to bring the issue to the attention of the House. I ask him to give us time. I hope that I have given him some comfort by saying that Ofcom will, on the Government's behalf, monitor the newly implemented regulations closely. We need to wait to see what the review says, and what the work done by the Department of Health comes up with. If we are persuaded that further action is needed, we will take it, as and when it is necessary. The best laws are always based on real evidence, so let us wait for the evidence before taking any further action.

1.41 pm

Philip Davies (Shipley) (Con): I have followed the debate with great interest, and I was particularly interested to hear what the Minister had to say. I am delighted that she made it clear to the hon. Member for Edinburgh, South (Nigel Griffiths), as politely and tactfully as possible, that the Government do not support the Bill. I imagine that even people who would like to support the Bill would consider it premature, given that Ofcom, which has been left in charge of the issue, has not had time to consider the restrictions that have already been put in place. No matter where one stands on the issue—whether one supports the thrust of the hon. Gentleman's Bill or not—one would have to conclude that the Bill is totally premature, given that the evidence resulting from the initial restrictions has not even been considered.

Mr. Don Foster: The hon. Gentleman quite rightly repeats a point that a number of us made about the need to have research done by Ofcom. Does he think, as I do, that as a crucial part of the Bill is the definition of what constitutes "less healthy food", it is vital that we hear the evidence from the research that is being conducted on the current definition and potential changes to it?

Philip Davies: The hon. Gentleman is entirely right. The Bill opens up a huge array of issues, not just to do with the effect on broadcasters and on obesity, but to do with definitions. The scale of the impact that the Bill would have on the advertising industry needs to be considered, too. I praise him for his speech, which was particularly well-argued and proportionate, and which made some very sensible points about why the Bill is not the right way forward.

I did not come to Parliament to ban everybody from doing all the things that I do not happen to like. It strikes me that many Members, particularly Labour Members, have come into Parliament to do nothing else. It seems as though whenever we are here on a Friday, we are talking about whether to ban something. In fact, that happens not just on Fridays; the Government often do the job for Labour Members. I wonder where all this banning of things will end. The Bill is just another in a long line of attempts by Labour Members to ban something that they happen not to like. Above all else, it is the height of intolerance for them to want to ban everything that they do not like.

Mr. Chope: Does my hon. Friend accept that in this case and in others, there is an element of scapegoating? The Government want to draw attention away from their policy failures elsewhere, and so think that it would be better to legislate.

Philip Davies: My hon. Friend is right. I hope that we are conscious that the public have a low regard for politicians. One reason is that, when politicians are confronted with a specific problem about which people are concerned—there is no doubt that many people in this country are rightly worried about childhood obesity—their instinctive solution appears always to be to incorporate two ingredients. The first is to be seen to be doing something. I believe that that, more than anything else, brings politicians into disrepute. Whatever the problem,

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politicians never underestimate their ability to interfere, meddle and change something. I long for the day when more politicians say, "This has got nothing to do with us—it's for other people to sort out their problems."

Angela Watkinson: Does my hon. Friend agree that opinion about whether a food or drink is healthy or unhealthy is highly subjective? Some foods go in and out of fashion. One wonders about the qualifications of those who make the decisions in, for example, the Food Standards Agency, and who would create policy if the Bill reached the statute book.

Philip Davies: My hon. Friend is right. Foods that were once deemed unhealthy are later considered good for you before being thought bad again and so on. Research findings about what is good and bad for people change all the time. Introducing the Bill, which would write off specific foodstuffs, even though they may be perfectly good for people if eaten in moderation, is not only disproportionate but slightly crazy.

Politicians always have to be seen to be doing something. The Bill strikes me as an example of someone being given a problem and wanting to be seen to be taking action.

The second ingredient that politicians often use when faced with a problem is a proposal that does not offend anybody. The Bill is a prime example of the sort of action to which politicians will rush. It looks as if they are doing something and the proposal does not offend anybody. That calculation lies behind such responses.

Margaret Thatcher, in her days in opposition and early days in government, had a fantastic guru called Sir Alfred Sherman, who wrote a marvellous book entitled, "Paradoxes of Power", which I urge people to read. In it, he referred to politicians always offering "painless panaceas". He was right. Time and again, we discuss proposed legislation, which provides what could be described as a painless panacea—something that will sort out all the country's ills with, lo and behold, no pain for anybody. Such solutions do not exist. Whenever we legislate, we should be clear about the proposed benefits—I doubt whether there are any in the Bill—and the costs. We must ask who will lose out. Even cursory scrutiny of the Bill shows that many people could lose out.

Angela Watkinson: My hon. Friend knows that many large corporations, which manufacture what is encompassed by the umbrella term "fast food", also make enormous donations under their corporate responsibility schemes to sport, environmental projects and so on. If their sales plummeted through a ban on advertising, those projects would suffer.

Philip Davies: My hon. Friend is right. Others who spoke in the debate made it clear that some organisations, such as McDonald's, spend millions of pounds on promoting sport. Those of us who believe that promoting sport and physical exercise is a far better tool for tackling childhood obesity find it perverse that the Bill would prevent a food manufacturer from spending millions of pounds on promoting sport for young people.

Martin Horwood: At the risk of prolonging the unfortunate attempt to talk out the important measure, I want, as secretary of the all-party group on corporate responsibility, to make the opposite point to that raised by the hon. Member for Upminster (Angela Watkinson). Valuable promotions, such as that which I mentioned by Kraft Foods, could easily be excluded from the Bill's provisions because they encourage healthy eating and do not associate the promotion with an unhealthy product.

Philip Davies: The hon. Gentleman said at the start that he had come in for the second Bill on the Order Paper. His interventions are making that increasingly obvious, because he has clearly not read the Bill that we are discussing. Under clause 2(3), the Bill would prevent the promotion of a

"brand name which is associated with the food product in question or similar less healthy food products."

That is perfectly unequivocal and means that the Bill would cover any company that sold or manufactured unhealthy food products. The exemption that the hon. Gentleman suggests, which may well be sensible, is not incorporated in the Bill that he supports, which is a blunt instrument that tries to catch everything and therefore has the unforeseen consequences that my hon. Friend the Member for Christchurch (Mr. Chope) mentioned.

I mentioned in earlier interventions that I was surprised that it should be the hon. Member for Edinburgh, South who had brought forward the Bill, given his comments and his reputation when, as a Minister at the Department of Trade and Industry, he was a powerful champion of the Government's better regulation agenda. The hon. Gentleman prefers better regulation; personally, I prefer less regulation.

Nigel Griffiths: I speak with quite a lot more experience than the hon. Member on this issue and can tell him that I view the Bill as being quite proportionate in terms of regulation. It is vital that we take steps to protect our children from obesity, and that requires us to have the regulations to do so. Is he suggesting that he would abandon the regulations that my right hon. Friend the Secretary of State has already introduced and reverse the current ban on watersheds?

Philip Davies: The hon. Gentleman is entirely right: he is far more knowledgeable about regulating than I am, because I do not believe in all that regulation, whereas he appears to believe in lots. I certainly bow to his superior knowledge on regulation, but that was not the agenda that he promoted when he was a Minister.

I should have thought that those who believe in regulation would allow the body that had been put in charge of accumulating and analysing the evidence—in this case Ofcom—to do so and to make its recommendations before the Government intervened. I would have expected that to be a rather basic element of good regulation, yet the hon. Gentleman appears to have ignored it. He wishes to pre-empt Ofcom's conclusions on the restrictions on advertising, which cannot be seen by anybody as good regulation.

The hon. Gentleman invited me to say whether I supported the existing restrictions that have been placed on broadcasters. I am quite happy to confirm to

him that I do not support them. In my view, the existing regulations were a sop and were based on no evidence whatever. Anyone who follows the workings of the Select Committee on Culture, Media and Sport will have observed that I have always passionately argued against any restrictions on the advertising of such food products, for the simple reason given earlier: I have never believed that any such restrictions would make any difference to childhood obesity levels.

Mr. Whittingdale: My hon. Friend is quite right to remind hon. Members of the valuable role that he has played on our Committee of raising the issue regularly with our witnesses, including this week, when he raised it with the chairman and the chief executive of Ofcom. The hon. Member for Edinburgh, South (Nigel Griffiths) said that he considered the measures in the Bill to be proportionate. I merely point out that Ofcom's own document concluded that the measure that he has proposed is "disproportionate".

Philip Davies: Indeed. Equally, I pay tribute to my hon. Friend for his work on the Committee, which he chairs with great skill. Anybody who has heard Ofcom's evidence will be left in no doubt that it, too, thinks that the Bill is rather premature at best and potentially misguided at worst.

Mr. Chope: Even the restrictions that have already been introduced have produced unforeseen consequences. For example, the advertising of food in cinemas has increased by some 50 per cent.

Philip Davies: My hon. Friend is right, and he made a powerful speech about how the Bill is so badly flawed. In his introductory speech, the hon. Member for Edinburgh, South was very reticent about his record as a Minister at the DTI and some of the things that he then believed in—not surprisingly, given the content of the Bill. Last year he told the House:

> "I feel passionately about manufacturing. It has been a drive of the Government to ensure that as much manufacturing as possible is carried out in this country". [*Official Report*, 6 June 2007; Vol. 461, c. 351.]

I presume that on that basis he is a supporter of food manufacturing, so I am surprised that he is promoting a Bill that will do a lot of damage to the food manufacturing industry.

Martin Horwood: Forgive me, but I thought that the hon. Gentleman argued earlier that the Bill would have no impact on market share.

Philip Davies: My point is that it would not make any difference to overall market size, but it could make a big difference to individual companies' market share, and their ability to enter certain markets, so it would have a negative effect on some food manufacturing companies.

The hon. Member for Edinburgh, South said, when he was a Minister in 2001, that he believed that his goal as a Minister was

> "to argue within Government against over-regulation, red tape and zealous bureaucracy."

However, he has presented a Bill today that would increase all those things. Many people think that it is a triumph for the nanny state.

Hugh Bayley (City of York) (Lab): I apologise to Members for coming into the debate so late, but I have been at a meeting of the NATO Parliamentary Assembly. The hon. Gentleman thinks that the measures in this Bill are unnecessary, but what measures would he support for reducing salt, sugar and other additives in children's food? Or does he think that children's diets are perfect at the moment?

Philip Davies: The hon. Gentleman should not apologise for coming in late. His contribution is more than welcome at any stage. The problem is that we have a fundamental disagreement on principle. He clearly believes that the only way to engineer any change is through regulation and Government legislation. However, in recent years we have seen a huge reduction in the amount of salt and sugar in food products. That has not happened because of Government legislation and regulation: it has happened because customer demand has changed. Customers now want healthier products as they are more health-conscious than before, so we do not need all this legislation to bring about those changes. They are taking place already. Anybody who works in industry knows that the most successful companies in the world are those that look after their customers and deliver what they want. If the hon. Gentleman is right and people want healthier products, that is what retailers and food manufacturers will deliver, without any Government intervention. That is why the Bill is unnecessary.

Angela Watkinson: Does not that exchange highlight the difference between information and regulation? Provided that people have the information to make sensible choices, they can be trusted to do so. They do not need to be told what to do.

Philip Davies: My hon. Friend is right. She is a great champion of people taking individual responsibility for their decisions, and especially of parents taking responsibility for their children. This Bill is the ultimate triumph for the nanny state, and I shudder to think where the hon. Member for Edinburgh, South will seek to take us next when he realises that his Bill has made no difference to childhood obesity.

It is not often that I am proved right, but when the initial restrictions were first mooted by Ofcom, I recall saying in the Select Committee—I am sure that my hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale) will be able to confirm this—that when they did not make any difference to the levels of childhood obesity, and it is clear that they have not, the health zealots would quickly be back to say, "Well, the restrictions haven't made any difference to childhood obesity levels because they did not go far enough." Within no time at all, they would be back to urge us to go even further. When those further restrictions did not make any difference, they would want to go further still. The only thing that surprises me is how quickly those health zealots have come back to ask for further restrictions. The point is that whatever is introduced, it will make no difference to levels of childhood obesity and it will not satisfy the health lobby or these health zealots. Whatever is done

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will never be enough for them; we will always be pressed to go one step further. The Bill is bad enough as it stands; it will only encourage people to try to bring about further restrictions in the very near future.

I support what the hon. Member for Edinburgh, South said when he was a Minister at the Department of Trade and Industry—that we should be wary of over-regulation—and I am delighted that the Minister of State, Department for Culture, Media and Sport, the right hon. Member for Barking (Margaret Hodge), has confirmed that that is the Government's position in respect of the Bill, which they see as an example of over-regulation. I pay tribute to that Minister. When she was a DTI Minister, she was always a champion against too much regulation, even when some of her ministerial colleagues were swayed by some of the arguments in favour of it.

I am also delighted that Ofcom—the regulator that the Government have put in charge of this policy area—claims to have a bias against regulation. In its recently published annual plan, outlining its strategic approach for the year, Ofcom makes it clear that it

"will operate with a bias against intervention…will always seek the least intrusive regulatory methods of achieving…policy objectives"

and

"will strive to ensure that our interventions are evidence-based, proportionate, consistent, accountable and transparent in both deliberation and outcome."

I am greatly heartened by that strategic approach; if Ofcom adopts and follows it, as set out in the annual plan, it could not possibly reach any conclusion other than that the Bill and any further restrictions should not be supported.

Mr. Chope: My hon. Friend had the benefit of attending yesterday's Select Committee interview with Ofcom. Is he satisfied that it is wholly independent of the Government and that it will not bow to pressure when faced, for example, with the Secretary of State for Health saying, as he did last November, that advertising restrictions should go much further than they do already?

Philip Davies: My hon. Friend raises a very interesting point. If I did not know better, I might have thought that he watched our evidence-taking session with Ofcom earlier this week, when I placed in question its independence of the Government. Because the restrictions introduced last year do not appear to me to be based on any evidence, but rather appear to be a sop to the Government who wanted those restrictions, I rather think that my hon. Friend has a point. Given that the Government have given Ofcom this responsibility and that Ofcom said in our evidence session earlier this week, as it has reiterated on a number of occasions, how independent it was of the Government in being an independent regulator, I think it rather mischievous of Government Departments, whether the Department of Health or others, to try to pre-empt Ofcom's deliberations into these matters by trying to push it down a particular line. If the Government have set up Ofcom as a truly independent regulator, they should leave that independent body to get on with it, without trying to nudge it in a particular direction when it suits them. If the Government want to interfere in all these matters, they should not have set up an independent regulator in the first place; they cannot have it both ways and they should not expect an independent regulator to do their dirty work for them, if that is the direction in which they want to go.

I was surprised to hear that the main argument advanced by the hon. Member for Edinburgh, South in support of his Bill was that it would deal with pester-power. That was the hon. Gentleman's main focus at the start and it may also explain why the hon. Member for Cheltenham (Martin Horwood) said that he had seen a poll showing that 80 per cent. of the public think that this sort of restriction would be a good thing. I am not sure that if people understood the full ramifications of the Bill, we would see that kind of endorsement, but I can see why some people would instinctively and at a superficial level be attracted by a restriction on advertising. It has the two ingredients that I mentioned at the start of my speech: it does not really offend anybody and a parent might think that it will avoid a bit of pester-power.

The poll was much more significant, however, because it went on to ask people whether they thought the restrictions would make any difference to childhood obesity, and 76 per cent. of parents said that they did not think they would. Therefore, they might be in favour of this on a superficial level if it stops a bit of pestering, but they do not believe that it would make any difference to childhood obesity. However, that is what the Bill is trying to do. We are trying to deal with childhood obesity, not the convenience of parents who are being pestered by their children.

Angela Watkinson: My hon. Friend is right. A lot of the pestering comes from children themselves. I can well recall collecting my children from primary school and being pestered to allow them to go into the sweet shop next door but one, by them claiming that they were the only ones not allowed to do so—quite erroneously, of course. It is up to parents to resist such pressure, because their children's teeth, weight and general health is far more important than giving in to their temporary whim of wanting to go into a sweet shop every day.

Philip Davies: My hon. Friend is entirely right. Like her, I believe passionately that parents have responsibility for bringing up their children. There are certain things in life that are very important and about which people should think very carefully. Raising children falls into that category; people must understand that bringing up their children is one of the most crucial things that they do. They cannot farm that out to the state; they have to do it themselves. People should bring up their children with a belief in what is right and wrong, and be passionate about how they want to bring them up.

As my hon. Friend the Member for Christchurch powerfully made clear in his speech, the more often the state takes the responsibility for bringing up children away from parents, the less responsibility parents will take for bringing up their children. I do not want us to reach the point that this Bill would take us to. Some Members believe that people can farm out the responsibility of bringing up their children to the

Government—that the Government will do that for them, and will decide what is best for children and what is not good for them. That is a very dangerous route.

Mr. Chope: My hon. Friend is absolutely right, and does he agree that if this line of thinking continues we will soon find that candy floss or toffee apple salesmen are banned on the basis that their mere presence in a high street or in a public park could engender pester-power?

Philip Davies: My hon. Friend is right, and it does not take a great leap of faith to see the direction in which Bills of this nature might take us. Indeed, this Bill's measures are drawn so widely that it is not entirely clear whether it would itself exclude some of these activities. Ice cream sellers who set up in parks at weekends hoping to do some business may well soon find that they are banned from doing so, and therefore people will not be able to enjoy an ice cream when they are feeling hot in the middle of a summer weekend. It is not entirely clear whether the Bill's promoter, the hon. Member for Edinburgh, South, seeks to stop such activities.

Parents should be held responsible for bringing up their children and decide what their children eat. I feel sorry for parents who are pestered. I am the parent of two very young children; one of them is four years old and the other is two. They pester me no end about certain things. I am not sure whether they have ever been influenced by any advertising; that just seems to be what children do. By nature, children pester their parents for certain things, and parents have the responsibility to stand up to that, and to say, if they do not think their children should have something, "No, you can't have it." I do not want us to have legislation that takes that responsibility away from parents, as that would be counter-productive.

I wish now to praise an eminent figure in the fields of psychiatry and psychology—he has a number of qualifications and degrees. Members will be aware of him; his name is Dr. Raj Persaud. He wrote an article entitled, "How the culture of blame has made victims of us all". The thrust of his argument is that we are in danger of creating a society in which there is always somebody else to blame for what goes wrong and nobody takes responsibility for what happens in their own lives. Is that attitude not very convenient? His article captures the thrust of this Bill perfectly. How convenient it would be for all of us who are overweight—like my hon. Friend the Member for Wantage (Mr. Vaizey), I certainly class myself as being in that situation—to blame somebody else for that, saying, "It is not my fault because I eat unhealthy things and do not do enough exercise; it is the fault of those awful advertisers putting things in my way. How on earth can I resist temptation? It is the fault of all those supermarkets that put things on the shelves that are unhealthy for me." There is always somebody else to blame for our problems. If people are overweight, the only person they have to blame is themselves. To be perfectly honest, on the whole, the people who are chiefly responsible for the vast majority of overweight children are the children themselves and their parents.

Angela Watkinson: Will my hon. Friend join me in acknowledging the very good work being done at school meal times in educating children to make choices between healthy and unhealthy foods? They are not being told what to eat and having foods banned; they are educating themselves to make their own decisions, so that when they become adults they can pass that education on to their own children.

Philip Davies: I entirely agree with my hon. Friend; she is absolutely right. It is far better to educate people—for people to see for themselves the consequences of their actions and to conclude what is right for them. Those of us who know that eating too many chips and too many curries will make us overweight have made that decision in the full knowledge of the facts. I am well aware of the problems that my diet might cause me, but I have decided to take that on board and I am going to eat that food anyway. If that makes me overweight, so be it; if that makes me die early, so be it—that is the choice I have made. I agree with my hon. Friend that it is far better to let children come to these conclusions themselves, rather than having the state nannying them and telling them what they can and cannot do, potentially leading to their wanting to rebel against what the state is telling them. It is much better that they see things for themselves.

Mr. Chope: Does my hon. Friend not think it a bit ironic that the campaign behind this Bill is being promoted by the Consumers Association—a body that one would expect to want to promote consumer choice?

Philip Davies: I agree with my hon. Friend. It strikes me as utterly bizarre that an organisation that supposedly supports the rights of the consumer would want to restrict consumer information through advertising. How on earth it has come to that conclusion I am not entirely sure, but I urge it to revisit what it is about as an organisation. Rather than promoting something that is its own personal bugbear, it should perhaps think about what is in the interests of consumers as a whole. State interference is never really in the interests of consumers.

Before I entered Parliament, I worked in marketing for a large food retailer, so I have at least some knowledge of the marketing and food retailing industries, although perhaps not as much as some other people in this House. There are some misconceptions about marketing and how it works. People who know me know that I used to work for Asda, which does lots of TV advertising. I was not personally responsible for the TV adverts involving the "pocket tap" theme that Asda developed, and I certainly would not try to claim credit for it; somebody far more talented than I am came up with that. In fact, the "pocket tap" first appeared in a TV advert back in 1975, so people might wonder what on earth Asda's marketing department did for the next 30 years, given that we kept to exactly the same "pocket tap" theme—and, indeed, exactly the same music—in our adverts for that entire time.

My point about our advertising strategy is this. We never expected somebody who was sat on a sofa watching a TV advert instantly to leap off their feet, switch off the TV and make a wholly unnecessary extra trip to the supermarket, and the same applies to adverts that Asda puts out today. The purpose of advertising and marketing is not to try to get an extra visit to the supermarket.

Martin Horwood: Is the hon. Gentleman arguing that advertising has played no role in increasing the size of the market for supermarket multiples as a whole over the past 20 years?

Remaining Private Members' Bills

PUBLIC SECTOR BUILDINGS (ENERGY PERFORMANCE) BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 16 May.

CITIZENS' CONVENTION BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 16 May.

PEDLARS (STREET TRADING REGULATION) BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 6 June.

ENVIRONMENTAL PROTECTION ACT 1990 (AMENDMENT) BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 6 June.

EMPLOYMENT RETENTION BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 20 June.

Election Candidates

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Khan.]*

2.31 pm

Mr. Greg Hands (Hammersmith and Fulham) (Con): I realise that it is only six days before the London mayoral election so I shall try to make my speech as general and non-partisan as I can, but I want to set out an important proposition. It is this: the public need to know who is providing funding for candidates for directly elected office, especially if that office comes with significant planning powers, such as those of most directly mayors and, most definitely, the elected Mayor of London.

Contrary to what was said in the *Evening Standard* earlier today, I am not calling for a change in the law. I am calling for proper enforcement of the existing law—the Political Parties, Elections and Referendums Act 2000—by the Electoral Commission. It is my belief that the proposition that I outlined above was actually the intention of the Act. Ironically, the Minister in charge of electoral administration is the right hon. Member for Blackburn (Mr. Straw)—the Secretary of State for Justice. Ironically, because it was he who in a previous guise, as Home Secretary, introduced the PPERA in 2000. At the time, he said:

> "At the heart of the Bill's provisions is the need to ensure that the funding of political parties is open and transparent. Greater transparency will not only strengthen the accountability of political parties but help to buttress their financial standing. The secrecy that has hitherto been permitted to political parties in their funding, and the scandals to which such secrecy has given rise in recent years, have undoubtedly left a sour taste. In contrast, all political parties—and the reputation of our political system as a whole—will benefit from the Bill." [*Official Report*, 10 January 2000; Vol. 342, c. 35.]

I believe that the "sour taste" described by the right hon. Gentleman is very much with us today, with the London Mayor election. One candidate, the incumbent, Mr. Livingstone, has not declared a single donation since the PPERA began just after his election in 2000, even though many donations were made specifically for him and for the benefit of his campaign. According to schedule 7 of the PPERA, the Mayor of London is a regulated donee. He is specifically named as such:

> "Mayor of London or elected mayor within the meaning of Part II of the Local Government Act 2000."

In addition, the Mayor of London is normally a regulated donee as well, simply for being a member of a registered political party. For the 2004 election, the current Mayor was indeed a member of a registered political party, as he is also for this election. I am absolutely satisfied that, for the purposes of the Act, candidates for Mayor of London are regulated donees. It is not just I who am convinced: I have seen significant legal advice that maintains the same.

As I have said, Mr. Livingstone has never reported a single donation to the commission as a regulated donee. By comparison, the Norris for London campaign reported £490,000 given to Steve Norris as a regulated donee in 2004. My hon. Friend the Member for Henley (Mr. Johnson) has declared 58 donations, totalling just under £440,000, this time to him as a regulated donee as a member of a political party.

Any London voter can quickly learn, from the names and amounts given, the nature of the funding behind the campaign of my hon. Friend the Member for Henley, as they could for Steve Norris in 2004. I believe that that is why we have political funding rules: they allow voters, stakeholders and journalists the opportunity to scrutinise, for themselves who is funding the main candidates and incumbents and to make their judgment accordingly.

The Livingstone team declares that the rules do not apply to him, as it says that all fundraising is carried out in the name of the Labour party. Even if that were true—I will show significant evidence to the contrary shortly—he would still need to make the declarations as a regulated donee. It is irrelevant whether the donations are physically received by the candidate if they are made to him—the phrase in the PPERA is a "controlled donation"—for his use or benefit as the holder of such an office in connection with any of his political activities. Failure to submit the appropriate donation report is an offence under the PPERA.

So what difference does it make whether a mayoral candidate or a candidate for any other directly elected office is treated as a regulated donee under schedule 7? First, the reporting requirements for a regulated donee are significantly more stringent than for a political party. Instead of quarterly, declarations need to be made monthly. That requirement is particularly significant during the run-up to an election, where monthly or quarterly declarations make a big difference to whether the electors can see the donation before or after polling day.

The other main difference is the threshold amount. For regulated donees, it is £1,000. For political parties, it is £5,000. Again, that is a very significant difference. For reasons that I will discuss shortly—the London Mayor's very significant planning powers—I believe that it is vital for the reporting frequency to be as often as reasonably possible for the London Mayor and for the threshold to be as low as reasonably possible.

Returning to the current incumbent, his team has been arguing that he should not be treated as a regulated donee, as all funds are given via the Labour party, and therefore the rules that affect political parties should apply. However, until it was recently modified, the website that solicits donations to the Ken Livingstone campaign—kenlivingstone.com—made it explicit that donations are for the Ken Livingstone campaign, not even for general Labour party fundraising, or indeed regional, London-wide Labour party fundraising. The website was specifically inviting donations for Ken Livingstone. Indeed, the cheques were due to be made payable to a separate account in the name of Ken Livingstone. Similarly, the website claimed that the threshold above which any donation needs to be declared was £5,000, which is correct for political parties, but clearly wrong for regulated donees. Also, donations to a political party must be reported only seven weeks after the end of a quarter. For regulated donees, such reports must be made within 30 days of receipt.

To summarise, we have four very significant problems with the arrangements. First, it is impossible to see who is funding the Livingstone campaign separately from any general Labour party funding, even though donations were and still are being solicited specifically to help the candidate, not necessarily the political party. In fact, with the current way that the PPERA is being operated, we might never know who gave to Ken Livingstone and who gave to the Labour party.

Secondly, because he does not believe that he is a regulated donee, the frequency of declarations is only quarterly, not monthly. That might not normally make much difference, but in the run-up to an election of the magnitude of next week's, that makes a huge difference. The fact is that, with the last quarter of the campaign's fundraising—probably the biggest quarter of all for donations—the names will not be known until 27 May, which is 26 days after polling day. There is therefore no chance for Londoners to see who is funding the Mayor's re-election campaign.

Thirdly, the threshold is £5,000, rather than the £1,000 limit that applies to regulated donees.

Fourthly, the time lag is unacceptable, even if donations to individuals are disaggregated from those given to parties.

The Minister doubtless knows that I took up those issues with the Electoral Commission in March, but its investigation was wholly unsatisfactory. Despite the clear evidence that the spirit and letter of the PPERA were being circumvented, the Electoral Commission pronounced itself satisfied, because it said that there was no evidence that any donation had actually been made. In other words, despite a separate bank account for Livingstone donations, millions of leaflets pouring off the presses, widespread media reports of lucrative fundraising auctions and evidence from the 2000 campaign that Ken Livingstone has the ability to raise significant sums of money in his own name, the Electoral Commission saw no evidence that a single donation had actually been made to the Livingstone campaign and therefore could see no grounds for investigation.

The Electoral Commission wanted to see specific evidence that donations had not been properly reported. Its letter to me stated:

> "I would point out that there is no evidence that any reportable donation has not been declared."

That is a farce. Because of the subterfuge and the refusal to report any donations, it is impossible to discover a donation that has not been declared, which is the point of the complaint.

I even pointed the Electoral Commission to past donations to suggest a pattern of behaviour that should be examined. I pointed to a donation to Mr. Livingstone's 2004 campaign from a property developer, Gerald Ronson, that had gone unreported. Again, the Electoral Commission refused to investigate or even to consider that that past transgression might suggest similar behaviour in this campaign. It said that the 2004 donation was of no interest:

> "Any proceedings in relation to such a matter would have to be brought within three years of that date. This deadline has now expired."

The Electoral Commission has farcically allowed a situation in which no Londoner can have any idea who is funding the campaign for the incumbent candidate for the position of London Mayor. This is the second largest direct election in Europe, after that for the President of France, and 5 million electors deserve to know who is paying for all the glossy leaflets that come through their doors from the main candidates.

[Mr. Greg Hands]

In 2004, Ken Livingstone also made no declarations, yet Londoners might well have decided differently, if they had been aware of the full facts on who was funding the candidates. My research at the office of the trades union certification officer has revealed that the largest donation to Mayor Livingstone in 2004 probably came from one of the hated tube unions, ASLEF, which made a specific donation in late 2003 to Ken Livingstone—there was no mention of the Labour party—for his campaign for re-election. The Labour party did not declare that donation, either. Londoners would have taken a dim view that Mr. Livingstone's re-election was being financed by the same tube unions who were on strike on a number of occasions—strikes which the Mayor often pretended to condemn. I note from today's *Evening Standard* that the same is reportedly happening now. Nobody knows who is funding Mr. Livingstone this time around, either, because of the poor application of the 2000 Act.

On donations from property developers, I have already mentioned Gerald Ronson, who made a payment to the Labour Mayor's re-election campaign two years after he received planning permission for the Heron Tower development in the City. The 202 m skyscraper was opposed by English Heritage and the dean of St. Paul's cathedral, because they said that it would damage the capital's historic skyline. However, Mr. Livingstone said that it would "support London's economic future". The Ronson donation was made after planning permission was granted and shortly before Mr. Livingstone won the June 2004 London mayoral election. A spokeswoman for the developer told *The Times* last month:

"I can confirm it was a personal cheque from Gerald Ronson. The exact amount was £4,990."

Mr. Livingstone also took donations from another property developer, Irving Sellar. At the Mayor's press conference two years after that election, on 21 March 2006, he said about his two donors:

"I deal with many property developers, Irving Sellar, Gerald Ronson—they're there to make a profit, they also have a commitment to the city, they have a pride in creating great buildings, they're proud they are creating jobs, they actually, they share the sense of being Londoners... I mean most of the major property developers who've had an interest in this city come along to my office, get involved, make sure their plans are acceptable to my planning officers, make a reasonable contribution."

There you have it—we not only have a Mayor who does not declare any donations, but one who welcomes what he calls "reasonable contributions" from property developers in meetings at his own office, where planning applications are being discussed.

The various donations from ASLEF, Gerald Ronson and Irving Sellar went unreported in the 2004 campaign and thereafter. Disgracefully, they have become known in the past two months, and still neither has been reported in any way to the Electoral Commission. I wonder whether that was what the Government had in mind when they trumpeted new transparency in political funding when introducing the Political Parties, Elections and Referendums Act 2000.

Why does it matter that people know who is funding the London Mayor? Perhaps that is not obvious. I have given the example of Gerald Ronson and the suspicious circumstances of the granting of planning permission, which was followed up by a donation to Mayor Livingstone's re-election campaign. The Mayor has had significant planning powers since 2000, but they have been greatly strengthened by the Greater London Authority Act 2007, which, by a strange coincidence, was brought into force just this month. It gives the Mayor the power not only to refuse an application of strategic importance but to approve one. One can therefore begin to understand why property developers might become even more interested in donating. The Mayor can now countermand a London borough's refusal to grant planning permission.

I was a member of the Public Bill Committee on that Act, and the extension of the Mayor's planning powers was considerable. The Act and guidance outline a huge range of strategic planning decisions to be taken by the Mayor, including those on developments of more than 500 homes; developments in which more than 200 existing homes are to be demolished, even if replaced by more than 200 new homes; developments with more than 20,000 sq m of floor space; buildings more than 30 m high, or 25 m adjacent to the Thames; any development including an aircraft runway; a tube or rail station; a bus or coach station; a passenger pier on the Thames, and so on. Those are clearly very considerable planning powers.

What is more, true to the Mayor's directly elected office, those decisions will be made by the one-man planning authority in private, unlike the decisions of a planning committee of a local authority. Unlike any other planning authority, the one-man authority has a separate duty to promote regeneration in London. It seems inevitable that, in his regeneration capacity, the London Mayor will have frequent interaction with property developers. The current incumbent already does, for example by visiting major developers' conferences in exotic locations such as Cannes, in the south of France. Huge strategic decisions are being made in private, behind closed doors.

Thanks to the Electoral Commission's interpretation of the 2000 Act, we will not know if any of those developers have made contributions to the Mayor's campaign during an election or to his office in non-election years. We will have no idea whether there is any financial motivation behind the decisions made in private by the Mayor—not necessarily the current incumbent—as a one-person planning authority. That is an invitation to corruption and conflicts of interest on a massive scale in meetings taking place in secrecy. The Mayor is responsible for strategic planning decisions. Unlike, say, loft extensions, such decisions are likely to involve large developers. It is precisely such large developers who are likely to be making political donations to candidates for directly elected office.

There is even more need for directly elected persons to disclose their donations than for political parties to do so. That is especially true for directly elected persons who are also one-man planning authorities. We have seen how the current Mayor links planning permissions to undefined "contributions". That sort of practice needs to be stamped out or, at the very least, we in the London electorate need to see what those contributions are.

Londoners, however, can see who is funding my hon. Friend the Member for Henley, as I said. As he is declaring his donations as a regulated donee, the Electoral

Commission website lists 58 donations made over the past nine months or so. There is a monthly update for any sum more than £1,000. In contrast, Ken Livingstone has not declared a penny for eight years.

The Government need to talk with the Electoral Commission urgently to ensure that the PPERA is properly administered and enforced. While researching for the debate, I started with the premise that the law might need changing. I now do not think that that is the case. It seems to me that all we need is for the law to be properly enforced.

I have chosen to focus almost entirely on London, which was perhaps inevitable, as I am a London Member, but the same observations would apply to most, if not all, directly elected mayors and officials in this country. I happen to agree with the strong, directly elected mayor model, but it will not work if we cannot see all the reasons why people behave as they do, and especially without full transparency in donations. I look forward to hearing the Minister's response and her proposals for change and the proper enforcement of the PPERA so that we can have proper transparency in the funding of directly elected office holders.

2.51 pm

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): When the hon. Member for Hammersmith and Fulham (Mr. Hands) began his speech, he said—I hope not out of a sense of naivety or innocence, although perhaps there was a bit of naivety and innocence on my part—that he did not intend to make this a party political issue, but wanted to examine the matter in the round. He seems to have come to the House on the pretence of being concerned about propriety, ethics and regulations governing election expenses, yet he has spent the best part—two thirds—of the time for the debate making scurrilous attacks on the London Mayor, Ken Livingstone, who is the Labour party candidate in next Thursday's election, and on the Labour party in London and as a whole. If I may say so, he does not come to this with clean hands—I mean no pun.

The hon. Gentleman repeated serious, groundless allegations against one of the candidates just six days before the poll and, frankly, he wastes the resources of the House by so doing. I will talk about the Political Parties, Elections and Referendums Act 2000 in a moment, but first I will deal with the complaints that the hon. Gentleman made to the Electoral Commission. Given that he also attacked the commission, I remind him that it was set up under the Act as an independent organisation to oversee and regulate party funding and the behaviour of candidates and parties in this area.

The hon. Gentleman lodged a complaint with the commission that Ken Livingstone had failed to register donations in the 2008 campaign. The commission investigated his complaint and decided—I think that it reported this to the relevant Select Committee only a month or so ago, although I might not be right—that the PPERA rules had not been broken because all the money was given to the Labour party in London as a whole, rather than to Mr. Livingstone directly. A spokesman for the commission said that it had met the Labour party and Ken Livingstone's election agent and that it was satisfied that there was no evidence of a breach. When the independent Electoral Commission says that there is no evidence of a breach, it is not right for the hon. Gentleman to use the facilities of the House, under the cloak of parliamentary privilege, to try to resurrect such scurrilous and unfounded allegations.

The hon. Gentleman referred to the hon. Member for Henley (Mr. Johnson), but of course Henley is not in London. As a Member of this House, the hon. Member for Henley has to make declarations in the Register of Members' Interests, so he is in a slightly different position; he has to ensure that he complies with the rules of the House, as well as the rules of the Electoral Commission. As far as I can see, neither the Labour party candidate, the Liberal Democrat candidate nor any other candidate has reported individual donations. I assume that that is because they, like the Labour party candidate, have had donations made to their party, rather than to themselves as a regulated donee.

The hon. Member for Hammersmith and Fulham made a good attempt at throwing the dirt around. It is pretty low politics—dirty politics, to borrow from the title of the book by his good and helpful friend, Lord Ashcroft, whom I understand donated a sizeable amount of money—£44,000—to the hon. Gentleman's 2005 general election campaign.

Mr. Hands: The Minister is quite right in her facts, but does she not agree that what she says rather bears out the fact that donations should be visible and transparent? She is able to make her correct assertion about the funding that I received for the last general election because the donations are visible on the Electoral Commission's website. The fact is that there are no donations visible for the Mayor of London since his first election in 2000, eight years ago.

Bridget Prentice: I have already answered the point about the Mayor of London: donations to his campaign are made to the Labour party, and are used by the Labour party to fund the campaign. Many of us are concerned about the fact that an individual can throw cash at marginal seats around the country, and be subject to no serious accountability at all. I hope that that is one of the issues that we will address when we deal with party funding shortly. I have to say that we would have addressed the issue far more quickly if the hon. Gentleman's party had decided to work with us, and with the other parties in the House, on coming to a consensus on the issue. Unfortunately, his party decided not to do that, and we can only speculate on why that is.

The debate seems to be a smokescreen to hide the fact that the Conservative candidate for the mayoral election does not want to have to talk about his muddled policies and the risk that he poses to the prosperity of Londoners. I want to wake up on Friday morning knowing that we have elected a Mayor who puts London at the heart

Mr. Deputy Speaker (Sir Michael Lord): Order. I hesitate to interrupt the hon. Lady, but she is moving a little way away from the central point of the debate.

Bridget Prentice: I accept your admonition, Mr. Deputy Speaker.

[Bridget Prentice]

The Political Parties, Elections and Referendums Act 2000 introduced positive changes and implemented the recommendations of the Committee on Standards in Public Life. As I said, those changes were made on the basis of broad consensus, to which we remain committed. I hope that the Conservative party will bear that in mind as we move to examine changes to party funding in further detail in future.

The Electoral Commission is responsible for monitoring whether the Act is properly observed and it is important to apply it so that the public can have confidence in the funding of political parties. It is important for all individual members of political parties and the parties themselves to work with the Electoral Commission to ensure that transparency.

It worries me deeply, as a democrat, when someone such as the hon. Gentleman can come to the House and make such allegations knowing that the Electoral Commission has found no fault. Doing that undermines the democratic process and makes people lack confidence in our system. We have moved far on transparency and we will go further, with support and consensus in the House. However, I often fear for democracy when undefined allegations, which lack evidence, are thrown around in the heat of an election campaign, thus undermining the whole process.

If the hon. Gentleman genuinely believes that he has a serious point to make, I hope that he is prepared to do it outside, in the public domain: without the cloak of parliamentary privilege to protect him. Otherwise, he undermines not only his position but that of his party and, more important, democracy itself.

Question put and agreed to.

Adjourned accordingly at Three o'clock.

Westminster Hall

Tuesday 25 March 2008

[MR. PETER ATKINSON *in the Chair*]

Remploy

Motion made, and Question proposed, That the sitting be now adjourned. *[Mr. Khan.]*

9.30 am

Frank Cook (Stockton, North) (Lab): Good morning, Mr. Atkinson; I hope that you had a good Easter weekend break. As mine are the opening shots in the House immediately following the break, I am not surprised to see that the Chamber is so sparsely populated. I should be grateful, I suppose, that there are as many Members present as there are. I ask you to give my thanks to Mr. Speaker for granting this Adjournment debate.

I am very happy to speak under your chairmanship, Mr. Atkinson. As you know, I normally occupy the seat in which you now sit, and I am sorry to visit this subject on you. It is the second time I have had to raise the issue. Each time I have spoken in Westminster Hall it has been about subjects that have given me particular concern and immediate pain, in regard to my constituency. I last addressed the Chamber on 25 July—eight months ago—and for the past 10 days I have been racking my brains to try to find something that might have happened in that time to change what I am about to say from what I said then. Sadly, little has changed apart from the fact that the disregard shown towards my constituents and the work force of Remploy has continued, and got worse. I am bound to ask myself, and the House, what on earth has been going on. What have the management been up to? Probably more important for Parliament, what on earth has the Department been doing? Has it been doing anything at all?

I remind the House that back in July I recorded the fact that the subject first came to my attention by way of a visit from Mr. Waterhouse, of Remploy fame, who wanted to tell me about what he called

"the outcome of a period of intensive consultations with the trade unions over plans to modernise Remploy".

It was more than 12 months ago that he gave me that information. He charmed the life out of me, and persuaded me to believe him. Since then, sad to say, chapter after chapter has proved conclusively that he misled me. I do not say that he did so deliberately, but if he did not he must have been a fool. The outcome has been clear evidence of negligence, indolence and dereliction of duty.

I went over a catalogue of exchanges and correspondence that had taken place up to the time of the debate. I do not want to rehearse it now, because it is already on record. However, I remind the House that the Minister remarked in replying:

"For the past two years, not just since May, we have been engaged in a discussion about how to modernise Remploy".

[*Official Report, Westminster Hall*, 25 July 2007; Vol. 463, c. 293WH.]

That was last July, and we are now eight months on. The situation has got worse and that will continue. At a time when the Government say that they want to move people off benefits and into work, they are going about it in a very strange way.

Philip Davies (Shipley) (Con): Will the hon. Gentleman give way?

Frank Cook: I am getting into a real theme and you are spoiling it, young man.

Philip Davies: I certainly do not want to interrupt the hon. Gentleman's flow; I congratulate him on the work that he has done. In Bradford the Remploy factory has been closed down with little consultation with the work force. Many of the people who worked there have no chance of finding another job and many of those who do so probably will not last long in it. Does the hon. Gentleman agree that the social value of the Remploy factories far outweighs their economic cost, simply because—the point he was making relates to this—people do not want to sit at home and get the money that they were getting before, they want to do something worth while, and work?

Frank Cook: That young man has been reading my script. I have been looking to see whether Bradford is identified in a list of factories about to close, and sadly I cannot find it, but I advise the hon. Gentleman to consult the Library debate pack. We must commend the Library for its debate packs. The one for this debate is superb; it contains a list of factories that are closing and the basis on which they are held—freehold, ground lease or leasehold. I advise him to find out which of those applied to Bradford, because I have discovered that the factory in my constituency was freehold. Would you believe it? While consultation was still going on about whether to keep the workers in employment, the factory was up for sale. That is a motive that we have not yet heard about among the arguments. Is this simply a matter of wanting to realise the value of the plots on which the factories sit, and being prepared to sacrifice the workers on the altar of financial gain? It is a serious question, and I hope for a serious answer.

I have lost my theme—I shall render that young man redundant at the end of the debate. I was reminding the House that although the Minister said that there had been two years of discussions, eight months later nothing has changed, at a time when the Government are trying to move people—I suppose we should call them recipients—away from benefit and into full employment; yet in the case we are considering, individuals—human beings who have worked for years at Remploy and given sterling service in sometimes difficult conditions—are being put out of work. It does no good for Mr. Waterhouse or the Minister to try to persuade me that those people can be placed safely in mainstream employment, because they cannot. They have characteristics, problems and needs that cannot be provided for in mainstream employment. They have been accustomed to working in a family atmosphere, where one individual takes care of another, or several others—an atmosphere full of compassion and humanity.

Now the idea is to put those employees in the mainstream: we are told they can go into charity shops. There is nothing wrong with charity shops, but good heavens, will those workers get great enjoyment waiting for customers

[Frank Cook]

to come in and ask what is on the bottom shelf, when before they were gainfully employed, doing a productive job? The whole thing is farcical.

In July's debate, the Minister said:

"A misinterpretation has perhaps been given that somehow the people in mainstream employment are there only for a few weeks or a few months at a time...Remploy has a good record of sustaining people in mainstream employment."

In fact, that is wrong. Most of those who gained any kind of placement in mainstream employment were very temporary and found out within a short time that they did not fit in. Not only are they not happy, but the work force that must accommodate them sometimes do not make them welcome, so was that argument plausible? I prefer to use the term "specious". That situation has gone on consistently.

I must credit some individuals who have tried to bring the circumstances into the full light of day. I name particularly Mr. Phil Davies, of the union GMB. *[Interruption.]* I do not find that funny. Mr. Davies, who headed a consortium of trade unions, tried to talk sense. He pleaded with Remploy, asked questions and sought answers. GMB is still awaiting information about the financial state of play that it has requested time and again. The Minister told us during our last debate that details of the financial considerations had been given, and that the process was to be transparent and open. That has not been the case. It has not been open. She said:

"I ask us all to encourage that discussion." [*Official Report, Westminster Hall*, 25 July 2007; Vol. 463, c. 294-7WH.]

Any discussion must be a two-way process. It is not only a question of hearing; it is a matter of heeding, and that has not happened.

Not only has that not happened, the situation has been made infinitely worse, as anyone will find who looks at early-day motion 809, tabled on 29 January by my good friend and colleague the hon. Member for Barnsley, West and Penistone (Mr. Clapham). The early-day motion relates to the issue—it is only one of the issues—of work being moved from his local Remploy factory to Bulgaria. Outsourcing to Bulgaria? I have nothing against Bulgarians—I have spoken in the Bulgarian Parliament on more than one occasion, and I have visited the country several times and helped to educate it away from Soviet methods, if we have managed any progress in that direction—but I must remind the House why Remploy was formed. It was not meant to be a profit-making organisation. Its genesis was in the need to provide employment for disabled servicemen and women who had returned after fighting to defend this country and defeat fascism.

Remploy was set up to give such people a decent way to earn a living and live in dignity. Other disabled people have joined them in those factories since then, and they have provided all sorts of benefits. The factory on the south coast made survival suits at a cost of £20, yet its single franchisee, no more than 300 yards down the street, sold them for £80, and workers could not buy them for less than that. From the outset, it was a strange way to behave and that is the basis of my argument today. The management have been inept, incompetent, incapable and, to my mind, unwelcome, and something ought to be done about it.

Why was Remploy outsourcing work to Bulgaria in January while closing factories in this country and putting workers back on benefits, when the Government were saying that they wanted to move individuals from benefits into full employment? Is nobody in Whitehall capable of joined-up thinking? It beggars belief that such a situation could be allowed to develop.

There should be no doubt in anybody's mind, particularly the Minister's, about whether I am exaggerating, overstating the case or allowing myself to become angry. I am not becoming angry—I am bloody angry already. It is an absolute disgrace that such conduct should be foisted on people who have done a decent job of work for God knows how long. Some of them have done it for longer than some Members of the House have been alive.

I have a letter from the Minister. It is a bit more recent than July; it is dated 29 November 2007. I shall not read it all out, because it goes on for quite a while—strangely enough, most ministerial letters do—but one particular bit says:

"We carefully considered the Company's proposals and also the alternative plan put forward by the trade unions."

Two and a half years into negotiations, the Government finally considered it. Let us see how well it was considered, shall we? I am sorry to take a bit of time, but it is an important issue, and I am determined that it should have the right degree of attention.

I have a letter dated 20 February. That is not a long time ago, is it? The letter is addressed to the Minister, and it says:

"Dear Anne,

I am writing to you about the treatment of disabled workers at the Remploy Stockton factory, which is earmarked for closure. My colleagues and I have been trying to obtain information about Employment Services and how it would work for those interested in remaining on Remploy's books and working for a host company. Remploy as a company and Mr. Waterhouse specifically have refused to give Stockton Remploy factory copies of leaflets with useful information about how Employment Services will work."

"Employment services" means Remploy employment services. Remploy refuses to give leaflets about its own services to its own work force. That is what Mr. Rowland Precious says; the letter is from him.

He goes on:

"This information was continually refused until, during phone calls from Frank Cook...and myself...to Mr. Paul Warren, your Private Secretary, the position was clearly explained to him. Mr. Warren was extremely helpful and promised that we would have the information the same day. When Paul Warren requested this information on behalf of Stockton factory this information, which had been refused for many months"

shall I repeat that?

"this information...had been refused for many months".

I am tempted to say it again, but I will not. The information

"was made available in two hours."

If it could be made available in two hours, why was it not made available months before?

Mr. Precious continues:

"I believe that it is a disgraceful state of affairs when we had to resort to contacting your department before this information was made available."

What was the Department doing until it was alerted? Was it not monitoring the situation? If that is the case in Stockton, is it the case in every other factory in the

country? Were they all denied the kind of information that they were supposed to be receiving?

Mr. Precious continues:

"Remploy Senior Management have over many months force fed us with information about Voluntary Redundancy while at the same time withholding information about how Employment Services would work. This is clearly part of the Remploy Management plan to push as many disabled Remploy workers to take Voluntary Redundancy, which is the cheapest option for the company. I should also like to point out that Stockton Remploy factory has been starved of work for many months and suddenly it has been flooded with work only a few weeks before the deadline of March 6th 2008."

The factory could not find work before, but suddenly it can—and all the time, there is a "For sale" sign on the outer wall.

Mr. Precious points out that

"the former Work and Pensions Minister stated that for those disabled workers who were unable to be placed in mainstream employment suitable sheltered employment would be found. When our Remploy factory in Stockton is closed there will not be any suitable sheltered employment in the Teesside area, as Hartlepool Remploy factory will also be closed.

Remploy claim that charity shops and other voluntary work are suitable replacements for sheltered factories and workshops. The problem with charity shops is that there are grave health and safety risks, which make them unsuitable places of work for a number of disabled workers. Remploy management have consistently refused to answer the question about what would happen to those disabled workers who are unsuitable to work in charity shops or mainstream employment.

The situation is that at present because of the arrogant and dismissive way in which Remploy Senior Management have treated us over many months most of the disabled workers at Remploy Stockton will take voluntary redundancy rather than stay on Remploy's books."

That demonstrates how successful the process has not been.

Mr. Precious continues:

"This clearly shows that the claim of Remploy Senior Management that they understand the needs of disabled workers is simply not correct.

Remploy have also offered voluntary redundancy to factories which are remaining open, such as Spennymoor, which is the closest factory to Stockton factory. At Spennymoor factory 66% of the disabled factory workforce have asked for voluntary redundancy, which means that a number of them will have to remain to maintain suitable manning levels while Stockton factory where most of the workforce wished to stay has been closed. This is further proof that the whole of the closure program has been very badly handled.

Could I close by asking that there is very careful monitering of the treatment of those who remain on Remploy Terms and Conditions with Employment Services as there is a great deal of distrust of Remploy Senior Management."

That will be their legacy.

Mr. John Grogan (Selby) (Lab): My hon. Friend makes a very powerful case. Does he realise that the righteous anger, resentment and frustration felt in Stockton is also felt in York, where a factory is closing? A great campaign, led by the trade union, has met the Prime Minister, but it did not bear fruit. Does my hon. Friend realise that that anger and resentment was reinforced this morning by news in *The Guardian* that Remploy managers are driving around in Mercedes at public expense? Does that not show a complete lack of priorities?

Frank Cook: I could not agree more. My thesis throughout has been about the management's disgraceful behaviour. They have been mendacious, mischievous, arrogant and dismissive. During our last debate on this subject I made the point that if I had treated a purchaser in such a way when I was a construction project manager, I would have been sacked out of hand. I would have been told to leave the keys on my desk and go, which is what ought to happen with the Remploy management.

I have no doubt that the Stockton factory has had it—it is going—but I want to put it on the record that the management have proved themselves incapable of good, responsible management standards. As a result, they ought to be changed quickly, because they will repeat their actions. If we allow them to continue, we will simply be continuing a disease.

The letter from Mr. Precious was sent to the Minister on 20 February. To the best of my knowledge he has yet to receive a reply, but on the next day the Minister wrote to me:

"My officials have contacted the company to establish the facts regarding the situation at Stockton."

What a concession! "We are now going to establish the facts." It is a pity that they did not do that before. The Minister continued:

"in particular to enquire why Mr Precious was not given a handbook when he requested one and also to establish the reason for the recent high workload."

It was not only Mr. Precious who asked for the handbook, but the whole work force. The Minister went on:

"The company has explained that their Employment Adviser was acting on what they thought was in the best interest of their employees."

How considerate.

"Rather than just issue the handbook, the adviser takes time to explain the content and discuss the options with the individual."

Something like: the cat sat on the mat. Those people might be disabled, but they are intelligent. They could manage the business themselves, and to infinitely higher standards than the existing management.

Apparently

"the adviser takes time to explain the content"

that is generous—so they thought it better to hold on to the handbook. The Minister continues:

"As Mr Precious had not decided what option to take, the adviser did not offer the handbook as a matter of course."

As he did not know what the options were he could hardly decide which one to take, yet the company says, "You don't get it until you decide on the options, but we are not telling you what the options are until you decide." What kind of farce is this?

The letter continues:

"I understand that after my officials had spoken to the company, Mr Precious has been provided with information regarding placements and separate information regarding voluntary redundancy that is normally provided when employees have made their decision."

That is like saying, "Sign on for the Army son, but you don't have to know that there is a prospect of getting shot." It is incredible.

Apart from Mr. Phil Davies of the GMB, another person comes out with credit, although unfortunately it will probably condemn his career: Mr. Paul Warren, the Minister's assistant. At my instigation, he promptly took up the matter, although he took some persuading

[Frank Cook]

to start with. At my insistence, he spoke with Mr. Precious and realised that we had a problem and something needed to be done about it—so he did it. However, having thanked him for doing that, I must ask why nothing was done before. The situation had gone on for two and a half years. The exasperation is almost incontrollable.

On 21 February, Mr. Precious wrote to me:

"I am writing to you on behalf of my colleagues and myself to thank you for the help you gave us. I am sure that you will be pleased to know that this information has been very useful in helping a number of people make their final decision

at least they got it in the right order

"concerning remaining with Remploy or taking Voluntary Redundancy."

I wrote to the Minister alerting her to the ludicrous situation in which people have had to go to that extent and commending Mr. Warren on his behaviour. I have asked Rowland Precious to let me have a copy of the Minister's reply to his letter of 20 February—when the reply arrives.

Precious wrote to me on 27 February in answer to my letter:

"Hi Frank I have just received your letter dated 25th February 2008 which also contained the reply from Ann McGuire MP, Minister for Disabled People to your letter. This letter was unfortunately very unhelpful"

I had noticed that myself

"as it did not answer the questions which were asked. It was also not entirely factually correct as a large number of people at Stockton factory asked for this information and were refused it. It was only after repeated refusals that I as UNION REPRESENTATIVE then asked for the information. It is also a fact that one of the workers in our factory who had already signed the required document"

I stress that: he had "already signed the required document"

"after making his choice was then refused this information"

It beggars belief. The letter continued:

"This information was only given after a request was made from the Private Secretary of Ann McGuire, Minister for the Disabled.

I would also like to pass on to you some further information which has come to my attention namely that Spennymoor factory"

we have heard of that before

"which is to remain open but where the workforce had been offered voluntary redundancy had 66 per cent. of the workforce who were willing to take up this option. This meant that some of these workers will have to be forced to remain to maintain manning levels. This is further evidence that the whole of the modernization program has been badly organized and even more evidence is available in that Wisbech factory which was to remain open is now to be closed as everyone at the factory has either requested voluntary redundancy or early retirement. This is a ridiculous state of affairs when Stockton where the workforce wish to remain is being closed.

In my letter to Ann McGuire MP, Minister for Disabled People I pointed out that Peter Hain while still Minister for Work and Pensions stated in his Remploy factory closure announcement that for those disabled workers who required sheltered employment this would be made available for them. Could I point out that yesterday 26th February 2008 the Stockton Disabled Employment Advisors came to visit our factory and when I asked them what sheltered disabled employment was available they stated that at this time there was none available in the Teesside area."

None available in the Teesside area. Teesside is a big area.

The letter went on:

"Please note that the Hartlepool factory is also due to close.

I believe very strongly that there is still a need for sheltered disabled employment in the Teesside area and that it would be feasible to set up a small sheltered workshop either by Government funding or a Stockton Council run scheme. This would be on a non profit making basis"

as Remploy was when it was first set up

"but without the very large expenditure which Remploy spends on wages and other perks"

such as the Mercedes, to which my hon. Friend the Member for Selby (Mr. Grogan) referred

"for the senior management this workshop with government procurement work guaranteed could be made to break even."

In fact, the work force have broken records before and since—even when their work pattern has been changed.

The work force were so upset about that situation that they were naturally easy prey for the media, so I went along to try to help them make sense of it—for obvious reasons. I did not want the situation to be exaggerated, but I found it impossible to ameliorate it.

In conclusion, I shall read out three statements. The first is from Rowland Precious—length of service, 13 and a half years:

"I received a letter on 7th March"

a Friday

"2008 stating that my last working day was 6th March"

the day before

"and that I should not turn up for work on the following Monday. This disgraceful treatment meant that I was not even given the chance to say good-bye to my work mates. The letter was sent dated the 6th March 2008 and my Manager was not even aware that I had"

been finished. The statement continues:

"Could I point out that many of the jobs posted on our work notice boards (Jobs in mainstream employment)"

that the workers can apply for

"are already taken or are unsuitable for disabled workers. (LGV Drivers, Crane Drivers, Press Brake Operators And MIG Welders)."

For disabled people?

The statement goes on:

"Many of these jobs are unsuitable for disabled workers due to their age and types of disability. There is clear still a need for some form of sheltered employment, in the Stockton area, for vulnerable disabled workers.

In conclusion could I say that Remploy Senior management claim that they understand the needs of disabled workers, but the dreadful recent treatment proves that this is simply not true. It is very clear that to move forward then change at the top of Remploy is clearly urgently needed."

Rowland Precious was not saying that when I first took up those cases. I do not think that he is just mimicking me. He is an intelligent man and he has come to his own conclusions.

The next statement is from David Rock—0 years old, length of service 30 and a half years, which is longer than I have been in Parliament, and that goes back a long time, as you well know, Mr. Atkinson. Mr. Rock says:

"Originally I was very happy to stay on Remploy's books and transfer to Remploy Employment Services. I have been the Union Learning Rep, at the Stockton site, for the past 5 years and I have successfully managed the Learning Centre with the help of lecturers from Stockton Riverside College.

As I have a very good working relationship with Stockton Riverside College, I was very interested in taking on voluntary work and training courses, at the College, hoping that this would lead to a full time job in Adult Education, whilst effectively looking for work. It was my understanding that doing training courses, voluntary work and effectively looking for work coincided with the Remploy Employment Services criteria.

The working week ending 6th March 2008, I discovered that this was not the case; at midday on Thursday 6th March 2008 I reluctantly signed for Voluntary Redundancy and I was the last employee at the Stockton site to do so. To my surprise on Saturday 8th March 2008, I received a letter in the post from Mr Waterhouse"

we have heard of him

"Director of Contract Services. Dated 7th March 2008 advising me that my last working day at Remploy will be 6th March 2008."

That gives some indication—does it not?—of the lack of organisation in that organisation. What an Irishism. Mr. Rock said:

"I am disgusted with the disgraceful treatment, by Remploy, towards disabled people."

The third statement is from Amanda Campbell, who is 38 and has worked at Remploy for 21 years:

"Remploy says whether I stay with Remploy or not they will help me find work. The only jobs Remploy have found people have been less than 35hrs so where are all these jobs coming from? No one from here, Remploy Stockton, has found work yet. There are not many jobs out there for able-bodied people, so what chance have we got. There was 1-week notice given to anyone who left the company."

After 21 years? One week's notice? The statement continues:

"Employees have now been asked to work up to 6 weeks of the 12 weeks in lieu because the company decided 12 weeks in lieu starts when most people have finished. This means that the people working extra time will lose up to £1500."

I need to think about that final paragraph, because I do not follow it myself. What I do follow, however, is that there has been an atrocious record of mismanagement and a dismissive attitude, and it has gone on for two and a half years. It is not just the management. It is not just that they have taken the easy way out, or that they are outsourcing work to countries in eastern Europe; it is that the Department, with the exception of Mr. Warren, who responded to my telephone call, has manifestly failed to monitor what the management were doing and to assess their failure to fulfil their responsibilities. In other words, the Department has failed to conduct its duties with due care and attention.

It is my intention to see that there is a memorial Remploy debate every year to remind every Minister that they cannot just allow things to go on behind their backs in spite of what they say ought to go on. Things must be checked. Simply issuing an instruction is not sufficient; any sergeant-major could tell us that. It is not just a question of issuing an instruction, but of ensuring that the instruction is carried out responsibly and faithfully. That has not happened in the case of Remploy, which is an absolute disgrace.

10.10 am

Annette Brooke (Mid-Dorset and North Poole) (LD): May I start by congratulating the hon. Member for Stockton, North (Frank Cook) on securing this debate today and on reminding us in such a moving way that we are talking about vulnerable people who are not being treated very well?

I want to make a brief contribution to the debate and refer to the Remploy factory in my constituency in Poole. It seemed that we had received good news on that factory, because it was proposed for closure and was then reprieved, but it lost its product, which was a marine product. Bearing in mind that we have the headquarters of the Royal National Lifeboat Institution in Poole, that we are a major sailing centre and that we are very close to Southampton, we could have secured extra orders from within the vicinity to keep the factory producing that same product.

We have been told that there must be a new product in the factory, so what is happening now? The answer is that machinery is being taken away. I am pleased that there is another factory that will be taking on board the orders and that some Remploy employees in Scotland will keep their jobs, but the employees in the Poole factory are seeing, day by day, the machinery being taken away and realising that they will not have orders. There are set dates when the existing orders will just come to an end. The employees in the Poole factory are being offered increased redundancy pay. What should people do in those circumstances? There is uncertainty and bewilderment among the employees, because they do not know what the new product will be and because the factory is being run down. Surely we need to treat people better than that.

I agree with the earlier point that redundancy was not the right option for some Remploy employees, who will sit behind closed doors and not socialise—perhaps they will be tempted into alcohol abuse or all sorts of other problems. We have a responsibility here, and I join the hon. Member for Stockton, North in asking what type of management is that? If management are promising a new product, should they run down their factory and reduce the work force to only 16 to 20 people, who still do not know what the new product is?

I recently met the new employee at the Poole factory who will be responsible for public procurement, and the meeting was positive—I liked his approach. I went into that meeting wholeheartedly. I have dutifully written to all the leading people in the town who can form my champions group. I want to lead that group with enthusiasm and vision, but I cannot do so until I have received some answers to my questions. The existing situation in the factory must be stabilised while we search for the new product. Talking vaguely about "scanning", which is the only example of a new product or new service that I have heard so far, is a long way removed from the skilled techniques required to work on machines that are used to make lifejackets and so on.

As the Minister will recall, I had a vision for the Poole site. The site is large, and I am not averse to half of it being sold to reinvest in a centre of excellence for training the disabled. I realise that we need to change over time, but I want to protect the existing vulnerable work force in Poole. I want to see short-term work in a work situation, the provision of IT suites and the creation of something positive, but others have not developed such a vision.

Frank Cook: The concern that the hon. Lady has expressed is important, but it is not only disabled folk in factories whom we must consider. What does she think

[Frank Cook]

about disabled people returning from Iraq, Afghanistan, Kosovo and other such places who will need that kind of engagement, while the factories that could accommodate them are being closed?

Annette Brooke: I thank the hon. Gentleman for that comment. As the Minister knows, it is part of my vision to have a training centre for the 21st century, which will have IT suites alongside basic work disciplines. We have to move on, and the returning troops who are disabled will probably be looking for jobs in IT rather than for jobs using sewing machines and so on. We must manage the process properly.

I have a question for the Minister: is this process slow death by poison, or can we turn the situation around and deliver the vision, which will benefit Dorset, support the many people on incapacity benefit who need to get into work and, most importantly, help the vulnerable people in the Poole factory, who need adequate support? I agree with the hon. Member for Stockton, North, that creating uncertainty and bewilderment through appalling management of the transition from one product to another is not the way to treat people.

10.15 am

Mr. Roger Williams (Brecon and Radnorshire) (LD): It is a great pleasure to take part in this debate, although the subject is very serious and very sad. I also apologise for being slightly late in attending today. I congratulate the hon. Member for Stockton, North (Frank Cook) on securing the debate. I, too, will home in on the situation in my own constituency, rather than discussing Remploy in general.

There has been a Remploy factory in my constituency in Ystradgynlais for many years. Ystradgynlais is a rather deprived part of Wales, at the top of the Swansea valley, and indeed all the communities at the top of the south Wales valleys feel themselves to be at a disadvantage, because they are far away from the more economically active parts of Wales in the south-east around Cardiff, Swansea and the M4 corridor.

The factory in Ystradgynlais has also been linked with the factory in Brynamman in the neighbouring constituency of Carmarthen, East and Dinefwr. The hon. Member for Carmarthen, East and Dinefwr (Adam Price) has been working with me and a range of organisations to see whether we can secure a Remploy presence in the local area, because the factories in Ystradgynlais and in Brynamman have both been earmarked for closure.

The employees in those factories were aware that they had to move with the times and that they had to be as productive and as profitable as possible. They realised that the best way to do that was to bring the two operations on to one site. I have not corresponded with Remploy for some time, but, unfortunately, I do not believe that that merger will be possible, yet the two sets of workers were prepared to make sacrifices and to work together. Indeed, not only were the employees in both factories prepared to work together, but so were the local authorities, the trade unions and all the voluntary organisations that had an interest in Remploy.

The current situation is a huge disappointment—indeed, disappointment is too weak a word. The hon. Member for Stockton, North made the case in a very emotional but very controlled way, and the same views have been expressed by a number of other hon. Members. We are absolutely appalled that, in the most deprived areas, including those of south Wales, we are losing the Remploy presence. Those are the very places where it is most difficult for Remploy employees to find alternative employment, yet they are being denuded of the opportunities provided by Remploy.

Both Brynamman and Ystradgynlais are in the communities first programme in Wales, which is a programme for the 100 most deprived communities in Wales. In those communities, special investment will be made as a result of Assembly intervention, and I am very pleased that that is happening. However, while that investment is going in, the Remploy presence is being removed. Employees are being offered alternative employment, but at a considerable distance from where they live. It is 20-odd miles away, and the public transport is not very good. Naturally, a number of those employees, who have found not only satisfaction in their work but a sense of community and of engagement with their fellow workers, are not happy to be dislocated and moved a great distance from their homes. Remploy provides such people not only with employment, but with the opportunity to find a sense of purpose and of dignity through employment in their community.

We have suffered from a huge loss of manufacturing in those areas, but both of the Remploy manufacturing units were producing a range of desirable furniture for schools and science-based furniture, for which there was a good market. If anyone could claim intellectual property rights, it was those two factories, which developed products that were in demand. I do not want to make this a party political issue, but production is being moved to Baglan, which is 20 miles away from the current factory and is in another constituency. Baglan is part of the M4 corridor and is in the more prosperous part of south Wales, so the move is a huge disappointment. Employees are dismayed that the product that they have driven forward is being taken from them and moved to another Remploy factory that could develop other products.

Frank Cook: Bad management, again.

Mr. Williams: The hon. Gentleman has made the point that I am trying to make, which is not a political point. The move is bad management and goes against the Remploy philosophy. Remploy was set up to provide employment to unemployed people and to those returning from armed conflict, so that they would have job opportunities in their community through which they could have dignity and self-worth. The project has been badly managed. Employees and the unions have been willing to bend over backwards to ensure that a presence is maintained in the heads of the valleys area, which is among the most deprived areas in Wales. It is a disgrace that Remploy has turned down that opportunity.

10.22 am

Philip Davies (Shipley) (Con): I shall be brief and make only general points. I congratulate the hon. Member for Stockton, North (Frank Cook) on securing the debate and on speaking so passionately. He clearly feels very strongly about this issue.

I visited the Remploy factory in Bradford when it was first earmarked for closure and spoke to the people who worked there, who were absolutely devastated at the prospect. As the hon. Member for Stockton, North has said, some of them have worked in the factory for many years and have been loyal and faithful. I understand that the Minister visited the Bradford factory when it was first earmarked for closure, and that eggs and tomatoes were thrown at her. I do not condone such behaviour, but I hope that it emphasised to her how strongly people feel about the closure.

The Parliamentary Under-Secretary of State for Work and Pensions (Mrs. Anne McGuire): That is not true.

Philip Davies: It certainly reported to be the case in the local newspaper.

The proposed closures mean that many people face uncertainty. Previously, factories that were earmarked for closure were saved, and others that were told they would be saved were earmarked for closure. I hope that the Minister understands that the uncertainty faced by the work force in such situations was incredibly destabilising.

On securing people's employment in mainstream employment, I sometimes wonder whether an element of political correctness comes into that. Saying that everybody should have a job in mainstream employment is similar to saying that we should close special schools and put everyone into mainstream education. We should have a "horses for courses" strategy. Mainstream employment might work for those who are capable of holding down such a job, but that is not the case for all the people to whom I spoke at the Remploy factory in Bradford, and I am sure that that is true in many other factories. Some of those people readily told me that they would not be able to get jobs elsewhere and would be out of work. Others might get jobs, only to find that those jobs last for just a few weeks. That has already happened, because some people found alternative employment but lost their jobs after a few weeks when things did not work out for them or for the employer.

The hon. Member for Stockton, North made a powerful point about the great problem of the culture of worklessness in this country. There are people who are able to work but do not want to, and there are families who have no culture of work, sometimes for generations. There are people who prefer to sit at home, on benefits, living off the back of the taxpayer. The people who work in Remploy factories are a shining example to everyone. They probably could sit at home, on benefits, living off the taxpayer and not contributing anything, but they desperately do not want that. They have consciously decided not to sit at home on benefits, languishing at the taxpayer's expense. They want to do something worth while and go out to work.

The Government have said that everyone's employment terms will be protected, even if their factory closes. That is all very well, and I am sure that it gives some comfort to those involved, but it does not take away the reason that those people are working in the first place. They are doing it not because of the money it generates, but because they want to do something worth while. They want to earn their money and do not want to sit at home collecting the money that they were getting before. They want to go out and do something worth while and feel some dignity for their work, but that is about to be taken from them.

I am not one for wasting taxpayers' money, and I believe that the burden of taxation should be lower, but the Government waste money, willy-nilly, on all kinds of things on an industrial scale. There are people in this country who should be in work but who are not, and people have benefits poured on them that they do not deserve. If the Government want to save taxpayers' money, there are plenty of ways for them to do so, but this is not one of them. The social value of Remploy far outweighs the economic cost, and the hard work of the people who work there should be rewarded by some loyalty from the Government. The Government should reconsider what they are doing to the people who work in Remploy factories. They are punishing people who want to do the decent thing, and we should always be on the side of those who try to do the right thing.

People who work in Remploy factories are trying to do the right thing—they want to do a hard day's work for a fair day's pay. I hope that the Government will not close all the factories that they have earmarked for closure. Rather than saving some and closing some, they should reconsider the matter and see the value of Remploy. I hope that they will take on board the message that the hon. Member for Stockton, North has put forward so passionately and movingly, and save the jobs of the people who want to work in those factories.

10.28 am

Paul Rowen (Rochdale) (LD): I, too, congratulate the hon. Member for Stockton, North (Frank Cook) on securing the debate and on the assiduous support and commitment that he has shown to Remploy over a considerable period of time. I also thank my hon. Friends the Members for Mid-Dorset and North Poole (Annette Brooke) and for Brecon and Radnorshire (Mr. Williams) for raising their legitimate concerns about the way in which the policy that was announced on 29 November has been formulated and promulgated.

The Liberal Democrat party supports the broad principle that disabled people should be given employment and helped to gain employment in the mainstream. The Government can and should do much more to enable that to happen. Nevertheless, the proposals that were announced by the former Secretary of State on 29 November—to keep 55 factories open, merge 11 and close 17, which was down from the original 34—represent major changes and cause concern.

In his statement, the former Secretary of State said:

"The proposals...are both realistic about the challenges facing Remploy and ambitious for the future." [*Official Report*, 29 November 2007; Vol. 468, c. 449.]

My hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander) was much more succinct about what those closures and changes will mean for local people, and his points have been reflected in some of the comments made today. He said:

"Today's statement will have a devastating effect on the current Remploy work force in the factories to be closed...there are real local concerns about the local proposals...What process will the Secretary of State be putting in place to make sure that local concerns can still be heard?" [*Official Report*, 29 November 2007; Vol. 468, c. 452.]

We have heard this morning why there are local concerns about what is happening on the ground, and I hope that the Minister will respond to those when she replies. I would like to put a number of issues to her

[Mr. Harper]

talking about people having work for a few weeks and then losing their job. They achieve a record of sustained employment, which means that for the programme as a whole, notwithstanding concerns about individual factories, Remploy is moving in the right direction.

10.47 am

The Parliamentary Under-Secretary of State for Work and Pensions (Mrs. Anne McGuire): It is a delight to serve under your chairmanship, Mr. Atkinson. I wish to congratulate my hon. Friend the Member for Stockton, North (Frank Cook) on securing this debate, which, as he said, is his second on the issue. I know that he feels strongly about Remploy, and I hope that we all share his strength of feeling.

I decided not to make a preordained contribution because I appreciated that plenty of points would be raised, and I wanted specifically to answer them. I start with the challenge that was thrown down by my hon. Friend, but before I get into that, I should say that I will relay his comments to my assistant private secretary, Paul Warren, whose ears will be burning if he is watching this debate.

At the beginning of my hon. Friend's contribution, he threw down a challenge and asked what had changed since 25 July last year. I believe that the phrase he used was, "What has been going on?" Since 25 July, there have been intensive consultations and discussions with trade unions, and between trade unions and the Remploy board. There have been meetings involving the general secretaries, the then Secretary of State for Work and Pensions, my right hon. Friend the Member for Neath (Mr. Hain), and me on Remploy and how we plot the way forward. Roger Poole was appointed in August last year to bring an independent mind to the work with trade unions and the Remploy management. For those who are not aware of it, he has extensive experience on the trade union side as a former assistant general secretary of Unison.

The then Secretary of State for Work and Pensions, my right hon. Friend the Member for Neath, made a statement on 29 November 2007, after which he took numerous questions. Although hon. Members might still have issues with some of the details, there was general support at that point for the direction of travel in which we are taking Remploy. I hope that it will give my hon. Friend the Member for Stockton, North some confidence to know that, since then – in fact, in the past few days – the first high-level monitoring meeting, chaired by me, has taken place between the trade unions, Remploy's chairman and chief executive and my senior officials to review exactly how the plan has been implemented.

Hon. Members share the view that, to make the process work, it is not just about words and the plan that was delivered on 29 November; this is a living plan that has to be monitored, not least in the interests of the disabled workers currently employed by Remploy, the disabled people no longer employed by it and the 20,000 disabled people whom we want to get into employment using Remploy as the vehicle.

I say to the hon. Member for Shipley (Philip Davies) that this has never been a money-saving exercise – never has money been one of the major issues. I thank the hon. Member for Forest of Dean (Mr. Harper) for indicating that Remploy has received and will continue to receive a significant, multi-million pound amount in support from the Government. Indeed, the last out-turn figure on the grant in aid from the Department for Work and Pensions for 2006-07 was £133.8 million. We want to ensure that more disabled people benefit from the input from that resource.

Let me also be clear that we have never said that there is no room for sheltered factories, or supported employment as it is now called. We also continue to give support to the Remploy factories that continue to operate. Through our Workstep programme, we support people in some 83 factories throughout the country. Many of those factories are managed by the voluntary sector and some by the private sector, and others are run by local government. There is no change – our support should be there.

We want to ensure that we support disabled people into employment. However, we also have to recognise that the ambitions and aspirations of disabled people have changed over time. As the hon. Member for Forest of Dean said, in July last year the six big disability charities were prepared to go public and say that they supported the general direction of travel that we were taking. It is not about getting fewer disabled people into employment; it is about getting more disabled people into employment.

Frank Cook: Will my hon. Friend give way?

Mrs. McGuire: If my hon. Friend will forgive me, I will quickly answer the many points that he raised.

My hon. Friend is right: some work – shelf manufacture – is being done temporarily in Bulgaria while the factory at Neath gets up to speed. Remploy has to do that to maintain customers for the products that will eventually go to another factory. Otherwise, we will lose not only the factory but the customers. Although it almost makes for an amusing anecdote, the work has to be outsourced until we get that position stabilised.

My hon. Friend mentioned that there are no jobs in the Teesside area. In 2006-07, there were 14,000 vacancies in Stockton Jobcentre Plus, and 600 disabled people secured employment in the first six months of 2006-07. In Hartlepool, nearby, there were 5,000 Jobcentre Plus vacancies and 650 disabled people moved into jobs.

I want to deal with the story in *The Guardian* this morning, which implies that Remploy managers are driving around in Mercedes cars while closing factories. I understand that the only person who drives a Mercedes car is the chief executive, whose terms and conditions and salary package have allowed that. For the benefit of colleagues, it is a taxable benefit. As far as I am aware, no one else in Remploy drives Mercedes cars.

I do not want to deal specifically with my hon. Friend's letters regarding Mr. Precious, but I hope that he has received an acceptable explanation about why it was important that Mr. Precious and other workers throughout Remploy were given face-to-face, support rather than just a document saying what was going to happen.

Frank Cook: Nonsense!

Mrs. McGuire: Let my hon. Friend say why it is nonsense.

Frank Cook: I made it plain in my statement—I quoted chapter and verse, with dates and days—that it is nonsense because it did not happen. In the sequence of events, the employee, for want of a better term, had to make a decision based on information that was not available to them. To say anything other than that is, frankly, misrepresenting the truth.

Mrs. McGuire: I am sorry, but I do not misrepresent the position. I think that we have laid it out fairly clearly. We would have been lacking in our duty of care if we just handed employees a document saying, "This is what the options are". As has been well aired in this Chamber and in other parts of the Palace of Westminster, the process is intended to ensure that we support people by explaining what is going to happen and what the options might be. That was the situation in Stockton.

Frank Cook: Will the Minister give way?

Mrs. McGuire: No. I only have another two or three minutes and I want to deal with some other points that were raised.

The hon. Member for Mid-Dorset and North Poole (Annette Brooke) has taken a great deal of interest in the future of the Poole site and she is a worthy champion of Remploy. The Royal National Lifeboat Institution contract, as I think she put it, was never made with the RNLI, but with the distributor of lifejackets. The work was transferred because there is now only work for one factory. I hope that I can give the hon. Lady some comfort by saying that the scanning, which she mentioned somewhat disparagingly, was part of the iON consortium's work for the DWP and is a good example of public procurement. However, I fully appreciate her concern that workers will feel worried where there is instability and uncertainty. I will make it my business to ensure that as much information as possible is given to her and to the workers in the Poole factory.

The hon. Member for Brecon and Radnorshire (Mr. Williams) spoke about the Welsh factories and mentioned transport costs. We tried absolutely everything, including consulting local authorities and the Welsh Assembly Government, to put together a package that would save those factories. More than half the employees have opted to transfer to the Baglan site. Transport has been arranged and costs will be met. I say to the hon. Member for Shipley that the Bradford employees have had the option to transfer to the Leeds factory and 12 have opted to do so.

This has been a difficult process for us all: trade unions, individual workers, Members of Parliament and Ministers. Change is difficult, but we have put in place the right support systems to ensure that we can take Remploy from what it undoubtedly was when it was established nearly 60 years ago to what it needs to be to meet the aspirations and ambitions of disabled people in the 21st century. Obviously, there will be details that I will have to look at as a result of this debate, but I want colleagues to realise that we are trying to ensure that we get more disabled people into employment in a way that meets their ambitions and aspirations, and in as supportive a fashion as possible.

This issue is difficult for everyone, and it has been a difficult decision for Ministers to make. I think that we have made the right decision and, over the five-year period, disabled people will see the difference that a new Remploy will make to their lives.

Prison Policy

11 am

Mr. Philip Hollobone (Kettering) (Con): I thank Mr. Speaker for granting permission for the debate. I welcome the Minister of State, Ministry of Justice, and the Front-Bench spokesmen for the two other main parties, my hon. and learned Friend the Member for Harborough (Mr. Garnier) and the hon. Member for Carshalton and Wallington (Tom Brake). I commend the work of my hon. and learned Friend the Member for Harborough, particularly on the recent Conservative party proposals on radically reforming our prison system. We will no doubt hear more about those proposals during the winding-up speeches.

Our prisons are in crisis and our prison system is not working as it should. I believe, as do my constituents, that imprisoning people for committing a criminal offence is appropriate in many circumstances and that prison works. However, the present system does not work. Too many prisoners have to spend their time in overcrowded conditions and reoffending rates have increased during the past decade, which suggests that the prison system is not working as it should. Indeed, the prison population has soared from 61,000 prisoners in 1997 to just over 82,000 today. I hope that the Minister will give us the latest up-to-date figures on how many people are held in jails in England and Wales.

It is perhaps more distressing that reoffending rates have also risen: from 57 per cent. in 1997 to 66 per cent. now. Worryingly, one of the reasons for the increase in reoffending is the increase in overcrowding. As of 31 January this year, 84 prison establishments in England and Wales, which is 60 per cent. of the prison estate, were overcrowded. In 14 of those establishments, the population was more than 150 per cent. of the certified normal accommodation.

A National Audit Office report concluded that prison

"overcrowding disrupts work to prevent reoffending"

and that prisons should, therefore, change the way in which they deliver education courses. As part of its inquiry into the rehabilitation of offenders, the Select Committee on Home Affairs stated that

"overcrowding is having a hugely damaging impact on the delivery of rehabilitative regimes across the prison estate, both in terms of quality and quantity of appropriate interventions."

Philip Davies (Shipley) (Con): My hon. Friend is right: overcrowding is a factor in the increase in the number of prisoners who reoffend. However, does he also accept that it might partly be because prison is like a holiday camp, as one prisoner told the Secretary of State last week? About 1,500 prisoners have Sky TV in their cells, five prisons have swimming pools for use by inmates and two thirds of prisoners have keys to their cells. One custody sergeant told me that the biggest deterrent to people committing crimes was the prospect of going to prison for the first time, but once they had been to prison, it was no deterrent at all—their friends were there and it was not half as bad as they expected it to be. Does my hon. Friend accept that such a situation also leads to reoffending?

Mr. Hollobone: I am grateful for that extremely helpful intervention. I commend my hon. Friend on the work that he does in the House on behalf of his constituents; he is always forthright and on the ball when representing their concerns. I agree with his analysis. Indeed, with his permission, I shall later quote extensively from the debate on prisons that he initiated in Westminster Hall almost exactly a year ago. I shall quote some of the statistics that he mentioned at that time on why prison works.

I agree with my hon. Friend: in many cases prison is far too cushy. Like him, I was on the police parliamentary scheme for a year. I spent 22 days with the Northamptonshire police, and again and again police officers told me that in many cases prison is no longer a deterrent. If somebody has not been to prison before, it might be a deterrent, but once someone has been to prison that is no longer the case. For career criminals—who are becoming younger and younger—incarceration is considered a career break or a holiday. Prison is not intimidating to such people in any way. In fact, the quality of life for many individuals is higher in prison than when they have to do an honest day's hard work in their home town. I agree with my hon. Friend: prison is neither the deterrent that it once was nor that it should be. I shall explore those issues later.

We must stress the fact that there should be a rehabilitative element to prison. People should not simply be put in prison for a set time without attempts being made to change their attitude and behaviour. Overcrowded jails result in the rehabilitative process being damaged. It is not simply that people are not serving their sentences in full, as I and my hon. Friend would like them to do; but that they are not being properly prepared for release once their sentence has finished. The overcrowded state of our jails means that it is not possible to provide the rehabilitative programmes that should be in place.

I quoted some figures on the present level of overcrowding. Another statistic is that some 17,000 prisoners are doubling up in cells—twice as many as when the Government came to power. More than 1,000 of cells designed for two people are actually being occupied by three, which means that nearly a quarter of the entire prison population is housed in cells designed for one fewer person.

Because the prison system is not working as it should, emergency measures have been introduced that have resulted in the early release of violent offenders. Community sentences command small and declining levels of public confidence. In short, the prison system simply is not working. It is not that the Government have had no notice of the growth in the prison population. They have been aware of projections about the size of the prison population, but they have done too little about building prisons to house the extra prisoners.

I believe that prison works, and for the benefit of Members I shall reprise some of the statistics that startled me when I first heard them a year ago when they were mentioned in this Chamber by my hon. Friend the Member for Shipley. In terms of absolute numbers, Britain has a relatively high prison population, but that in itself should not be surprising as we are a relatively highly populated country. As my hon. Friend pointed out, again and again the prison population is given in terms of numbers of prisoners per 100,000 of population, but in fact we should be looking at the number of prisoners per 100,000 crimes. Let us consider that and see what the result is.

If we consider the number of prisoners per 100,000 of population, the figures are near the average, but are still quite high. However, if we consider the number of

prisoners per crime, we have the lowest prison population in the western world – lower than the US, Canada, Australia and other EU countries. For every 1,000 crimes committed in the UK, we have approximately 13 prisoners, compared with approximately 15 in Canada and Australia, well over 20 in the rest of the EU as a whole, and a whopping 166 in the US.

We are told that prison does not work. Let us examine the evidence. In fact, the evidence shows that prison does work in reducing crime. The country with the lowest prison rate in terms of prisoners per crime, which is the UK, has the highest crime rate – more than 10,000 crimes for every 100,000 people. However, the country with the highest prison rate, the US, has the lowest crime rate – about 4,400 crimes for every 100,000 people. Canada, the country with the second lowest prison rate, has the second highest crime rate. The EU has the second highest prison rate and the second lowest crime rate. Prison also helps to prevent reoffending.

Philip Davies: I am flattered that my hon. Friend is using some of the arguments that I deployed in the debate a year ago. Does he agree that it is blindingly obvious that countries with the highest prison populations have the lowest crime rates, because the more criminals who are locked up in prison, the fewer who are out on the streets committing crimes?

Mr. Hollobone: As usual, my hon. Friend is spot-on. One reason for the reduction in the crime rate over recent years is that a large number of extra people, particularly violent offenders, have been incarcerated.

The other point about prison is that it helps to reduce reoffending. I shall explore some of the statistics. Just before Christmas 2006, the Home Office sneaked out a report on reoffending. Entitled "Re-offending of adults: results from the 2003 cohort" and published in November 2006, it concluded that

"re-offending rates are lower among offenders discharged from a custodial sentence of at least a year (49 per cent.) than among those discharged from a shorter custodial sentence (70 per cent.)...This suggests that custodial sentences of at least a year are more effective in reducing re-offending."

It is worth repeating that: with sentences of up to one year, the reoffending rate was 70 per cent., while in cases involving a sentence of more than two years, the reoffending rate dropped to 49 per cent. The report went on to show that for people who had spent more than four years in prison the reoffending rate was merely 35 per cent.

That suggests that when prisoners serve their sentence in full, they are less likely to reoffend, and when they serve more time in prison, they are also less likely to reoffend, whereas in the current system prisoners are increasingly not serving their sentences in full, and in far too many cases the Government are trying to ensure that people who should be going to prison do not go to prison at all but serve some kind of community sentence.

It would be wrong to have a debate on prison policy without examining in some detail the sort of people who go to prison, because there are some extremely sad stories about why people drift into a life of crime and there are startling statistics about what makes someone an offender. I want to draw Members' attention to some of those characteristics.

Almost half of prisoners, male and female, ran away from home as a child. More than 25 per cent. were taken into care as a child, compared with just 2 per cent. of the population. Forty-three per cent. of prisoners had a family member who had been convicted of a criminal offence, and 35 per cent. had a family member who had been in prison. Eighty-one per cent. of prisoners were unmarried.

Half of male and one third of female sentenced prisoners were excluded from school. Half of male and 70 per cent. of female prisoners have no qualifications whatever. Two thirds of prisoners have numeracy skills at or below the level expected of an 11-year-old. Half have a reading ability and 82 per cent. a writing ability at or below that level. About 70 per cent. of prisoners suffer from two or more mental disorders; in the general population, the figure is 5 per cent. for men and 2 per cent. for women. We all know that prisoners are more likely to be abusers of illegal drugs and alcohol than other sectors of the community. Nearly three quarters of prisoners were in receipt of benefits. Almost one third were not living in permanent accommodation immediately before imprisonment.

Those are very sad statistics. I am all for putting people in prison when they commit criminal acts, but it is important to remember the backgrounds of many of those people. That is why we need to get rehabilitation right – to help to prevent them from reoffending.

A disgraceful statistic is the number of foreign prisoners held in British jails, which has increased alarmingly in the past 10 years. While the British prisoner population has increased from just under 57,000 in 1997 to just over 67,000 today, the number of foreign national prisoners in British jails has increased from just under 5,000 to just over 11,000 – a staggering 142 per cent. increase. Now, more than 14 per cent. of our prison population is made up of foreign national prisoners.

Constituents in Kettering and people throughout the country are simply staggered as to why we are imprisoning so many foreign nationals when we should be negotiating with their countries of origin to ensure that they are sent back to the countries from which they came, to appropriate incarceration there. It must be possible to sort out a system whereby that could be arranged, because 11,000 places are taken up by people who are nationals of another country. There are British prisoners serving time in foreign jails, but I dare to suggest that their number is far smaller than the number of foreign nationals serving time in British jails.

Mr. Peter Bone (Wellingborough) (Con): My hon. Friend is making a powerful speech. Can he think of even one reason why any of those foreign nationals should not be sent home? They have committed a crime in our country – send them home.

Mr. Hollobone: I absolutely agree. I am very much looking forward to what the Minister has to say on that aspect of the debate today, because my understanding is that, as the law stands, foreign national prisoners can be sent back only with their agreement. The Minister is shaking his head; I would welcome clarification of that point later. If that is not the case, I agree with my hon. Friend – why should those people not be returned at the earliest opportunity? If they are returned, they must be returned to suitable incarceration in their own countries; they should not be returned just so that they can be at large. Many people in this country regard that aspect of our penal system with dismay and simply do not understand why the situation has become so bad and why the increase has been so great in the past 10 years.

[Mr. Hollobone]

My understanding is that the three countries with the biggest populations in British jails are Jamaica, Nigeria and the Republic of Ireland. If I am wrong about that, I would welcome clarification from the Minister, but surely we could have an agreement with those countries—two of them are members of the Commonwealth and we share many close links with the other one—to provide a far more suitable arrangement.

The figures relating to the type of offences that were committed by sentenced prisoners in jails are revealing and rather put to bed the myth that lots of people who have committed non-violent, minor offences are serving time in prison. In fact, most prisoners are in prison because they have committed some very nasty crimes indeed. In the top five categories of crime committed by sentenced prisoners, who account for two-thirds of the prison population, 23 per cent. are serving time for violence against the person, 13 per cent. for drugs offences, 11 per cent. for robbery, just under 10 per cent. for burglary and 9 per cent. for sexual offences.

Another myth is that lots of people are serving only short periods of time in prison. However, that is not the case. More than half the total sentenced prison population are serving sentences of more than four years. More than 87 per cent. are serving sentences of more than one year, and only 8 per cent. are serving sentences of less than six months.

It may not be understood that prison is largely reserved for repeat offenders. Of those receiving an immediate custodial sentence, only one in 10 is a first-time offender. Most will have previously committed serious offences. Only 12 per cent. of those sentenced to prison have no previous convictions. Over half of those sentenced have five or more previous convictions. Since 2000, the proportion of people coming before magistrates for the first time has fallen by 10 per cent., while the number with more than 10 previous convictions has increased by 36 per cent. Given those realities, how are courts meant to deal with persistent offenders other than by using custody?

We have a huge revolving door for people who are sentenced to prison. They almost never serve their time in full; they are let out only to commit more crimes before they are put back into the system, appearing before the courts and then resentenced. That was the concern of police officers in Kettering when I spent time on the police parliamentary scheme. On the walls of Kettering police station are pictures of all the persistent and prolific offenders in and around the area. Their photographs, dates of birth and addresses are known to every police officer in the force. The question I asked every police officer was: if those 50 people were in prison what would happen to crime rates in Kettering? The answer every time—whether from a junior or a high-ranking officer—was that crime would almost disappear, leaving officers time to concentrate on the minor offences that cause such concern in the local community.

The police and judicial system is all about chasing a relatively small number of persistent and prolific offenders, which costs millions of pounds of taxpayers' money, when it should be about imprisoning for a long time the people who we know are committing the crimes. That would cause a dramatic fall in crime in our country and an improvement in the quality of life for many people in our community.

The Conservative party has released some exciting proposals in the last month or so.

Philip Davies: As always.

Mr. Hollobone: Indeed. This time, the proposals are about reforming prisons. Prison reform was one of the remarkable aspects of the Victorian period. For the first time, it was identified that if appropriate penal institutions existed, there would be no need simply to punish offenders; one could reform their behaviour and attitude and rehabilitate them. Over the past 100 years, since the end of the Victorian period, we have increasingly lost sight of that aspect of our penal system.

The Conservative party proposals would go a long way towards improving our prison system and reducing crime levels. My hon. and learned Friend the Member for Harborough will explain the proposals far better than I can, but to summarise, they will

"introduce honesty in sentencing so that courts set a minimum and a maximum period with no possibility of parole until the minimum has been served... end automatic release for all determinate sentences so that no prisoner is automatically released from custody unless they have served their full term. Prisoners will earn their release depending on their conduct and progress in custody.

We will make community sentences tough and effective with improved compliance, making them more visible, and introducing new and effective sanctions for breaches, including the withdrawal of social security benefits for those who don't attend."

We will enforce drug rehabilitation requirements by contracting with private and third sector organisations to operate the treatment programmes and pay them by results.

Offenders will compensate victims of crime through contributions to a Victims' Fund. Those serving time in prison will have to pay into the Fund through work in prison."

At the moment,

"there's no clear accountability for the rehabilitation of prisoners."

My hon. and learned Friend proposes fundamental reform

"based on the principles of decentralisation, clear accountability, greater use of the voluntary and private sectors, and introducing incentives through paying by results.

Public sector prisons will be decentralised to become independent fee-earning 'Prison and Rehabilitation Trusts', responsible for offenders after they are released as well as in prison."

The trusts will be run by a single, accountable governor,

"and they will be paid by results – with a premium awarded on a national tariff if the offender or ex-prisoner is not reconvicted within two years."

Instead of prisons being overcrowded buildings with little scope for effective rehabilitation, they will become places of education, hard work, rehabilitation and restoration. The proposals include plans to encourage social enterprises to expand prison industries in which prisoners can do proper work, learn skills and be paid.

There will be an acceleration of the deportation of foreign national prisoners before the end of their sentences. Automatic deportation for non-EU prisoners serving less than a year will also be extended. Old prisons will be sold off and the prison estate rejuvenated to include smaller, local prisons instead of the Government's Titan prison proposals. The plans would increase prison capacity by more than 5,000 places over and above the Government's

present proposals. In the long term, we will see the prison population stabilising rather than growing exponentially.

[JOHN CUMMINGS *in the Chair.*]

Now is the time for radical reform of our prison system. If we just carry on as we are, our prisons will be even more overcrowded, the reoffending rate will go up and more crimes will be committed.

I end my remarks by focusing on young criminals in prison. I have been contacted by Mr. Gordon Raku of Burton Latimer in Kettering, who is a retired Royal Signals captain. He said that he would very much like to see the introduction of some sort of military component in the reform of the attitude and behaviour of young and juvenile prisoners. I raise that point because I agree.

In preparing for the debate I found that, as of 31 January, there were 2,243 juvenile prisoners aged between 15 and 17 in our prison system and 9,420 young adult prisoners aged between 18 and 20 - the figures were provided by the House of Commons Library - so a total of 11,663 young people, or 14 per cent. of the prison population, were aged 20 or under. Almost 50 per cent. of male juvenile offenders are serving sentences for either robbery or violence against the person.

Mr. Raku, my constituent, is keen for a system to be devised whereby those young offenders are exposed to military discipline for a set length of time to correct their inappropriate attitude and behaviour. It would be a version of national service. He makes the point that in the 1950s and 1960s, lots of people who served time in national service did not particularly look forward to the experience but, looking back, time and again they say that those were the best years of their lives - all hon. Members will know of similar people from their constituencies. They say that they learned a lot about themselves; they gained self-respect and learned how far they could push themselves. As Mr. Raku asks, is it not possible to expose young prisoners, who are relatively few in number, to some sort of military discipline? I believe that if such a measure could be effectively applied at a young age, it would help to lower reoffending rates.

There are already a number of Ministry of Defence initiatives for young offenders, including the Army Cadet Force's outreach programme, and the young offenders initiative by the Youth Justice Board and the MOD, which started in October 2004 and focuses on youths aged between eight and 17. I urge the Minister and his counterparts in the MOD to look at whether there is some way of making greater use of the MOD's resources to get some of the very young offenders who find themselves in prison back on the straight and narrow at a relatively early stage.

11.32 am

Mr. David Drew (Stroud) (Lab/Co-op): I congratulate the hon. Member for Kettering (Mr. Hollobone) on obtaining the debate, even if I do not agree with all that he has said.

I have no specific knowledge or background on the issue, inasmuch as I do not have a prison in my constituency, but I have made it my responsibility to visit prisons in the area around my constituency on a regular basis in the past 11 or so years. I am indebted to my friend Tony Howarth, who was, for a long time, the chairman of the board of visitors at Gloucester prison. I have visited Gloucester Leyhill category D prison, Eastwood Park, the women's prison, and, on Good Friday, Ashfield young offenders institution to meet its new governor. In a previous incarnation, I taught the new governor business studies in a university department that taught people how to teach. I am not quite sure how she became a prison governor, but she was at Kilmarnock before arriving in Ashfield, so I may have done some good.

Although I agree with what the hon. Gentleman has said about causes, I do not go along with the remedies that he has proposed, because they would take the evolution of prison policy backwards rather than forwards. In my experience, prison is not a pleasant place. The prisoners to whom I have spoken over the years do not want to be there; rather, they are there through circumstance. I agree with the hon. Gentleman's categorisation of why people end up in prison, and I do not believe that it was a parody.

Some years ago, Gloucester prison conducted an anonymous snapshot poll of its population. It found that if it eliminated prisoners who had experienced more than three of mental illness, abuse as a child, learning disabilities allied to exclusion from school, drug and alcohol problems, and serious broken homes, including time in care, it would be left with only six prisoners out of a population of 350. I do not believe that all things are predetermined, but some people end up in prison because of their life experiences, which is why it is important to do things with them while they are in prison and in rehabilitation, and why we should spend money on resettlement and invest in people after prison.

I agree with the hon. Gentleman that too many people become part of the revolving door syndrome, but that is no reason not to do as much as we can to keep people out of prison. Prison is expensive, and it ruins lives. We must bear in mind that people are there because they have committed a crime, and the victims need to know that the perpetrators are serving time, but we must do as much as possible to prevent people from going back into prison.

I want to concentrate on a small number of issues. People make generalisations and talk about the norm, but I have found anything but in prisons. Instead, I have found lots of good working and investment in education, for example. I am aware that a recent report was heavily critical of drugs policy, including counselling, assessment, referral, advice and through-care schemes, but the prisons that I have visited have worked incredibly hard on such matters as getting people to detox and to move on. There is a view that the best way for people to detox is to go to prison. I do not follow that logic, but we criticise the work done in prison medical and hospital services at our peril, because it is important.

Despite the fact that there is underinvestment, I support moving prison medical responsibility to the NHS, although that has had the bizarre counter-productive effect of some people not knowing what medical conditions prisoners have. Of course, the prevalence of HIV/AIDS puts prison officers at risk. More particularly, I have heard of cases in which people who have epilepsy and diabetes have been difficult to treat, because such information is confidential unless the prisoner makes it known. Difficulties can result from such circumstances, at least in the short run.

[Mr. David Drew]

On the current issues, I make no apology for saying that I am not in favour of further privatisation. As I have said, however, I visited Ashfield, which is run by Securicor and found that it is a much better place now than it was when it first turned into a youth offender institution. However, that is largely because Securicor recruited top people from the public service to run the prison. It has stabilised the work force and introduced a proper regime for the prisoners, which is as it should be.

I am not in favour of the National Offender Management Service—I have made my views on that known in previous debates—because I have always supported the independence of the probation service. I am worried that lumping the probation service under NOMS and regional offender management schemes will have entirely the wrong impact. The Prison Service is less concerned about the changes, but, if it sees them as a front for privatisation, organisations such as the Prison Officers Association will be more likely to flex their muscles in opposition. I am wary of those developments.

I agree with the hon. Gentleman on Titan prisons. I have been to Bristol prison—I have not been to Dartmoor but some of my constituents are resident there—and I worry about moving people further away from where they normally reside. There is a lot to be said for keeping people as locally as possible: their families can visit and, more importantly, proper provision can be made for them after they leave prison, so that they can re-enter their communities—hopefully with a job, somewhere to live and some purpose in life—rather than return to prison.

Another issue on which I wish to concentrate does not relate to prison policy per se, but it is very current. The National Society for the Prevention of Cruelty to Children and Inquest are running a campaign on the use of restraint on young offenders. In the past week, we have had the Joint Committee on Human Rights report on the issue, which was a bit critical of the Minister's performance before the Committee, but I want to give him an opportunity to say where he is going. Of course, restraint needs to be used when people are incarcerated, particularly where young people might damage themselves or others, but the issue for me is staff training and the need for clear rules, as well as the need to ensure that people get medical support if they are injured. The Adam Rickwood and Gareth Myatt cases are still highly pertinent, and I worry about secure training places. We were supposed to be getting one at Sharpness in my constituency, but policy has changed, and we have kept the number of secure training centres to an absolute minimum. However, I question how they are run, the nature of the regime and how we deal with those who are potentially at risk or who cause problems.

In my experience—this is purely anecdotal—the key to running any prison or young offenders institution is good leadership, and strong governors are vital. The regime must be transparent and clear to all concerned. We must ensure that the staff are as much a part of the decision-making process as the management. We must also ensure that the prisoners understand the regime and what they are expected to do.

On the question of why we have so many foreign prisoners, the reason is very simple: we live in a much more mobile world now, and many more people choose to get on a plane and come to our part of the world. One suggestion, which has been put to me on a couple of occasions—I would be grateful if the Minister were to respond to it—is that if we have a high prevalence of Jamaican, Nigerian and, to a lesser extent, Irish prisoners, we should look at paying to build jails in those countries and at investing properly in running them, so that we can return some people.

One of the saddest things about going to Eastwood Park is the number of drug mules who, for whatever reason, have come from Jamaica. They will spend a good deal of time away from their families and are almost certainly completely naive. I do not go along with the idea that they did not really understand that what they were doing was not right, but they were naive about what would happen to them if they were arrested. Often, they will have been put under duress by male partners or by others who have got to them, and it is desperately sad to see them serving a sentence miles away from their children.

We might be able to return such people to properly run prisons in Jamaica and Nigeria, and I hope that the Government will not see such expenditure as flippant, but as a serious suggestion. To put the issue in simple terms, it costs about £4,000 per person to keep someone locked up in Jamaica, compared with £50,000 to £60,000 in this country. We could do something of mutual benefit on that, and I hope that the Minister will respond and see such investment as a genuine solution to the problem of the growing number of foreign prisoners.

To conclude, I do not go along with simplistic remedies, because the situation in prisons is complex. Sadly, some people end up in prison, and we must treat them humanely, but we must also do much more to ensure that they do not return to prison, because of the cost to the public purse and, particularly, the cost to our communities, which have been ravaged by those problems.

11.44 am

Mr. Peter Bone (Wellingborough) (Con): It is a pleasure to serve under your chairmanship, Mr. Cummings, for what I think may be the first time. It is also a pleasure to follow the hon. Member for Stroud (Mr. Drew), who gave us a series of important points and some interesting ideas. I congratulate my hon. Friend the Member for Kettering (Mr. Hollobone) on his powerful and thoughtful speech. He leads on the issue of law and order in north Northamptonshire, where he has been courageous in his comments and where he has not been afraid to be outspoken when he has thought that necessary. I have learned again today of his interest in this issue, and he has posed a number of important questions, which I hope that the Minister will be able to answer. It is good to see such an able Minister with us, although, unfortunately, I will have to leave at 12, so I apologise that I will not be able to listen to his response.

In Wellingborough, I run the "Listening to Wellingborough and Rushden" campaign, part of which involves gauging the views of my constituents. To that end, a survey goes out to all parts of the constituency on a rotating basis, and the No. 1 issue is always law and order. The answers to the detailed questions also reflect on prison policy and show that many of my constituents

are fed up with people being sentenced to five years, only to finish up serving two. They do not think that the sentence fits the crime.

My constituency includes Wellingborough prison, which is nearly always overcrowded. It has a large area of land but a relatively small amount of accommodation. Why is that accommodation not being expanded? The Government are interested in building very large prisons, but it would seem much more cost-effective just to expand prisons such as Wellingborough. I do not understand why that is not being done. I spoke to the governor, who said that only modest expansion is planned for the prison.

I should declare an interest at this point. At 9.35 on Saturday night, I was sitting in my house about to watch England lose some wickets in the test match, when there was a loud explosion. Someone had attacked my house. They had stuck a stake through my front door. There was an enormous mess. The sound was the result of the panes of glass exploding and the vacuum going between them. Somebody, or a number of people, had walked up my road with a stake—my house is very accessible and is just in a row of ordinary detached houses—and stuck it through the front door.

Do I want to see that person caught and put in prison? Well, the initial answer is yes. I believe that prison works, but would it work if that person was put there for six months? Probably not. The point that has been brought home to me by prison officers at Wellingborough prison, who have taken the time to come to see me in my surgery, is that they do not have enough time to deal with prisoners or to give them any sort of education or chance to get back into society in an improved situation. All that happens is that people go into prison, come out again and commit another crime.

Those prison officers have put a radical proposal to me. When I first heard it, I thought that it was not a very good idea, but when I reflected on it, I realised that it had a lot of merit. Let us say that the person who attacked my house was caught and that the judge had the option of putting them in prison for six months. The prison officers I spoke to suggested that instead of being sent to prison, that person should be told, "That's your last chance. We're not sending you to prison now. But if you reoffend, we will send you to prison for five years." The reason why they argued that was that if someone is in prison for that length of time, staff really have a chance to give them the education and training that they need so that they are in a position not to reoffend when they go back into society. When there are reoffending rates of 70 per cent. or 49 per cent., something is going dreadfully wrong. The proposal was a radical one, and came from someone who had worked in the Prison Service for a considerable number of years. I think that a variation of it would have some merit, and I urge the Minister to take the idea on board.

An exciting thing that is happening in my constituency is the Rose project, which is based in Finedon and is, I believe, partly funded by the Home Office. It targets persistent offenders. As my hon. Friend the Member for Kettering mentioned, if we took the 50 persistent offenders out of Kettering, there would be hardly any crime. The police run the project, and they say that if it were possible to get hold of those persistent offenders, get them off drugs and into employment, get them decent housing and monitor them, they would not reoffend, and an enormous amount of crime would be prevented. I think that the project has been very successful. I know that it is due for more funding, and I do not know whether the Minister can speak about it in particular, but it is such projects, targeting persistent offenders, that probably create the most benefit.

As there is a prison in my constituency, the final point that I should make is that when the prison officers went on strike, I went to talk to them on the picket line. They are a terrific bunch of men and women, who dedicate their lives to public service. To be on a picket line was unnatural for them—they did not want to be there. They could not wait to get back to the prison, but they had been driven into a situation in which they felt they had no alternative. The Government were wholly wrong to break an agreement with a group of people who do not have—

The Minister of State, Ministry of Justice (Mr. David Hanson): The Government did not break any agreement with the Prison Officers Association. Both it and the Government had signed up to a voluntary no-strike agreement until May, which still stands. The prison officers unilaterally withdrew from that agreement without any notice to the Government.

Mr. Bone: Forget the spin: I do not want to take the union's or the Government's point of view. Those men and women believed that they had a guarantee that they would get whatever their pay review body said they should have, and that in return they would not go on strike. That is what they felt; they may be wrong. However, the episode has done nothing for morale in the prisons. If what has happened is part of prison policy, something has gone fundamentally wrong. Even if the Government are right, the fact that the prison officers took that action shows that something has gone wrong. I hope that something is happening in the Prison Service to readjust the situation and to rebuild confidence for the people who have to run our prisons.

I conclude by expressing my appreciation for all the work that prison officers do at Wellingborough prison.

11.53 am

Philip Davies (Shipley) (Con): I congratulate my hon. Friend the Member for Kettering (Mr. Hollobone) on another excellent speech, which was, as ever, well researched. He is one of the politicians in this place whom I most admire, for his dedication and hard work.

I am delighted that my hon. Friend established a few facts that are not usually given much publicity, such as that the number of people in prison in this country as a proportion of crimes committed is low—a figure that is not usually quoted—and that prison works. As my hon. Friend said, the Government admit, in their quarterly report, "Reoffending of Adults", that the longer people spend in prison the less likely they are to reoffend. Reoffending rates are highest among those people who spend the least time in prison.

It is a surprise that prison is so successful in reducing reoffending, given the points that I made earlier about how cushy it can be. I am all for rehabilitation, and I certainly take the points that the hon. Member for Stroud (Mr. Drew) made, but I should like the Minister

[Philip Davies]

to explain how giving 1,500 prisoners Sky TV in their cells, not in communal areas, helps their rehabilitation. There are lots of hard-working, decent people in my constituency who would love Sky TV and cannot afford it. They think, as I do, that it is outrageous that although they—decent, law-abiding people—cannot afford it, 1,500 people who have either persistently committed crimes or committed serious crimes have Sky TV in their cells.

There is a crisis of confidence about the criminal justice system in this country. I guarantee that if someone were to commit a serious crime, and I were to go to my local pub and tell someone there, "Did you know that that chap got five years in prison?" the first reply from one of my constituents would be, "Well, he'll be out in five minutes anyway. It doesn't make any difference." That is the level of people's confidence in the criminal justice system, and it is why I think it important, as does my hon. Friend the Member for Kettering, that prisoners should serve in full the sentence handed down by the court. We must have honesty in sentencing, and someone who is given five years in prison should serve five years. People should be kept in longer for bad behaviour, not let out early for good behaviour. When I went to school, if I behaved properly I was allowed to leave on time; if I misbehaved, I was given detention. I have no idea why the same principle cannot apply to prisons.

I want to touch on the question of short prison sentences. I shall gloss over some of the more cushy prison arrangements that irritate me, such as the one announced by the governor of Wakefield prison, near my constituency, just before Christmas: that the prison officers would go round the prison at night in slippers, so as not to wake the inmates. I cannot really relate to that kind of approach. I want to talk particularly about prison sentences given by magistrates. Like my hon. Friend the Member for Kettering, when I took part in the parliamentary police scheme I asked police officers what would happen if the top 10 or 20 persistent offenders were sent to prison, and I was told that the crime rate locally would be reduced by 50 per cent. or even up to 90 per cent. It is clear that the police are for ever chasing the same people.

The majority of people who are sent to prison by magistrates have a drug addiction, and addiction fuels a lot of crime. People commit crimes to pay for their addiction, and a few people commit tens or even hundreds of crimes a week to do that. As hon. Members know, the maximum sentence that a magistrate can give for one offence is six months in prison. If someone pleads guilty, a discount will be given for that; probably a third will be knocked off, leaving a sentence of four months. We know that probably no more than half the sentence will be spent in prison, so magistrates really give maximum sentences of two months in prison. Someone who is a drug addict and who goes to prison will come out two months later still a drug addict, to return to where they lived before, meet the same groups of people they mixed with, and keep committing the same crimes. I do not see who benefits from the practice of continually letting drug addicts out of prison while they are still addicts. It is a pointless exercise that does nothing for them, their community or their families, who are usually tearing their hair out at the prospect. We must keep such people in prison for longer, until they demonstrate that they are off drugs. Otherwise, they will keep on committing crimes.

It might be argued that drug treatment and testing orders are the way forward, but I am led to believe from Home Office reports that the reoffending rates are far higher than those associated with prison. I think that the reoffending rate for people given drug treatment and testing orders was 88 per cent., which is virtually 100 per cent., as it represents the ones who got caught. That is not the solution. Prison is the solution. My contention is that some of the people in question should be sent to prison for longer, which would do more than anything else to reduce the crime rate and would restore some confidence in the criminal justice system.

[Mr. John Cummings *in the Chair*.]

11.59 am

Tom Brake (Carshalton and Wallington) (LD): I congratulate the hon. Member for Kettering (Mr. Hollobone) on securing this important debate. Before the hon. Member for Wellingborough (Mr. Bone) leaves the Chamber, I should like to say how sorry I was to hear about the incident that he suffered. I was the victim of a similar incident some years ago when a brick came through my window, but it was helpfully wrapped in a National Front leaflet, so I knew who was responsible.

What I have enjoyed about this debate so far is that, on the whole, we have not argued about who is tough and who is soft. Often, such debates are bedevilled by those arguments instead of considering what works and what does not, which is what people want. They want prisons that are effective and deliver results. We could argue about whether prison works; it clearly works more or less efficiently in some respects. The hon. Member for Kettering said that 12 per cent. of people in prison are there for their first offence, so 88 per cent. of them have committed an offence before. Whether prison works to keep people out of prison is a moot point; the statistics suggest otherwise.

However, there is a case for some offenders, particularly violent offenders, spending an appropriate period in prison, one that people can recognise as an honest sentence. I think that there is broad agreement between the Conservatives and Liberal Democrats about the need for honest sentencing. Our policy paper last year referred to the need for honesty in sentencing, a phrase that I see has been recycled or reinvented for the purposes of the recent announcement, in March, of Conservative party policy.

We need to know that what is proposed will work effectively. In some respects, the Government's policy does not. We know, for instance, that the Government have had to secure an extra £35 million for Operation Safeguard to ensure that funding is available to use court and police cells, and that the British Medical Association has raised concerns about the risks of temporary prison accommodation. That some aspects of prisons policy are not working is also borne out by the recent report of the chief inspector of prisons. She highlights that

"the prison population went from one all-time high to another, staving off disaster only by a series of short-term, often expensive, emergency measures".

The Secretary of State for Justice has said that he thinks that

"The crucial test is that penal policy should not be the arbitrary figure of the number of prisoners per head of population" [*Official Report*, 11 March 2008; Vol. 473, c. 142.]

However, most people would agree that that is a fairly significant consideration. Surely a test of Government policy must be whether that number is large or small.

The chief inspector's report highlights other problems, such as the fact that the roll-out of integrated drug treatment systems is not proceeding at the rate expected, and she raises concerns about the move to large-scale penal containment—I shall come to Titan prisons in a moment. The chief inspector has serious concerns about the Prison Service's ability to act on her recommendations. She sees a deterioration in training prisons, which are doing significantly worse than last year in implementing her recommendations.

The chief inspector is also concerned about the number of young adults coming out of prison who do not think that anything has been done to prevent them from reoffending. About 48 per cent. feel that it has, but that means that 52 per cent. do not. Does the Minister have any benchmark by which to measure the prison system's effectiveness in terms of offenders' views about what is effective? What percentage of offenders does he feel should come out of prison thinking that their offending behaviour has been addressed in one way or another? I am sure that the Minister is familiar with the report, and the range of recommendations and areas of concern that it flags up. I hope that he can tell Members what action has been taken on them. A particular concern is immigration detention centres, which have not yet been mentioned. The report identifies 80 children who have spent more than a month in such centres, which is surely one of the most regrettable aspects of present prison policy.

One thing on which I hope we can all agree is that a prison building programme does not amount to a prisons policy. Can the Minister explain whether the Government will go full steam ahead with the Titan prison programme? I am sure that he saw the story in *The Guardian* on 18 March. The governor of Europe's largest jail advises the UK Government not to proceed with prisons on that scale. He believes that the appropriate number of inmates is about 600, and a senior governor at the same prison—Fleury-Mérogis, near Paris—feels that it has not been a success. I hope that Ministers are listening to what the people running such establishments say about their effectiveness.

I want to give the Minister suitable time to respond, so I shall just flag up briefly what a prison policy should consist of. Various statistics have rightly been deployed, and they highlight the need for a sound basis on which to make decisions. I have deployed some arguments with which Members may feel uncomfortable; equally, they have deployed arguments that are perhaps subject to statistical interpretation. We need a solid basis on which to make decisions. Other countries—Denmark is often quoted—have some similarities to the UK but seem to be much more effective at tackling reoffending, so will the Minister say something about what lessons we can learn from their approach?

We would like compulsory prison education to address concerns about the lack of education of prisoners. We want paid work in prison; much more secure mental health and drug treatment; aftercare for people leaving prison, so that when they return to the community they have back-up; a reduction in the number of very short custodial sentences, as I think there is some agreement that they do not seem to be effective at tackling crime; and much harder community sentences—twice the length of short-term custodial sentences.

Prisons policy is controversial, but this debate has highlighted that there is common ground between some of the parties on some of the key issues. I hope that when the Minister responds, he can explain how the Government intend to proceed with this critical area of policy.

12.8 pm

Mr. Edward Garnier (Harborough) (Con): I congratulate my hon. Friend the Member for Kettering (Mr. Hollobone) on securing this debate and laying out his arguments so convincingly and powerfully. He was sufficiently candid to say that on 28 March last year, our hon. Friend the Member for Shipley (Philip Davies) introduced a similar debate. If one reads the *Hansard* for that debate and tomorrow's *Hansard* for today's, one will see a delicious similarity not just in their thoughts but in the words that they use. However, that does not matter, because it would seem to demonstrate that the Government have done nothing in the intervening 12 months to make anything that my hon. Friend the Member for Kettering said today less true than what my hon. Friend the Member for Shipley said this time last year, which is regrettable to say the least.

In the past 12 months, I and my colleagues in the shadow Justice team have worked very hard and produced a paper, "Prisons with a Purpose: our Sentencing and Rehabilitation Revolution to Break the Cycle of Crime". As my hon. Friends mentioned, breaking the cycle of crime is key to a number of the problems that the Government have—I was going to say supervised, but perhaps that is not the right word—been in charge of over the past 10 years.

One of the things that always surprises me about the Secretary of State for Justice—I do not know why it still surprises me—is that he makes announcements or responds to criticism as if he had been in government for about four weeks, whereas, as we all know, he has been a senior member of the Government for the past 10 years and has twice been in charge of prison policy: once, during the first Parliament, as Home Secretary, and then, like an animal returning to its food, as Secretary of State for Justice—also known as the Lord High Chancellor of all England. Whichever guise, or dressing gown, he happens to be wearing, he has presided over a total farce in prisons policy. I wholly acquit the Minister, who has to work extremely hard under very difficult circumstances, being bundled from pillar to post, as some hare-brained scheme comes out of the Secretary of State's office that he has to implement.

My criticism of the Government is this: we have an overcrowded prison estate that is not achieving what it should as a matter of justice, humanity or sensible economics. It is not surprising that my hon. Friends were able to advance arguments with such power, and which completely filleted the Government's competence in this public policy area.

As my hon. Friend the Member for Kettering said, prisons are overcrowded. I rang the Ministry of Justice on Thursday, when I hoped that the weekly population

[*Mr. Edward Garnier*]

figures would come out, Friday being Good Friday, we were promised that they would come out early. However, they had not been published before I arrived here, so I hope that the first thing that the Minister will do will be to provide us with the current prison population figure. I hope that it has gone down, rather than up, which it has done quite a lot, not because I think it a good idea to release people early from prison sentences, but because an overcrowded prison estate is an inefficient prison estate. We simply cannot mend prisoners—that is to say, reform them—and release them as better, law-abiding citizens with an overcrowded estate.

All of my and my hon. Friends' arguments over the past several years in this area of public policy will not be responded to satisfactorily until the Government address the prison estate's incapacity to deal with the huge numbers of people that it has to accommodate. That is why our paper, "Prisons with a Purpose", produces a hopeful prescription: by 2016, we will have dealt with the imbalance between prisoner numbers and prison capacity so that we can begin to reduce crime and, therefore, the need for people to be recycled back into the prison estate. That will prevent them from returning to our streets and villages and their life of crime—a life identified correctly by some of my hon. Friends as one fuelled largely by drug addiction. Until we deal with that and get those people off drugs and living cleanly, we will find it extremely difficult to prevent them from committing further crimes in order to fund their habit.

Surely it is uncontroversial to say that our prisons are in crisis: the prison population has soared, jails are seriously overcrowded and reoffending rates have risen. Emergency measures, such as the end of custody licence, which was announced last June, have done nothing to manage the prison population sensibly or to restore or create public confidence in our criminal justice system. Now that we are nine months into the scheme, what effect has the introduction of ECL had on the prison population? The evidence suggests that despite the fact that the Government will release, over the 12-month period from last June, approximately 25,000 people, the prison population has gone up and, worse still, those released have gone on to commit, in the 18 days between early release and the end of their official sentence, many more crimes. One, I think, committed a homicide, but many others have committed other serious and violent crimes. It is no good the Government's managing the prison population by releasing early those not suitable to be so released. They should be planning and providing the prison estate with the capacity to deal with those deemed—at the discretion of the courts and in line with sentencing policy, as set out in statute—necessarily imprisonable.

It seems clear that the prison system is not working. Building new prisons to accommodate those sentenced by the courts and to reduce overcrowding is essential, but it is not an end in itself. As has been identified, half of all crime is committed by previous offenders and one in five recorded crimes is committed by ex-prisoners. The right way to reduce the prison population is to break the cycle of reoffending and to reduce crime, which is why we need to invest much more political will and leadership and intellectual energy in the rehabilitation revolution. Those who enter prison should not simply be warehoused, left there and invited to come out again, but helped off drugs and taught to read and write, add up and to become employable, so that when they return to society, they can get a job, look after their families and dependents and, in doing so, get away from crime.

We want a restoration of confidence in the criminal justice system, a re-design of our prisons for the 21st century and, as I said, a major effort to rehabilitate those who commit crimes to prevent them from doing so again. The fundamental reform required is based on the concepts of decentralisation, clear accountability, greater use of the voluntary and private sectors and the introduction of incentives through payment by results, which my hon. Friend the Member for Kettering touched on. I shall not recite the contents of our document, "Prisons with a Purpose", which we produced earlier this month, but I recommend it to you, Mr. Cummings. I shall hold it up so that the Minister can see it. I hope that the shelves of the Ministry of Justice library are full of copies.

People, including my hon. Friends, have complained about the lack of confidence in both community and custodial sentences. We must ensure that they are based on four pillars: punishment, of course; rehabilitation; work for offenders—real work inside prisons to get prisoners used to proper work, not the awful time-wasting occupations with which so many contend at the moment—and reparation for victims. Too often in the political debate about law and order and other such public policy issues, we forget about the victims. If criminals earn money in prison and put it into a fund to compensate their victims, the public and, in particular, victims will benefit greatly. My hon. Friends have talked about our sentencing reforms. I shall not outline them—time does not allow me—but again, they are well set out in our document, "Prisons with a Purpose". I urge the Minister, his advisers and colleagues to read it and to study them.

The short period available to me is at an end, but the debate will run and run. I hope that the Government, even after 10 years of messing around and failure, will get to grips with the issue and do something to improve the lives of our constituents, to improve our prisons and to reduce heavily the reoffending levels with which we must currently contend.

12.20 pm

The Minister of State, Ministry of Justice (Mr. David Hanson): I thank the hon. Member for Kettering (Mr. Hollobone) for initiating this debate. I have been in my post as Minister with responsibility for prisons for about 19 months, and this is one of our first opportunities in Westminster Hall to debate prison policy, so I welcome it. I thank also the hon. and learned Member for Harborough (Mr. Garnier) for his care and compassion for my welfare and my responsibilities in the Department. I share those concerns—for him and his Opposition Front-Bench team.

In answer to the hon. and learned Gentleman's first question, as of 20 March, the date for which the last figures are available, 81,906 individuals were in prison. That is eight lower than one week ago, and not near the 82,180 figure, which was the highest ever published population figure, on 29 February.

I also thank Members from all parts of the House for their contributions to the debate. I shall pull together some common themes, because throughout the parties

and the Chamber today, we do have some common concerns. They are how we ensure that we prevent crime and prevent individuals from entering the criminal justice system in the first place; reducing crime and ensuring that when people are convicted, sufficient prison places are available; and, crucially, reducing reoffending so that people in the system go through it and—I hope, as the vast majority of individuals will—return to society in such a way that they do not continue committing crime and further offences.

Important issues have been raised at the margins of that discussion. My hon. Friend the Member for Stroud (Mr. Drew) discussed restraint, and foreign national prisoners were mentioned. What we do with short sentences and how effective they are has been a key theme of the debate, as have the way in which we examine prison build and what we do about that, and the future of prison issues. There are some key challenges for all in the Government and the House to examine. First, how do we provide increased facilities to ensure that we keep dangerous, violent and sexual offenders in prison and ensure that prison places are available for them? Secondly, how do we help develop the reducing reoffending agenda in looking at the very issues that the hon. and learned Member for Harborough and the hon. Members for Kettering and for Shipley (Philip Davies) mentioned: employment, drugs, alcohol, rehabilitation, family links and a re-examination of how individuals return to the community? Thirdly, how do we strengthen and examine the effectiveness of community sentences?

First, on the availability of places, I shall not deny that there are challenges in the prison system. There are 81,000 people in prison, and about 82,000 places. Some 20,000 additional prisoners have gone to prison through additional capacity, and there has been extra pressure on that capacity over the past 10 years. That is partly because we are bringing more people to justice and picking up more offences than ever before, and because people are being given longer sentences than ever before. There is range of challenges leading to the prison population issue.

We have responded, however, and I take slight exception to the point made by the hon. and learned Member for Harborough that there has been no Government action over the past 12 months. He knows that in December 2007, following Lord Carter's review, which Lord Falconer commissioned in May 2007, we announced additional prison places—20,000 new places by 2014, making a net total of 96,000 by 2014—and the decommissioning of 5,000 old prison places. Indeed, in the past 12 months alone, the capacity programme announced last year has delivered 2,227 places, and a further 1,900 places are planned in 2008.

There have been a number of developments—for example, regarding places at Stoke Heath, Albany, Erlestoke, Ranby, Lewes and Wayland prisons. Indeed, if the hon. Member for Wellingborough (Mr. Bone) were still present, I would tell him what I told him in a letter on 28 January—that we plan to build an extra accommodation block with 90 places in Wellingborough prison by next year. What he called for in the debate, we already plan to do.

Many prison places are being built and it is important that we have them. I disagree with the hon. Member for Carshalton and Wallington (Tom Brake). We have planned three, 2,500-strong Titan prisons. They will be consulted on over the next few months, and we will issue a consultation document shortly. The plan is that the first Titan prisons will not come on stream until perhaps 2011, 2012 or 2013, but their large scale will allow us to create small house-blocks in a large prison, enabling us to provide some of the interventions that Members have spoken of today in a cost-effective and efficient way for the taxpayer.

There are plans to build sufficient prison places, but the key question is what we do with the people in prison. The figures are still challenging, so I believe that we need to up our game on rehabilitation, on investment in employment opportunities, on tackling the drug problems that have been rightly singled out as leading to many crimes in our communities, and on reintegration. I refer all Members to the prison policy update paper that we published in January, which highlighted what we intend to do on drug treatment in and out of prison. It also highlighted what we need to do on increasing the number of drug rehabilitation orders and helping support further testing and security regarding drugs in prison; on employment, linking up with employers in the community to ensure that they can provide proper work and work with prison workshops in the community and in prison; and on making strong links with individuals who are on their way through the process, so that in prison they learn and develop skills that can be used outside.

We all agree on the point that the hon. Member for Kettering made in his opening remarks: we have a problem with underperformance, literacy and numeracy, and with poor social background—often involving family break-up—leading individuals to crime. We must invest in those individuals not only because doing so is positive, but because it will, we hope, help them not to return to crime when they return to society, as undoubtedly they will.

On foreign national prisoners, which several Members mentioned, we have more than 100 prisoner transfer agreements with countries throughout the world. We have successfully negotiated an agreement that all European Union prisoners should serve their sentences in their home countries. It will take effect from 2011 and should have a major impact on the foreign prisoner population in jails in England and Wales. We have recently negotiated a prisoner transfer agreement with Jamaica, as has been mentioned, and I am due to meet the Nigerian Interior Minister shortly to discuss a transfer agreement with him. Ireland forms part of the negotiations that will take effect from 2011.

Mr. Garnier: Will the Minister publish the agreement, or arrangements, that he mentioned for EU prisoners? It is quite a significant change, if that is what he has done.

Mr. Hanson: I shall certainly write to the hon. and learned Gentleman on that point, and I shall place a copy in the Library if it helps, because that policy has been in existence for some time.

The issue of consent of prisoners was also raised, and I can confirm that we have introduced legislation that has removed the requirement for prisoners to consent to transfers, provided that the recipient country is willing to accept them. Much needs to be done, further agreements need to be made, and there are difficulties with some countries that have refused to have prisoner transfer

[Damian Green]

particular on the unskilled and probably least well educated members of our labour force. That is clearly something that we need to address. He is right that the issue of training and skilling is important, but it is not enough to say that there is no impact as a result of immigration, and he must address that confusion.

Let me move on to two areas in which there are serious problems with the points-based system. The right hon. Member for Leicester, East, who chairs the Home Affairs Committee, told me that on Sunday he addressed 15,000 restaurateurs and restaurant workers about the problems experienced by the restaurant industry, so I shall pass over them, as I am sure that the Minister has been made well aware of them by many Labour Members, and is about to be made even more aware of them if the right hon. Gentleman catches your eye, Mr. Deputy Speaker.

It is worth dwelling on the transition—here, too, the Minister has had problems—from the highly skilled migrant programme. The Government have changed the rules retrospectively and, as some of us have for a long time warned would happen, the Minister has ended up in court, and recently lost a High Court case. The judge judged the changes "unfair", and said that there was

"no good reason why those already on the scheme should not enjoy the benefits of it as originally offered to them."

I have written to the Minister about that problem, as it was absurd to close the holes in the system by applying that level of effective retrospection to highly skilled migrants—precisely the sort of migrants, everyone in the House agrees, whom we want in the UK, and a very peculiar group to pick on when applying draconian policies.

For Members who have read every last bit of evidence from the House of Lords report, may I recommend the report by the Joint Committee on Human Rights of evidence given by the Minister? The exchange between the Earl of Onslow and the Minister about whether the changes entail breaking a contract is not only illuminating but entertaining. I have to tell the Minister with all good will that the Earl of Onslow got the better of him but, to be serious, we have broken a contract with people whom we brought into this country. We have changed the rules half way through their time in the UK by introducing the points-based system, so the Minister should take the opportunity to ponder on the problems that he has caused.

Dr. Julian Lewis: I was totally baffled by the Government's stance. As my hon. Friend has said, those people were clearly great assets to this country, so can he throw any light on the reason why the Government were prepared to do that? Was it simply an attempt to gesture that they were trying to do something to get immigration under control, even though their fire was directed at exactly the wrong target?

Damian Green: Yes, I rather agree with that, and I see it in other groups, too—not just highly skilled migrants but interns who come here to do university courses. The Minister will be aware that various parts of the immigration world are in ferment, because the rules have been changed in ways that make things that have happened for years illegal or impractical. The root of the problem is the Minister's recognition that the immigration system has been out of control for a long time, causing terrible problems for this country and, more particularly, for the Government. He is trying to be tough absolutely everywhere, but there are times when he should exercise his judgment more, and say, "In this area, we should not try to cut the numbers as much as possible. Perhaps we can take a more sensible approach."

On that issue, I should like to draw the Minister's attention to the position of working holidaymakers. Given the nature of my postbag, I am sure that his postbag is full of letters from people who have come to the UK, often doing responsible and highly skilled jobs as working holidaymakers. They have all been told that if they wish to reapply for their jobs they have to go back home, often to countries such as New Zealand.

I have a set of e-mails from a New Zealander who is working in Scotland, the hon. Member for Perth and North Perthshire (Pete Wishart) will be pleased to hear, who has been told not only that he has to return to New Zealand to apply for a job that he has done for many months but that the Home Office cannot provide him with any indication of how long it will take for him to receive clearance to get his job back. By any standards, that is nonsense. By definition, working holidaymakers are coming to Britain to work—to do something productive—and the Government are sending them all home and saying to them, "We can't tell you whether or when you can come back to carry on doing the job that you have been doing for some time." *[Interruption.]* The hon. Member for Bristol, East (Kerry McCarthy) is chuntering, but I can assure her that there are many more cases than the one that I mentioned.

Kerry McCarthy: I am slightly confused. My understanding of working holidaymakers is that they are in the UK to have a holiday and have a good time, and they happen to be doing jobs to fund that. Is the hon. Gentleman saying that they should be given precedence in access to this country over others who might add some benefit to the economy and ease skills shortages?

Damian Green: I am not saying that such people should be given precedence, but those who are in the country and working, who are in the middle of a programme and have lots of time left on the programme, are being told, "We want you to carry on doing your job, but to do so you have to travel back half way across the world and apply for it again, and we are not going to tell you whether you can come back or not." That seems to be administrative nonsense.

Dr. Starkey *rose*

Damian Green: I have taken up enough time. I am sure that the hon. Lady will have a chance to make other points later in the debate.

In some ways, the points-based system is a step forward, but there are individual issues and it is nothing like enough to meet the scale of the problems. It will not be a particularly radical change. There will be many individual problems, but more to the point,

the correct feeling in the country that there is a lack of control will continue. That is why we need an annual limit and a genuinely radical change in our immigration system.

Over the past 40 or 50 years we have seen that immigration is a big political issue only when it is felt to be out of control. It is not one of the issues, such as the economy or the health service, that is for ever at the top of people's political anxieties, but it is at present, because it has been out of control for so long. It is possible to run an immigration system that is firm and fair, which allows into Britain those who will benefit our economy, without allowing our public services to be put under intolerable pressure by unplanned numbers of new arrivals, and which lets in the right people and the right number of people. That is what a Conservative immigration policy will look like.

In the meantime the British people will have to put up with the current failing Labour policies. The points-based system is a mild improvement on what came before and can be used as a base for the more sensible policies that we would introduce. However, it is not a radical improvement. Indeed, for some groups it is already making life worse. Most importantly of all, it will not transform the public's correct impression that immigration policy has been and remains one of the great failures of the Government.

3.57 pm

Keith Vaz (Leicester, East) (Lab): It is always a pleasure to follow the hon. Member for Ashford (Damian Green). He spoke for 40 minutes but did not tell us precisely what the policy of the Conservative party would be in respect of immigration. On the central point of the Conservative party's policy—the cap—he refuses to spell out in the House or outside exactly what numbers he is talking about. If the Conservative party wishes to play the numbers game, it should be specific about what those numbers would be. It is sad that he was not able to be specific.

We learned something new today: the Minister carefully studies the speeches of the hon. Member for Ashford, and the hon. Gentleman carefully studies the Minister's speeches. Between them they have spoken for an hour and a half. Perhaps they should send each other e-mails to reduce the length of their speeches in the House. However, I am grateful to the Minister for giving way on so many occasions. I do not wish to pick on him because he was so generous, as was the hon. Gentleman. This is a short debate, so I shall not give way as much as they did if anyone seeks to intervene on me.

The Minister began, rightly, in a measured way by talking about the benefits of migration. Although the hon. Member for Ashford has a particular attachment to the House of Lords report, everyone in the House recognises that the United Kingdom is a great country because of the arrival of so many immigrants throughout its history, including the Asian community over the past 30 to 40 years and the Irish community over a longer period than that. As we heard from the Work Foundation report, which was published today, the arrival of high levels of immigration has benefited us and the economy, and that has been good for the country as a whole.

I shall deal with the continuing problem that we seem to have in the immigration debate and that has now gripped the tabloid media. I am thinking of the arrival of the central and eastern Europeans in the United Kingdom. That happened under our treaty obligations, into which we entered in good faith. We originally signed up to those obligations when we accepted the principle of freedom of movement, which happened when the right hon. Member for St. Albans was in the Cabinet. The Maastricht treaty and subsequent treaties all enabled this country to honour those commitments.

Mr. Lilley: I should say that I am the right hon. Member not for St. Albans, but for Hitchin and Harpenden. When we signed the accession treaty relating to the eight accession countries of eastern Europe, we were not required to grant unlimited and immediate access rights; we had the right to restrain those for eight years. The Government chose not to operate that right. The right hon. Gentleman is slightly—unintentionally, of course—misleading the House in suggesting that the commitment was made under the Maastricht treaty. It was not.

Keith Vaz: I was not misleading the House in any way, even inadvertently. The process began when we joined the European Union. The basis of our membership of the EU was the freedom of movement, although of course there can be transitional arrangements. Last year, the Select Committee considered the issue in respect of Romania and Bulgaria and the Government took a different view, feeling that the restrictions should remain. That has not stopped people from those countries coming to this country on work permits or as self-employed people and contributing to our economy.

Let us put an end to the nonsense about central and eastern European migration to the United Kingdom. It has benefited our country, whether in a town such as Boston, or in Leicester, Ealing or Brent. My hon. Friend the Member for Brent, North (Barry Gardiner) is here and could tell us what a contribution those communities have made.

The hon. Member for Ashford was right: I will concentrate on the shortage of skilled chefs from south Asia. That is not because that is the only issue as far as the points-based system is concerned, but because it is current and relevant. The migration advisory committee will meet in the near future to consider the list that the Minister talked about. It is important that we should express to the Minister our constituents' concerns and those of the catering industry as a whole about the real problems in that industry.

As the hon. Member for Ashford said, in the past week I was in Trafalgar square, where 15,000 members of the south Asian community—not only the Bangladeshi community, but people of Indian, Pakistani, Turkish and Chinese origin—took part in one of the largest demonstrations, if not the largest, of the south Asian community that I have seen in my 21 years in this House. About 8,000 people signed a petition, which was handed in at 10 Downing street. Meetings to discuss the issue have been held all over the country.

[Mr. Lilley]

might be setting up a factory and has its own way of running it. Initially its people will be brought in to set it up, train the indigenous people, transfer those skills, and then return home. That was the primary source of work permits until 1997. They were issued to those with firm, specific skills to bring to this country. We will always need that flow, and it is usually a two-way one in the long run. The suggestion, however, that skills that British people have, could acquire more of and should be trained to acquire more of should be provided by importing cheap labour from abroad is a fallacy that underlies the Government's programme, meaning that it will not be used to control immigration but to maintain an unacceptably and unnecessarily high level of mass immigration into this country.

5.35 pm

Kerry McCarthy (Bristol, East) (Lab): The Minister began his opening remarks by saying that his grandparents were immigrants to this country. I can go one better, as the daughter of an immigrant to this country who has returned to live in Ireland, although he is visiting at the moment. Perhaps I can embarrass him by saying that he joined in the toast to St. George's day in the Strangers' Bar last night, although that may have more to do with his fondness for a pint than any great patriotic fervour for the country he made his home for 40 years. Like my hon. Friend the Member for Hendon (Mr. Dismore), I chose to become a lawyer and a politician, rather than follow in my father's footsteps, although the fact that he spent the best part of 30 years working for Pickfords removal firm perhaps explains why I did not go down the same path as he did.

I join my hon. Friends in complimenting the Minister for his work on the new asylum model and on the points-based migration system. He is one of the Ministers I tend to ambush in the Division Lobby more often than any other, and I have always found him to be on top of his brief, very thoughtful and willing to listen to the concerns that I raise on behalf of individual constituents and with regard to general policy.

I have been lobbied by restaurant owners in Bristol from the Chinese community and from the Bangladeshi community in particular. I met 20 representatives of Bangladeshi restaurateurs in Chilli's restaurant in Bristol city centre. As a result of our conversation, after about two hours discussing the impact that the changes might have on them, I ended up in the kitchen, being shown exactly how to prepare a vegetable jalfrezi. The fact that I was treated to a meal afterwards has no bearing at all on my sympathy for the issues put forward. If anyone wants to suggest that I might fill the skills shortage by choosing an alternative career, I would say that my role in the kitchen was limited to stirring the pan while the chef put the spices and vegetables in. But that did demonstrate to me that it is quite a complex operation; it is not the same as working in a fast food joint, or in an Italian restaurant. Most of us would be able to rustle up a pretty decent pasta dish, but I have never been able to produce the sort of dishes I have had in Indian or Chinese restaurants. It is quite a skilled occupation.

The points made to me by the Bangladeshi restaurant owners have, for the most part, been put by my hon. Friends, particularly my hon. Friend the Member for Hendon, but I would just like to quickly skim through some of them. They said that they are already having to close restaurants because of staff shortages, and several people there were former restaurant owners who said that because they could not get the staff they had had to go out of business.

They expressed concern about immigration raids at peak times. Although they accept that the Borders and Immigration Agency has a right to find out whether illegal working going on, they thought that it could be done more sensitively, perhaps at the close or start of business. Concern was also expressed that when illegal workers were detected in the restaurants, there was no follow-up, such as deportation or any action against the restaurant owners. Obviously, they were not advocating that action be taken against them, but what is the purpose of those raids if no action is taken afterwards?

We have to consider the question of whether there are skills shortages in certain sectors of the restaurant trade in the short to medium term, and then in the longer term. The point has been made that people from the Bangladeshi community, in particular, do not want to follow in their parents' footsteps by going into the restaurant trade, but not everyone from those communities can become doctors. Not everyone has the academic ability or skills required to become a doctor, lawyer or engineer. Some people will have to go into non-professional jobs, and there is an issue about raising the status of working in the restaurant sector. We have heard that there are no Chinese catering courses at UK colleges. If such catering was more professionalised and attracted proper qualifications, people might be persuaded to go in for it. We should also consider how well people are paid. However, that is for the longer term.

In the short term, it has been suggested to me that restaurant owners would be happy to pay bonds—perhaps up to £10,000—for someone to come over and work for one or two years, on the understanding that they would forfeit the money if the people did not return at the end of the time. However, they are adamant that that is needed to alleviate the short-term shortages in the industry.

I welcome the fact that the migration advisory committee will consider the matter in some detail. I hope that it takes account of the representations that have been made in the House today. I repeat that I know that the Minister is always open to being influenced by his colleagues' comments, and I hope that he will take some of the concerns on board.

5.40 pm

Mr. Peter Bone (Wellingborough) (Con): I shall be brief because I know that another hon. Member wishes to speak.

We have heard much today about the immigration system and the points-based system. One of the interesting aspects of the latter is that, before I came into the Chamber, I checked whether I would be allowed in under the first tier. Unfortunately, I was rejected—perhaps Ministers devised the system on that basis. I wonder whether the Prime Minister would also have been rejected.

The serious point that I wish to make—it has already been mentioned—is what happens out there in the country, at least in Northamptonshire. Wellingborough

is a wonderful town. It is multi-ethnic, with large populations of Hindus, Muslims, Jews and Sikhs. We all work together and the town is a harmonious place. Long may that continue. Our problem is that we have been designated an expansion area. Fifty-two thousand new homes will be built in north Northamptonshire in the next few years. It is estimated that 30 per cent. will be for migrant workers. Those migrant workers come mainly from the European Union, and that is the crux of the problem.

I run the "Listening to Wellingborough and Rushden" campaign and we conduct a constant tracking survey so that I have at least an idea of my constituents' concerns. A year or so ago, immigration did not appear on the survey. It has gone from nowhere to being the No. 1 issue, and people are talking about migration from eastern Europe. They are worried about the pressure that it will put on our infrastructure as we increase the number of homes in the area.

One may ask how that translates into a genuine concern. Two weeks ago, we had a council by-election in Wellingborough and, for the first time, we had a British National party candidate. We worked hard and the turnout was 43 per cent. – greater than that for the local elections. We won the seat, which was Conservative in the first place, but our vote went down. Much more worryingly, the BNP finished second, scoring more than 15 per cent. of the votes and pushing Labour, which traditionally ran Wellingborough council, into third place.

It is the responsibility of all mainstream politicians to discuss the issue. I am grateful for the debate today and pleased that the Government chose to hold it. However, we must tackle the issue fairly and get our message across. In that election, the BNP traded on the message, "Look, those politicians have been in power all this time and they're doing nothing about it." They presented their case reasonably and it attracted reasonable people to vote for them. That is a genuine danger, which we need to tackle.

5.44 pm

Pete Wishart (Perth and North Perthshire) (SNP): In the usual last few minutes available to us in the minority parties, I will try to put a couple of points for the Minister to address.

I would like him to acknowledge that there are different immigration and population requirements in the different parts of the constituent parts of the United Kingdom. The population and immigration requirements of the highlands of Scotland are quite distinct from those of London and south-east England. In my constituency we have depopulation. We find it difficult to attract immigrants to come and work. That is quite different from south-east England, which does attract migrants, and which is overheating, with a growing population.

Until a couple of years ago, Scotland had the fastest-falling population in all Europe. We had depopulation on a bigger scale than Ireland, any Mediterranean country or anywhere else in Europe, including eastern Europe. That has been reversed, but only temporarily, because of immigration from eastern Europe. Scotland's population is due to rise to 5.13 million by 2013. However, that is the beginning and end of the good news, because the long-term trend, as found by the University of Strathclyde among others, is that we will continue with our historic population decline. Depopulation will start once again in 2030, and in the second part of the century Scotland's population will fall below 5 million for the first time in a century.

It is clear that we need different, Scottish solutions for distinct Scottish problems. The first thing that we need to do is acknowledge that Scotland is different. If the Minister could just nod his head to indicate that he is aware that Scotland's population and immigration issues are quite different, that would be a start. Once we have acknowledged that, let us try to find the solutions. My solution is clear and elegant: Scotland should have the powers to determine its own immigration requirements. Scotland should be the same as every other normal nation in the world. We could determine the solutions that are in the interests of the Scottish people and the strategies and approaches that would address our particular population and immigration problems.

I know that the Minister will not agree with that proposal, so I will park it to one side for now. Can the points-based system help Scotland address its distinct population and immigration requirements? I will encourage the Minister by agreeing that it can. We have adopted the Australian system in practically every respect other than one: the ability to allow inter-state development, under which the individual states of Australia can determine their immigration requirements. That is a central feature of the useful Australian model, which is called the state-specific migration mechanism. That mechanism is designed exclusively for use by areas of Australia that are suffering from population decline, which is very much the challenge that we in Scotland face. The state-specific migration mechanism operates by allowing state governments to assess applications on their own and to allow them to live and work in distinct Australian states. Even though applicants might not meet the general Australian criteria, they may meet the state criteria. That is how the points-based system could be changed to accommodate Scotland's distinct requirements.

If the Government are not prepared to do that, perhaps they will listen to Sir Trevor Phillips, who recently came to Scotland to speak about the points-based system. He talked about tilting the entire arrangement to favour Scotland, so that any prospective applicant appearing before a board to assess whether they should become a citizen of the UK who was prepared to live and work in Scotland would be topped up with extra points. We need some 25,000 immigrants a year just to stand still in Scotland. If we do not get them, we will start to suffer from depopulation again, which will have an incredible impact on our economy and our nation's demography, and leave Scotland behind. We need a distinct and different approach. If the Government are not prepared to consider how the points-based system could be applied differently across the constituent parts of the nation, for goodness' sake allow the Scottish Parliament the powers and the opportunities to do so. That is the sensible solution.

I have one more quick point. I am concerned about the fresh talent scheme, which was the one thing that gave us a competitive advantage in the United Kingdom. The scheme allowed talented graduates to remain in Scotland for a number of years once they

Philip Davies: You haven't yet heard what the hon. Member for Bath (Mr. Foster) has to say.

Martin Horwood: I am sure that if my hon. Friend the Member for Bath (Mr. Foster) has objections to the Bill, they will be sensible ones, but some of the objections that I have heard Conservative Members give are completely ludicrous.

I have a few qualifications that entitle me to speak on the subject: My first qualification is as a parent. Unlike the hon. Member for Bromsgrove (Miss Kirkbride), I have certainly been subjected to pester-power by my six-year-old and three-year old when it comes to food. I would be glad to see the back of Mr. Ronald McDonald, who has been responsible for some of it.

Secondly, I have worked in the advertising and marketing industry; my career began in commercial advertising. We have a great, creative advertising industry in this country, and it is absolutely true that its revenues would be affected if the Bill were to be enacted, and as a consequence the revenue of some media owners would be affected, but not nearly as much as they would have been just 10 years ago, because the media environment is increasingly diverse and much more targeted now. The Conservative Front Bencher the hon. Member for Wantage (Mr. Vaizey) asserted that the Bill somehow backs American TV over British TV, but that is a ludicrous assertion. The opposite is true. The non-commercial BBC channels, CBBC and CBeebies, provide plenty of space for domestically produced television programmes, whereas the commercial channels—ITV and the others—are dominated by American material, so the reverse of what the hon. Gentleman says is true.

Mr. Chope: What does the hon. Gentleman think about the decision to allow McDonald's—an American company—to be the chief food sponsor of the London Olympics?

Martin Horwood: I will not be distracted by that point.

Jim Dowd: Will the hon. Gentleman give way?

Martin Horwood: No, not just yet. I have a point to make. I will not be distracted by debate on the Olympics. My third qualification is that I am secretary of the all-party group on corporate responsibility. There is a very good example of good corporate responsibility in my constituency, in the national headquarters of Kraft Foods. It has run a responsible promotion aimed at children, called Health 4 Schools. It is about promoting healthy cooking and eating in schools. It has resisted making any association with the many confectionery products produced by Kraft. If I have one concern about the Bill, it is with clause 2, which refers to associations. I would regret it very much if Kraft's obvious association with confectionary brands meant that it was not able to run a responsible promotion. Subsection (2)(b) offers a mechanism through which that might be addressed; that issue could perhaps be considered in Committee, but it is important that it be addressed.

Finally, I speak as the husband of a public health doctor, and therefore as someone who is well aware, if somewhat vicariously, of the seriousness of the rising tide of ill health, a lot of it associated with poor diet and nutrition, that is affecting our whole country and that starts in childhood. We are talking about a serious, deadly threat to our nation's health and, through the NHS, to our nation's finances in the longer term. Those are not issues to be dismissed lightly in defence of Ronald McDonald or the advertising industry's short-term benefit.

Jim Dowd: The hon. Gentleman mentioned McDonald's. The hon. Member for Christchurch (Mr. Chope) has vacated his seat temporarily, but the fact is that McDonald's is sponsor of the International Olympic Committee; that is where the McDonald's sponsorship comes in. It does not come into the issue of the London Olympics. I realise that if the House were to spend its time correcting the hon. Member for Christchurch, we would have to publish a separate supplement to *Hansard*, but that is the fact of the matter.

Martin Horwood: I am grateful to the hon. Gentleman for that clarification. My closing point is about the seriousness of the epidemic of ill health that we are likely to face, and of the increasing incidence of diseases such as diabetes. Any risks and concerns associated with the Bill should therefore be considered in Committee, and the Bill should certainly be allowed to progress.

10.27 pm

Kerry McCarthy (Bristol, East) (Lab): As I suggested in an intervention, I want to focus on the impact that the changing nature of the food that we consume has, not only on children's physical health, but on the mental health of children and adults. On the detail of what is in some of the food that children are consuming, a Food Commission nutritionist, Annie Seeley, said recently:

"Nearly 40 per cent. of children's foods and drinks contain additives".

A national survey conducted in 2000 by the Department of Health looked at the diets of more than 1,700 children, and found:

"Children aged between 11 and 14 were getting as much as 31 per cent. of their energy from sugar, compared with the recommended level of 11 per cent."

Legal additives commonly used in children's food include tartrazine. It has been assessed that its side-effects include anxiety, migraines, clinical depression, blurred vision, a feeling of suffocation, purple skin patches and sleep disturbance. Most importantly, there is a link to childhood obsessive-compulsive disorder. The Food Standards Agency found that when it was used in combination with other additives, it increased levels of hyperactivity in children.

There are also real concerns about the use of artificial sweeteners in children's food. Such sweeteners may have a link to carcinogens, and are also linked to migraines, nausea and bowel problems. Other additives in children's food that have caused concern are hydrogenated and trans fats and refined carbohydrates. A survey by the Massachusetts Institute of Technology reported that the IQ of children who ate the greatest amount of refined carbs was 25 points lower than that of those who ate the least amount of refined carbs. Obviously,

the question of whether that is cause and effect is an issue; the difference is not necessarily the result of diet, but it is a matter that is worth considering.

A study carried out in 2006 looked at the overall impact on mental health of the nutrients that are being consumed – or rather not being consumed – these days. It was carried out by Sustain, the food campaign group, and the Mental Health Foundation. They concluded that the changing nature of people's diets had a significant impact on mental health and could be linked to the rise in mental illness in the past 50 years.

The report was called, "Feeding Minds", and examined a topic that is a hobby-horse of mine – the growth of industrialised farming. It cited the introduction of pesticides in foods and also the intensive farming of, for example, chickens, which now reach their slaughter weight twice as fast as they did 30 years ago. That means that the fat content is 22 per cent. rather than 2 per cent. The balance of vital fatty acids, such as Omega 3 and Omega 6, in chickens has also been altered. That is not specifically the point of the Bill, but we need to take account of not only the food that we can readily identify as unhealthy, but other food, which is becoming increasingly less nutritious and healthy.

The study also confirmed that people eat 34 per cent. fewer vegetables and that could be linked to depression, schizophrenia, attention deficit hyperactivity disorder and Alzheimer's.

I want to consider surveys of attempts to moderate people's diets and clinical trials of moderating young people's diet to affect behavioural problems and improve mental health. A controlled experiment was conducted in the United States in a jail for chronic offenders aged between 13 and 17. Many of the boys there were found to be deficient in specific nutrients. For example, they consumed on average only 63 per cent. of the iron, 42 per cent. of the magnesium, 39 per cent. of the zinc and 39 per cent. of the vitamin B12 in the US Government's recommended daily allowance. The researchers conducted a trial in which half the inmates were treated with placebos and half were given capsules that contained the missing nutrients. They also gave the prisoners advice on how to improve their diets.

As a result of the trial, the number of violent incidents caused by inmates in the control group, which took the placebos, fell by 56 per cent., and those caused by prisoners in the experimental group, which took the capsules, fell by 80 per cent. However, there was no reduction among the inmates who took the placebos but refused to improve their diets. It is therefore clear that those who took the capsules benefited most, those who voluntarily changed their diets showed the second most notable change in behaviour, but those who did not change their diets showed no change.

Other studies have been conducted. A study carried out in Aylesbury young offenders institution between 1995-97 found that, among young adult prisoners given vitamin, fatty acid and mineral supplements, disciplinary offences fell by 26 per cent. and violent offences decreased by 37 per cent. In the control group, which was given placebos, disciplinary and violent offences did not decrease. The author of the report told *The Ecologist* last year that,

"having a bad diet is now a better predictor of future violence than past violent behaviour...Likewise, a diagnosis of psychopathy".

Lord Ramsbotham, the former chief inspector of prisons, picked up on that and said that he was

"convinced that there is a direct link between diet and antisocial behaviour",

and that it was "hugely important" to tackle that in our prisons.

Philip Davies: I am following the hon. Lady's argument with interest. The problem with the Bill is that Brian Young of Exeter university did a study of the effects of food advertising on children's food choices, and found that their food acceptance patterns and eating preferences developed in infancy, before they came under any influence of advertising. Whether her point is right or wrong, advertising food products makes no difference to the tastes that the children have developed.

Kerry McCarthy: If that is the case, why do food manufacturers spend so much money on advertising their products?

A considerable amount of research has been carried out. A new survey, partly funded by the Wellcome Trust, was launched in May 2008, and will consider approximately 1,000 young male offenders aged between 16 and 21. The charity, Natural Justice, is also involved. The survey will examine the amount of violence, drug-related offences and self-harm that individuals perpetuate during the 12 months they take supplements.

I congratulate my hon. Friend the Member for Edinburgh, South (Nigel Griffiths) on promoting the Bill. If we can tackle the food choices that children make at a young age – that is affected by not only direct advertising, but inclusion of toys in cereal packets, the use of cartoon characters and so on – it will improve children's behaviour in school and make a significant impact on youth reoffending and antisocial behaviour. We have discussed children's food Bills in the past; I hope that we can put this one on the statute book.

10.35 am

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): I congratulate the hon. Member for Edinburgh, South (Nigel Griffiths) on his good fortune in being able to promote a private Member's Bill, and I acknowledge that his concern is genuine and important.

There is no disagreement in the House about the dangers of childhood obesity and the need to take measures to tackle it. It is a serious problem. One only has to look around to see the number of obese children and adults in the country – indeed, one can possibly see the latter even in the House of Commons. The only consolation I can offer is that, in some places, the position is even worse.

During the Easter recess, I took my two children to Disney World for a week, and its patrons make us look like a nation of size zeroes. If one goes into any restaurant in Disney World – and possibly throughout America – there is no healthy option. I would be worried if that position were replicated here. We relied on burgers and fries or pizzas and fries for survival for an entire week because it is impossible to find anything else to eat in Disney World. One person said that they had managed to find a

[Mr. Vaizey]

Member for Shipley (Philip Davies) in his excellent article in *The Grocer*, which I recommend to all hon. Members, that the Bill compromises Ofcom's independence. *[Interruption.]* I have a photocopy with me, if the hon. Member for Falkirk would like me to circulate it. I hasten to add that my hon. Friend did not send it to me, in case hon. Members think that he is vain and self-promoting.

Ofcom is a very expensive piece of machinery that this Government created to regulate broadcasting. By and large, it does a pretty effective job. I know that it has its serious critics, but it is an important organisation, not least because the nature of broadcasting and communications is changing so rapidly, as it will in relation to advertising to children. There are now many different ways to get children's attention. Ofcom has engaged in extensive consultation, and as a matter of principle, regardless of the merits of the Bill, it would be wrong for Parliament to legislate on such a specific, narrow broadcasting issue. Ofcom has clearly acted on it, continues to review the situation and may act again in future. It consults the Department of Health and the Department for Culture, Media and Sport, and will consult Ministers and perhaps even Opposition Front-Bench spokesmen on the merits or otherwise of a ban. However, as Ofcom is engaged in the exercise, it would be odd for Parliament to legislate. Indeed, in the next two or three years we might get another communications Bill that would give Parliament the opportunity to debate the matter and decide whether to set parameters.

I am worried that the Bill is one of those fashionable measures on an issue about which people get greatly exercised and that they pursue single-mindedly and doggedly without any thought of the consequences. Where would this end? If one watched a series of television adverts over an hour or so, it would be pretty much possible to come up with a case for banning every single one, and a start would certainly be banning all car adverts. We know that cars reduce people's need to exercise and pollute the environment. The start would be banning adverts for 4x4s immediately, but a case could be made down to the Mini.

Adverts for clothing could be a problem because we know that a lot of clothes are made in pretty unpleasant conditions in third-world and developing countries. Obviously, adverts for shops selling both food and clothing, such as Sainsbury's and Marks and Spencer, could be banned in case an M and S advert featuring Twiggy enticed a mother to that shop and she then bought a high-fat product for her child. Adverts for almost all products, such as detergents and perfumes, could be banned because almost all products that we use and consume have a downside.

Philip Davies: My hon. Friend makes a powerful point. Clause 2 refers to the banning of

"any brand name which is associated with the food product in question or similar less healthy food product."

He thus makes a pertinent point about banning supermarkets such as Sainsbury's and Tesco from advertising on TV because they are associated with the sale of unhealthy products. Such a thing might not be further down the line. This very Bill could well lead to a ban on supermarket advertising.

Madam Deputy Speaker: Order. I remind hon. Members of the Bill's short title: to make

"provision about the advertising, marketing and promotion of food and drink products to children; and for connected purposes."

Mr. Vaizey: That is correct, Madam Deputy Speaker. I have to say that M and S was the culprit in my downfall as a child, with the M and S teacake the prime example. I do not think that it is a stretch to say that an advert for M and S, regardless of the product, could be construed under the Bill as involving a brand associated with unhealthy food for children.

The Bill's scope is wide, so hon. Members who cited the Olympics were absolutely spot on. It would be unavoidable that the BBC television broadcast of the 2012 Olympics 100 m final, with a large McDonald's hoarding in the background because it was the chief sponsor, would fall foul of the Bill by promoting a brand associated with unhealthy food. Nothing in the Bill would grant an exception. Technology might allow the McDonald's sign to be pixillated out, but if McDonald's, or any other commercial advertiser, thought that the large amount it had spent on sponsoring the Olympics was being undermined by the Bill, it would have pretty strong words to say to the International Olympic Committee and the Olympic Delivery Authority.

The Bill is a sledgehammer to crack a nut. there is no evidence that such a ban would tackle a problem that we all recognise, and the Bill is drafted in such a way as to have enormous ramifications across a huge area of marketing. Additionally, however, the Bill is an excuse not to talk about the positive things that we could do to reduce childhood obesity. As the hon. Member for Bath pointed out, running through the Bill there is a hostility to the private sector, a belief that everybody working in advertising is childless, and a belief that no one who works for a food company has children or worries about them. That is ludicrous.

McDonald's, the company that people love to hate and pillory, has done an enormous amount in terms of corporate social responsibility. My hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale) mentioned football, but it has also been involved in training, including vocational training. Because of my involvement in work experience, I have visited McDonald's and have seen what it does. An enormous amount of responsibility is taken. As everybody knows, the McDonald's product range has changed, mainly because of public pressure, and there is a much greater focus on healthy eating. It is important that we recognise that the debate is not completely one-sided, with people from the evil industry desperately trying to force high-fat products on our children behind our backs, and the hon. Member for Edinburgh, South standing like Horatio at the bridge to prevent them from crossing. As has been mentioned, billions of pounds-worth of food products are now much lower in fat, sugar and salt.

It is a bit rich of Labour Members to lecture us about the need to ban the advertising of high-fat foods because of the effect on our children, when their Government have closed 187 playing fields, and 57 more are earmarked for development. If the Government were serious about tackling childhood obesity, they would immediately ban the selling of playing fields, not the advertising of

high-fat foods. They would reduce the cut to the number of training places for physical education teachers. They would tell us how they will get the 1 million children who currently do not do two hours a week of sport into sport and exercise. That is the type of positive thing that the Government could be doing.

The Government could be encouraging our children to eat better food. We know that when Jamie Oliver had his school dinners campaign, we heard a lot of rhetoric from the Government, but it turned out that the additional funding provided was something like 50p per meal, per school. I recognise that we can change children's eating habits, both at home and at school. I have seen that in numerous primary schools in my constituency, which now have a huge focus on healthy food. We can change children's habits by providing them with the opportunity to exercise and play competitive sports. Measures of that type, and not a misplaced, mistimed and grossly disproportionate attempt to ban the advertising of high-fat food to children, will help us to reduce childhood obesity.

12.27 pm

Mr. Christopher Chope (Christchurch) (Con): It is a pleasure to follow my hon. Friend the Member for Wantage (Mr. Vaizey), who made a witty, highly cogent speech on this important subject. A good place to start is recommendation 7 of the report, "Risk, Responsibility, Regulation: Whose Risk Is It Anyway?" produced in 2006. Recommendation 7 is that a campaign be launched

"against regulatory inconsistencies and absurdities".

If we want to take part in that campaign, we could do a lot worse than not give the Bill a Second Reading today.

We have yet to hear the Minister set out the Government's approach, but having read the Prime Minister's trenchant words about the need for proportionality in regulation I should be very surprised if the Minister supported the Bill. If she did so, she would be going against all the homilies given by her Government on the subject of less and better regulation.

I was waiting to see whether the hon. Member for Edinburgh, South (Nigel Griffiths) would refer to this April's *FSA News* when he introduced the Bill. On page 6, there is a feature on Scotland, entitled:

"Scottish children's diet too high in sugar".

It reports on a survey of 1,700 Scottish children aged between three and 16, which found that the main sources of sugar in youngsters' diets were

"soft drinks, confectionary, biscuits and cakes",

yet that the Scottish dietary target stipulated that less than 10 per cent. of the total calories consumed should be non-milk extrinsic sugars, which are added to food, drink and table sugar, and are present in fruit juices. The findings were that average NMES consumption was now 17.4 per cent. of calorie intake—higher than in 1997, when it was only 16.7 per cent. I do not know whether that has happened because the Scottish National party has become more powerful in the intervening period—the hon. Member for Angus (Mr. Weir) intervened earlier—or whether the statistics are related to political parties and policies.

The report in *FSA News* was interesting not only for the findings that I have outlined but for stating that there is no evidence of a difference in average consumption between children who are overweight and those who are not. The FSA was obviously surprised by that and said that it could be due to the fact that, at the time of the study, youngsters were either eating less or under-reporting what they ate, thereby undermining the whole purpose of such a survey.

The survey's important conclusions are contained in the report's final paragraphs. It states:

"It underlines the ongoing need for FSA Scotland to continue to work with organisations",

including

"the Scottish Government, to promote a healthy balanced diet and give children the support and information they need to make better dietary choices."

Nigel Griffiths: I want to spare the hon. Gentleman from citing an out-of-date report. Yesterday in Scotland, evidence was published, which shows that, as a result of action, the diets of children in Scotland mean that they are now a healthier generation. Perhaps he would like to reflect on that. It is good news, which the House should celebrate.

Mr. Chope: I am all in favour of joining in celebrations with the hon. Gentleman, and perhaps the information provides an excuse for doing that. However, I cannot accept responsibility for not being up to speed on the subject when I am quoting the research supplement to *FSA News*, dated April 2008. Its findings show the importance of promoting a healthy, balanced diet. That was underlined in a good speech by the hon. Member for Bath (Mr. Foster), who emphasised the importance of calorie intake in relation to obesity.

Even Innocent products, which are full of fruit and meant to be good for you, are bad if eaten in large quantities because they contain many calories.

Mr. Evans: All the talk of food made me hungry, so I nipped out and had a Jaffa Cake. I suspect that Jaffa Cakes would fall foul of the Bill and could not be advertised, yet the packet says that they are backed by sports nutritionists. Is not the point that diet should be balanced and that we should not simply pick on one food group and say that it is so bad that it should not be advertised?

Mr. Chope: My hon. Friend is right. The importance of a balanced diet and not consuming more in calories than they expend or need for healthy growth is the message that we should convey to young people.

Was Ian Botham being irresponsible when he said that he could eat three Shredded Wheat in one day? I do not think so, but if people who did not take any exercise followed him and thought that they were doing themselves a favour by eating three Shredded Wheat, they were probably mistaken. When Ian Botham was promoting those products he was a fit gentleman and was taking a lot of exercise. Nobody would suggest that young children should eat three Shredded Wheat a day, unless they were taking quite a lot of exercise.

Mr. Whittingdale: Perhaps my hon. Friend would like to reflect on some other examples, such as Gary Lineker's promotion of Walkers crisps, which does not seem to have done him too much harm.

Philip Davies: To be honest, I am not sure whether it has or not, but the point that I would make to the hon. Gentleman is that the supermarket industry is now a mature market, as is the food manufacturing industry. When a market is in its infancy, advertising might well help to grow that market as a whole, but once it has matured, advertising does not increase it; it simply affects the market share of the organisation within that market.

The factors that have driven the growth of supermarkets over recent years have nothing to do with the advertising of each individual company; they include the fact that supermarkets sell products that customers want to buy at prices that customers want to pay. Supermarkets are very good at giving customers what they want, such as a place to park or the convenience of buying many different things under one roof. Those are all much bigger factors in the reason people shop at supermarkets than any advertising strategy, and I say that as someone who worked in the marketing department at Asda. Neither my colleagues in that department nor I could claim credit for the success of Asda as an organisation. That was due, more than anything else, to the people working in-store looking after the customers.

The reason that Asda spent millions of pounds every year on TV advertising was not because we expected anyone to make an extra unnecessary visit to the supermarket but because we wanted them to shop at Asda, rather than at Tesco, when they next went to a supermarket. Advertising builds a company's market share. That is the whole purpose of the advertising.

Introducing a Bill that restricts the advertising of particular products would be similar to stopping a game of pass the parcel at a particular time to benefit a particular player. If the hon. Member for Edinburgh, South gets his way, when the music stops and all the marketing ceases, it will be a huge triumph for whoever happens to have the largest market share at the time. No competitor would ever have the opportunity to stick their oar in and get involved in that market again.

Angela Watkinson: Does my hon. Friend agree that a great deal of psychology goes into the creation of the ambience of a supermarket? That is how they try to increase their market share. The colours used in the store, the width of the aisles, the way in which goods are displayed and the convenience of getting into the store will attract customers to one supermarket rather than another. Those factors have a much greater influence than advertising.

Philip Davies: My hon. Friend raises an interesting point about what motivates people. To be perfectly honest, I think that the vast majority are motivated by convenience. I imagine that the vast majority of people shop at their nearest supermarket, simply as a matter of convenience. People who take into account other factors probably consider lots of factors, including some of the ones that my hon. Friend has mentioned. However, people's choice will also be governed largely by price. They will often go to the cheapest supermarket, particularly if they are on a fixed income. People with a disability might well shop at the place that offers the best facilities for them. There is a range of factors involved, including the best service or the shortest queuing time. Advertising plays a very small part.

Mr. Evans: It seems to me that another of the Bill's aims is to stop youngsters pestering their parents. However, one of the nice things about going round supermarkets is seeing parents shopping with their children. When youngsters see a product that they like, yes, they will pester their parents, whether the product has been advertised or not. They will say, "Please, mummy, can I have that?" Perhaps the next Bill that the hon. Member for Edinburgh, South introduces will try to ban children from shopping with their parents in supermarkets, just in case they pester them in that way.

Philip Davies: My hon. Friend is absolutely right. That is the logic of this argument. I am sure that we have all been tempted to purchase a product that might not be particularly healthy simply because it looks rather good, so, yes, the logical extension of this argument is that we should ban children from going round supermarkets lest they be tempted by a particularly big piece of cake with a big splodge of cream on it. We could not possibly have that, could we?

Mr. Chope: While my hon. Friend is on the subject of supermarkets, may I ask him whether he thinks the Bill would prevent supermarkets from being able to offer school vouchers for computer or sports equipment if the vouchers were issued in respect of sales of unhealthy foods?

Philip Davies: My hon. Friend is right to raise that, and I return to clause 2(3), which is over-zealous to say the least. It proposes a restriction in respect of

"any brand name which is associated with"

unhealthy food products. By definition, any supermarket that retails the products whose advertising would be banned is a brand name "associated with" unhealthy products. On that basis, he is right to say that supermarkets might be prevented from advertising on TV. That would have a further massive impact on the income of broadcasters. I do think that the consequences of the Bill's extent, which is far beyond what most people would believe in, are fully understood. Supermarkets would also be prevented from promoting some things that benefit schools and some activities that take place in schools.

Mr. Evans: The other unintended consequence would be to deny youngsters and their parents information on the products deemed unhealthy by the food police. I shall give two examples. First, an advertisement for Walkers French Fries states:

"Walkers French Fries now contain at least 25 per cent. less salt."

I would have thought that to be an important bit of information. Secondly, a Walkers Quavers advert states:

"80 per cent. That's how much we've reduced the saturated fat in Walkers Quavers."

Again, I would have said that consumers, be they youngsters or adults, need to know that. The Bill would prevent those and other advertisements relating to foods that are deemed unhealthy from informing us what is being done to improve the healthiness of those foods.

Philip Davies: My hon. Friend is entirely right, and he picks up on the point made by the hon. Member for City of York (Hugh Bayley) about this issue. If a food manufacturer produced a new product that was more healthy than the existing one—let us take a packet of crisps as an example—but not healthy enough to meet the criteria of the hon. Member for Edinburgh, South, it would be forbidden from advertising its new, more healthy product. That would leave us in the perverse situation where the more unhealthy product would probably enjoy bigger sales simply because the new, healthier product would not be allowed to be advertised.

Angela Watkinson: I thank my hon. Friend for drawing my attention to clause 2(3). I hope that it does not mean that Marmite is under threat—I have eaten it all my life; neither my parents, nor I, have come to any harm. If the Bill were to end up on the statute book, I would have to start a campaign to save Marmite.

Philip Davies: I cannot share my hon. Friend's enthusiasm for Marmite, but I share her concern that it will fall foul of these restrictions. My hon. Friend the Member for Maldon and East Chelmsford mentioned Marmite; it seems that he first raised the issue many moons ago, but he was entirely right, because the problem with some of these restrictions is that they have perverse outcomes. No one present would seriously argue that occasionally having some Marmite on toast could possibly do anyone any harm or be in any way unhealthy. Eating lots of it every day without eating anything else may well be unhealthy, but everything comes back to the fact that we should be promoting a balanced diet.

While I am on the theme, I should say that certain cereals would be considered so unhealthy as to fall foul of these restrictions. We all know that one of this country's big problems, as teachers will confirm, is children going to school without having eaten any breakfast. It is rather perverse to try to entrench a situation where people would not be allowed to promote cereals, despite the fact that we all know about that problem that I just described.

Mr. Evans: My hon. Friend will know that packaging is covered by the Bill. I am looking at some Kellogg's Frosties packaging. Not only would Tony the Tiger be abolished into oblivion, but as the packaging promotes a free science CD-ROM and is aimed a children, it would have to be redesigned in its entirety—it would almost become a white box with the word "Frosties" on it in small writing. Does he understand the unintended consequences of the Bill?

Philip Davies: My hon. Friend is right. I am not entirely sure that the Bill's supporters have thought through the extensive consequences of what they are supporting.

As we all know, those in the marketing and advertising industry are very talented and very good at their job. Does anyone really think that if we banned the advertising of certain products on television, all those product manufacturers and their advertising agencies would fold up their papers and give it up as a bad job? Of course they would not. They would try to find other ways of promoting their products. The biggest consequence of the Bill would be the devastating effect on commercial broadcasters.

I suspect that if the supermarkets had all that advertising revenue that they could no longer spend, they would promote buy one, get one free offers. A child who would normally have bought only one bar of chocolate might be given another free, and children would start eating more rather than fewer unhealthy products.

Under clause 2(6),

"The Secretary of State may, by regulations, issue guidance regarding... the content and nature of advertisements and promotions which may be permitted under this section".

I should be interested to know whether the hon. Member for Edinburgh, South considers that his Bill would ban the promotion of buy one, get one free or three for two offers. Although his Bill supposedly deals with childhood obesity, it encroaches on the issue of value for money not for children but for parents, who may well want to buy a product and get another one free because they have a large family to feed.

Does clause 2(6) mean that our supermarkets could no longer promote buy one, get one free and three for the price of two deals? I think that the general public would be very interested to know whether that it is the hon. Gentleman's intention, especially at a time when they are struggling to pay their mortgages, their energy bills and the prices at the petrol pumps. I think that they would be very interested to know that the hon. Gentleman is trying to ensure that they will pay even more for their food in the supermarkets as well.

Mr. Chope: Does my hon. Friend share my concern about the wide drafting of clause 2(6), which gives the Secretary of State power to interpret clause 2(3) rather than leaving that to the courts?

Philip Davies: My hon. Friend has made an important point. As he says, clause 2(6) gives the Secretary of State power to make the decisions. Will offers in supermarkets really be determined by the Secretary of State on a case-by-case basis, depending on whether the individual who holds the office at the time happens to think that a product is healthy or unhealthy? That would be a sizeable intrusion on the workings of the free market.

Mr. Evans: Let us suppose that the food police decided that a breakfast cereal was unhealthy, and a supermarket wanted to offer 50p off a packet of cornflakes. We could be in the unedifying position of seeing a nanny Secretary of State interfering and saying "You cannot give a family 50p off that packet of cereal, because the food police have deemed it unhealthy". That would be the ultimate nanny state.

Philip Davies: My hon. Friend is entirely right. Any Government who tried to restrict the range of offers available to customers in supermarkets, and in fine retail outlets such as his, would be extremely brave, and would be embarking on a very dangerous path.

I realise that there is not much time left but I wanted to talk more generally about obesity and why it is a problem, as it undoubtedly is. We need to focus on it. Is the reason for the obesity level in the UK the amount of advertising on TV? The majority of people would say that the problem of childhood obesity—

It being half-past Two o'clock, the debate stood adjourned.

Debate to be resumed on Friday 6 June.

[Paul Rowen]

about how Remploy is going about its business four months on from that plan. The original plan was that sales from public procurement through Remploy would rise from £200 million to £298 million, but in the revised plan that the former Secretary of State announced on 29 November that was increased to £461 million.

We have heard from my hon. Friend the Member for Mid-Dorset and North Poole about the changes affecting the factory in her constituency, where the existing work stream is being moved. Despite the fact that she is willing to be a local champion and help ensure that the public procurement takes place, no one seems to be doing anything about it and the work force are sitting there, wondering what is happening. In those circumstances, if people say that they do not know what the future is, it is not unexpected that they take redundancy and go on the dole, which is regrettable.

Annette Brooke: I think that my hon. Friend will also agree that there is not only the uncertainty of not knowing the product, but the objective and requirement to generate a high level of profit on it.

Paul Rowen: My hon. Friend makes a fair point. What is the product, when will it be in place and how is that stretching target – to use the former Secretary of State's term – of £461 million to be met? We are within weeks of the start of the new financial year, and it is intolerable that hon. Members and employees in those factories do not know what the product is or what their future will be. That is why I share the concern of the hon. Member for Shipley (Philip Davies) on what effect all of that will have.

I represent a constituency in which many people are on incapacity benefit – last week, one particular ward in the constituency was quoted as being the worst place in that regard. How will we ensure that we get more of those people back into work, and how do those stretching targets fit into that overall plan? When the original announcement was made, it was claimed that there was the possibility that private enterprise would be found for six factories – those based in Lydney, Glasgow Hillington, St. Helens, Treforest, Ystradgynlais and Brynamman. When asked about progress on that, the Minister responded in a written answer that it was a matter for Remploy, so I hope that she will comment on that in her reply.

Returning to the comments made by my hon. Friend the Member for Mid-Dorset and North Poole about local concerns, will the Minister tell us what progress has been made in those factories and what is being done to find new products for those factories, such as the one in Poole, that are losing their product lines?

Finally, there is the quadrupling of the target for Remploy employment services, which is a very stretching target, as employment figures are to rise from just over 7,000 last year to over 20,000 by 2013. Will the Minister please tell us what progress Remploy is making in developing its employment services, what plans there are to ensure that the proposed new centres will be opened and how those proposals fit with the Government's overall strategy to reduce worklessness?

10.35 am

Mr. Mark Harper (Forest of Dean) (Con): It is a pleasure to serve with you in the Chair, Mr. Atkinson. I congratulate the hon. Member for Stockton, North (Frank Cook) on securing the debate. I was here for the debate that he secured last July, and the cast of characters was rather similar to today's debate, as the Minister and the hon. Member for Rochdale (Paul Rowen) were there. It was interesting and moving to listen to the update from the hon. Member for Stockton, North on what has happened in his area, and it is worth drawing attention to the speeches by the hon. Members for Mid-Dorset and North Poole (Annette Brooke) and for Brecon and Radnorshire (Mr. Williams) and by my hon. Friend the Member for Shipley (Philip Davies), whose remarks, like those of the hon. Member for Stockton, North, were focused on specific factories either in their constituencies or that employ people from their constituencies.

Given the broad title of the debate, I want to focus on the employment services aspect of the business, which the hon. Member for Rochdale has mentioned, consider how that appears to be going and revisit the philosophical debate about Remploy's purpose and what the Government's support for that should be focused on.

The hon. Member for Stockton, North has referred to Remploy's origins as a business that focused on supporting those who returned from the war having been injured, which is perfectly true, and he mentioned some current conflicts. If one looks further back, one sees that the business was not intended to be a destination where those employees would stay for their entire careers. It was created as a staging post and an opportunity to give those employees somewhere to go when they returned from war, possibly damaged, so that they could be trained, have their capabilities assessed and be moved into employment.

Frank Cook: The hon. Gentleman is absolutely correct, right down to the syllable. It is right and proper that we should have that as an end game and a mission statement. Remploy was set up for that purpose, but on a non-profit-making basis. That basis has since changed without any kind of open statement.

Mr. Harper: I am grateful for the hon. Gentleman's intervention. I do not mean to sound facetious, but it is certainly true that Remploy is not a profit-making company – indeed, it gets £110 million of support a year from the Government. The Minister will correct me if I have got those figures wrong. Whatever Remploy is, it is not a profit-making business, but it needs to keep its costs low. The current problem is that the money that the Government quite rightly spend on supporting disabled people – £500 million over five years – has been focused on a relatively small number of people until now, as there are less than 5,000 people in the factory network. As the Minister said when the programme of changes was announced, the aim is to move more of that money to support people to get back into mainstream employment, and we support the broad thrust of those proposals.

Frank Cook: Once again, the hon. Gentleman is making eminent good sense, but that being the case, will he speculate on why Remploy would wish to outsource work to Bulgaria?

Mr. Harper: I will leave the Minister to answer that, because she has the facts at her disposal to deal with the specific points concerning the factory in the hon. Gentleman's constituency, whereas I simply do not have those details at my disposal.

I want to touch on the nature of what Remploy should be doing. It is perfectly true that for those employees working in the Remploy factories—I had one in my constituency—particularly those who have been employed in them for a considerable time, the change will be unsettling and, potentially, very worrying. I can focus only on how the matter has been handled in my constituency, although I recognise that that factory was much smaller than others. I have taken great pains to speak to local management, who were open and transparent about the matter, to discover the destination of each of the individuals employed at the factory and what was sorted out for them. Around half were moved to another sheltered employer, which is run by Gloucestershire county council. Some decided to take voluntary redundancy, some because of their age and some because of what they wanted to do, and some found alternative employment.

I am satisfied that every employee has been accounted for, and although one or two of them contacted my office when the proposals were first mooted because they were concerned about the uncertainly, no concerned employees have subsequently come to see me. The concerns expressed by the hon. Member for Stockton, North are not borne out by my experience in my constituency, so his experience in his constituency is clearly different.

Mr. Roger Williams: In a sense, the hon. Gentleman is right that certain individuals who are employed by Remploy will be accommodated, although I do not believe that taking redundancy is necessarily a victory, especially when the Government are trying to get people off benefit and into employment. Surely the fact that a centre of employment for disabled people has been lost is a loss not only to the people who were employed there but to other unemployed people in the area who are looking for employment.

Mr. Harper: I am extremely grateful to the hon. Gentleman, because he brings me nicely to my next point, which is that in the year since April 2007, Remploy's employment services business found work in mainstream employment for more than 6,000 people. Actually, it has helped more people into such work than it employs in its entire factory network. That is worth mentioning, because I am told by all the disability organisations that I deal with in my Front-Bench role, and by most of the disabled people whom I deal with, that disabled people want to work in mainstream employment. They want the same chances and opportunities as everyone else, and they want to be able to maximise their potential.

I did not agree with the whole of the speech by my hon. Friend the Member for Shipley, but one of the points that I very much agreed with is that, generally, many disabled people—certainly those whom I meet who are on incapacity benefit—are absolutely desperate to work and to make a contribution. They need help and support to do so, which is why I want to concentrate the rest of my remarks on the part of Remploy's business that enables them to do that. Looking at the information that I have received—no doubt the Minister will touch on it—Remploy has indeed had some considerable success.

As I have mentioned, Remploy found work for more than 6,000 disabled people since last year, which is a significant growth of 25 per cent. on the previous year. We should remember that the point of restructuring the factory network is to increase that number still further, and to get 20,000 people into mainstream employment every year. It is clear that that is absolutely necessary if the Minister's goal, which is also my party's goal, to get a significant number of people who are currently on incapacity benefit back to work is to be realised.

It is worth mentioning the sort of disabilities that people have. More than one third of the people placed by Remploy have a learning disability or a mental health condition. That is incredibly important, because a significant number of people on incapacity benefit have those challenges.

It is also worth looking at the types of work into which those people were placed. Several hon. Members have expressed concern about losing manufacturing jobs. However, because the economy has changed, there will be far fewer manufacturing jobs. Let us look at where Remploy has placed people: one fifth of them were placed in business and financial services; 15 per cent. were placed in education, health and social work; and some 10 per cent. were placed in manufacturing. Those roles are spread across all the different employment sectors, which is a good thing because, again, disabled people do not want to work in manufacturing only—they want the same range of opportunities as anybody else.

Picking up the point made by my hon. Friend the Member for Shipley, Remploy works closely with employers. Employer research that it carried out shows that there is

"widespread agreement among employers that disabled people are capable of performing most jobs."

Clearly, there are disabled people who have severe disabilities and who are not capable of working at all, but the number of people in that category is relatively small, and it is important and right that they get appropriate benefits to enable them to live a decent life. For the much larger number of disabled people who can work, however, the range of opportunities that they can fulfil, particularly if employers are flexible, is much greater than many people thought in the past.

In the two minutes that I have remaining, I want to touch on one of the things that Remploy is doing to focus on keeping people in work. Under a programme that it operates in south Wales called healthy minds at work, it works with employers to pick up on mental health problems in the workplace before somebody falls out of work and becomes unemployed. There is a good reason for that:

"Supporting employees with a mental health issue to remain in work costs an average of £2,500, compared to an average cost of £25,000 per annum to support an individual who loses their job".

Remploy, by restructuring the factory network in the way in which it has, has so far shown considerable success in getting disabled people into mainstream employment and in helping to keep people in employment.

I believe that the hon. Member for Stockton, North touched on my final point, which is about how long people stay in work. It is worth noting that individuals on Remploy's Workstep programme sustain employment, on average, for three years and six months. We are not

[Mr. Hanson]

agreements—South Africa being one. Others, such as Iraq and Iran, do not have agreements, and it is difficult to send individuals back to them. The problem remains that many individuals, although foreign nationals, may have long family ties and be married to, or have children who are, British citizens. It is not an easy solution, but we are willing to consider it.

My hon. Friend the Member for Stroud mentioned restraint. We have published a review of restraint and there is a consultation, which I have extended until June via a parliamentary question of last Thursday. I shall write to other Members in due course.

Helmand Province Mission

12.30 pm

Paul Flynn (Newport, West) (Lab): What will future historians write about one of the terrible disasters in British military history, one that ranks with the charge of the Light Brigade, the Somme and the Dardanelles? This debate is not about the mission to Afghanistan as a whole, which received almost universal approval from the House and still does so. I am not opposed to that mission; I was not opposed to it originally. However, the decision to go into Helmand province was a terrible mistake and plenty of warnings were given to the House before that decision was taken.

I do not want our troops withdrawn from Afghanistan. There have been real advances in the country that are worth while and worth defending—improvements in democracy, in the education of women, and so on. Before the Helmand mission was launched in 2006 many of us took the view that our task was to defend such advances around Kabul and to consolidate them, but that to go into Helmand province would be to stir up a hornets nest.

Let us look back on the reason that we went into Helmand province. My right hon. Friend the Member for Airdrie and Shotts (John Reid), who was the Secretary of State for Defence at the time, said on 24 April 2006 during a visit to Afghanistan:

> "We are in the south to help and protect the Afghan people construct their own democracy. We would be perfectly happy to leave in three years and without firing one shot because our job is to protect the reconstruction."

I am sorry to say that those words are mocked by the subsequent events. There was not one shot fired; four million shots were discharged. At the beginning of 2006, only five British lives had been lost in Afghanistan. Now the total is 89 and there have been 330 serious injuries to troops, almost entirely as a result of our mission to Helmand province, a mission that has failed in every possible respect.

There was a mission to reduce the opium being grown in Helmand province, which has utterly failed. In 2006, the production of opium in Afghanistan went up by 60 per cent. Last year, production went up again by nearly 17 per cent. Most of that increase in production took place in Helmand province. Helmand is bigger in terms of the acreage and production of illegal drugs than any country in the world and it is only a province. The mission to reduce opium growing has been an abject failure.

An alternative, proposed by the Senlis Council policy group, was to use the opium production to create morphine, of which there is a world shortage. That alternative is used for opium produced in Turkey and in India, but our Government have not argued the case for it in Afghanistan, because of opposition from the United States.

All the other missions in Helmand province have failed, too. There has been some construction, but a pitifully small amount compared with our original ambition for the mission. When we went into Helmand province, our soldiers could move around with soft hats and they could talk and fraternise with the local population. Two years on, that is not the situation. In Helmand province our troops are no longer seen as an army of liberation but as an army of occupation.

The situation gets worse. We have fractured our relationships with most of our allies and with the Karzai Government. We are in constant disagreement with the Americans, who call all the tunes in Afghanistan, especially on the question of whether they can bomb people into democracy. We know about the terrible toll of lives that have been lost since the mission to Helmand province started. At least 500 civilians have been killed. Some of them may have been members of the Taliban or al-Qaeda, but a great many of them were innocent civilians, including women and children, and we know the reaction that has been caused by their deaths.

Our mission was to win hearts and minds. Everyone agrees that there is no military solution in Helmand province or in Afghanistan and there is certainly no mileage in the belief that bombs and bullets can be used to win hearts and minds. We have gone backwards in combating drug production and backwards in winning hearts and minds.

There has been a constant battle with the governors in Helmand province. There was a good governor—Engineer Mohammed Daoud—who was praised highly by the Secretary of State for Defence in Parliament in November 2006. In December 2006, however, he was sacked and replaced by a number of governors, in particular the Akhundzada brothers, one of whom was not allowed to take part in politics because he kept a private army and he was suspected of involvement in the narcotics trade, like many other governors and provincial police chiefs. We have had constant battles with those people.

Matters came to a bit of a head on Christmas day last year, when our ambassador to Afghanistan was summoned to meet President Karzai and told that a number of British diplomats were in contact with the Taliban. Two diplomats, who happened to be very experienced, very skilled and Pashto-speaking were expelled from the country. At about the same time, Karzai attacked our troops and said that they had made the situation in Helmand "worse", which was an incredible thing for that ingrate President to say when 89 of our soldiers had laid down their lives for his Government.

We are in trouble as far as our allies in America are concerned, because they are convinced that the only way to deal with the opium production is to spray chemicals from the air. We are equally convinced that such a policy would lose further hearts and minds and turn a crisis into a hopeless situation.

Relations with our allies in NATO have led to a two-tier NATO. We shall hear soon that the French are sending another 1,000 troops, but they will not send them into Kandahar and they certainly will not send them into Helmand. They will send them into a safe area—or at least a relatively safe area, because few areas in Afghanistan are entirely safe now.

None of the other NATO partners has any intention of providing cavalry to come charging over the hill to help us out in the difficulties we face in Helmand province. We can see why it is so resistible. We could say to them, "You could have come into Helmand province when we did. You could have come and helped us out. It is military force that will do it", but they can see the record—the silver record—of the deaths that we have suffered. They have suffered some deaths—Germany has suffered some deaths, and so on—but they will not be persuaded to come into the hopeless situation in Helmand province, where the hornets nest has produced hornets with a deadly sting.

Canada is thinking seriously about pulling out of Helmand province. Proportionally, it has suffered more than any other nation; it has 2,500 troops there and lost 78 soldiers. However, at least in Canada such matters are debated in Parliament. We have never had a proper debate in this place. We did not have a debate about going into Helmand province. We had a mini-debate in March 2006, which took place here in Westminster Hall, when warnings were given, but there was no vote and only about six or seven MPs attended. We have never had a proper debate on the situation that we are in now, which is why I am pleading this morning that we should consider the disaster more closely before we continue with it.

We can look at the situation in relation to our casualties, but it is difficult to establish the precise figures overall. However, according to *The Independent*, in 2007 at least 6,000 civilians died in the conflict across Afghanistan, mostly in Helmand province, and 1,400 of them were civilians. Furthermore, at least 500 of those deaths were directly attributed to NATO forces.

What can we do? We have been moving along in Afghanistan in a state of denial. We have used the fact that other NATO countries are not helping out as an excuse for not thinking and not facing up to the abject failures in every sense of the Helmand disaster. The time has come for a debate in Parliament, in the House itself, and for a decision. I plead with the Minister to tell the Government that we need a review. We already have enough reviews and we complain that there are too many of them, but we need to know about the position in Helmand province. Where is the hope? On what basis are we continuing to send young men to die?

The Americans gave their assessment of the situation a month ago, when the US director of national intelligence made his report. Where are we now; after having been in Afghanistan, having pumped in £3 billion of aid, and after the sacrifice of life? We have spent £250 million of taxpayers' money only to increase the output of drugs, the consequence of which is that the street price of drugs in Britain is the lowest it has ever been. The situation is utterly and abjectly disastrous.

Where is the good? Where is the success? The American director of national intelligence has said that

"although international forces and the Afghan National Army continue to score tactical victories over the Taliban, the security situation has deteriorated in some areas in the south"

particularly Helmand—

"and Taliban forces have expanded their operations into previously peaceful areas of the west and around Kabul."

The situation is worse than things simply failing in Helmand. The victories that the Taliban have chalked up there have emboldened them to attack Kabul. If we had taken a different decision in 2006, and defended Kabul, we could have been in a strong position, but we believed the myth that we could somehow get all the warring factions together—the Pashtuns, Baluchis, Uzbeks and Tajiks—to form a Scandinavian-like democracy of peace and harmony. That will not happen.

In 2001, a member of the Russian Duma said to me, "You British have gone into Afghanistan and conquered it in a few days—very clever! We Russians did that in six days, but we stayed there for nine years, killing a million

[Paul Flynn]

Afghans and losing 15,000 of our soldiers. When we left, there were 300,000 mujaheddin surrounding Kabul. That will happen to you." His words were prophetic. Where are we now? Are we making progress? We shall not be staying for only three more years. No one believes that we will be out of Helmand province by next year. There is even talk of us being there for 38 years. That was the forecast of a military chief, when he was asked whether we would be there for as long as we have been in past wars. He replied, "Yes, at least as long." One of those wars lasted for 38 years, and in one of them, only one British soldier came out alive.

There is a terrible history for foreign occupation and invasions of Afghanistan. The situation of the past few years is uncannily like that of Saigon. There are now 10,000 non-governmental organisation representatives in Kabul. They are swanning around in their bullet-proof land cruisers, going from meeting to party and from party to reception, spending huge amounts of public money, mostly on themselves, but with little to show for it. That was precisely the situation in Saigon when General Westmoreland was cheering himself on and giving hope to the nation by publishing lists of the numbers of enemy who had been killed. We are doing the same thing when we try to shore up our belief in the situation by publishing lists of the killed and saying that we are making progress, but we are not. We are going deeper and deeper into a vortex of disaster, blood, shame and failure.

The Government must realise that the disaster is continuing and they must take a stand against it. We can do something about the drug situation, but there is a practical problem with standing up to the Americans. We are in an impossible situation. We have put out a leaflet saying that we will not destroy drug crops—rightly so, to stop the attacks—and that we will not destroy farmers' only means of production, but 16 separate organisations in Kabul deal with reducing the number of drug crops. They are achieving nothing, as few NGOs will go into the Helmand province, but we continue to be in denial.

The comparison with Vietnam is powerful. The problem is that we have Governments and Ministers who do not read history and who did not live through previous wars. They have not witnessed the past disasters that many of us have seen and lived through. The situation precisely parallels that of Vietnam. We seem to be an army of occupation, and the centre is crumbling. The American Defence Secretary set out the precise, bleak position that we are in. Less than a third of the country is controlled by Karzai, 10 per cent. is controlled by the Taliban, and the remaining 60 per cent. is run by a group of lawless, oppressive warlords, narco-barons and a range of people with whom we certainly would not want to do business. There has been oppression over many years. Karzai is looking after his diminishing empire in the centre, while we are losing lives for the cause.

I want to give the Minister a chance to reply at length, because I would like him to answer these questions. What is going right? What hope is there for the future? Why is everything that we are doing in Afghanistan, including our achievements on the number of children in school, declining under attack? There is a move to the harsher, Taliban view of life, which is being accepted not only in areas that are controlled by the Taliban and warlords, but in those that are allegedly controlled by Karzai.

The area for which we have the greatest responsibility is that for which we, in the House, take decisions. This afternoon, we are to debate our decision to send troops to war in Iraq, but at least that was a decision of the House. The Canadian Government will soon decide whether to withdraw their troops, which they have threatened to do unless 1,000 more go in. A thousand more will go, but not to the dangerous areas. NATO is fracturing before our eyes. That precious alliance has served us well, but the divisions are deep and growing worse. Our relationship with Karzai is at rock bottom, and it is questionable whether we should treat him as an ally, as we once did, because of his insult to our British soldiers and because of his suggestion that their sacrifices have not been beneficial and have even made matters worse. We are flooding the world with drugs. Our mission was to reduce them, but that has failed utterly.

My final point is about our feelings towards the soldiers who die. Nothing that I say on the matter should take away from my admiration, and that of the whole House, of the extraordinary courage and professionalism of our men and women who have served so splendidly, and with rare heroism, in Afghanistan, especially in Helmand. But will we number them on our war memorials in future? I think of the Welsh national war memorial in Cardiff, which is garlanded with an englyn, two lines of which recall the sacrifice of soldiers:

"Dros ei wlad fe rodd ei lw,
Dros fôr fe aeth i farw."

For his country, he gave his oath, over the sea he went to die.

The situation in Afghanistan has been compared to another Great British disaster: our mission into Helmand has been as futile, militarily, as the charge of the Light Brigade. One could bring that verse up to date by saying that when the troops went into Afghanistan, they had

"Blair to the left of them,
Bush to the right of them,
Hollered and thundered,
Theirs not to reason why,
Theirs but to do and die.
Into the valley of Death
Into the mouth of Helmand
Rode the seven thousand."

12.48 pm

The Minister for the Armed Forces (Mr. Bob Ainsworth): I welcome the ongoing interest that my hon. Friend the Member for Newport, West (Paul Flynn) has shown in our mission in Afghanistan, especially in Helmand province. It is a subject of the utmost importance, which it is good to debate again today. However, the debate should take place openly and with an acceptance of all the facts, and it should not become skewed by perceptions of and assertions about particular elements of what is a truly multifaceted campaign. What our people are doing in Afghanistan is profoundly impressive—indeed humbling—to watch, and it must be viewed in the round with all its elements accounted for. I am afraid

that my hon. Friend's doom-laden contribution is a travesty of what is happening in Afghanistan and of our policy.

The 2004 constitution of Afghanistan begins:

"We the people of Afghanistan realise the previous injustices and innumerable disasters which have befallen our country."

Above all, our 7,800 people in that beautiful country are motivated by a determination to make a difference for the better, enable the Afghans to put right those injustices and avoid further disasters. It is difficult for us in this House to appreciate that often the more austere the conditions our soldiers work in, the more they relish the task—adversity and hardship breed camaraderie and satisfaction. That is precisely the kind of benevolent but hard soldiering that they joined the armed forces to do and that they have been trained for.

Our people are providing the secure space for our partner organisations—whether British, international or Afghan—to spread development, reconstruction, stability, governance and the rule of law. Even the most cursory glance at history reveals that western ideals imposed upon Afghanistan do not work. Only solutions of Afghan provenance and with Afghans at their centre will endure, which is precisely what we are enabling.

We have made progress. It might not look much like the Cotswolds, but there have been improvements in Afghanistan, which for so long has been one of the most lawless and troubled nations on earth. I have seen it myself. I was in Musa Qala last month, and the recent operations in that crucial town, which was previously characterised as hopeless, have confounded the most sceptical. Faced with measured and relentless pressure, with the Afghan national army in the vanguard having been mentored by us, the demoralised Taliban turned tail and fled in disarray. Despite the tragedy of a fatality on our side, it was a successful operation that maximised consent and minimised damage. The Musa Qala operation met all of its objectives in what is an infinitely complicated and ambiguous operating environment. We enabled the re-establishment of the Afghan Government's mandate without providing those who seek to destabilise it the opportunity that they crave.

Our role is not about military operations in isolation, and every soldier whom I have met knows that. It is about what comes next, what those operations enable and what follows in their wake. Seven weeks after operations concluded, a school opened in Musa Qala for the first time in years. That was quick by anyone's standards, but doubly so against Afghan timelines. Every soldier knew that the job was not about killing the Taliban, but about winning the people. My hon. Friend has said that it was about kill lists. I have been the Minister for almost a year, and I have never seen a kill list or seen our troops present their progress in the way in which he suggested—it is simply not true. If he has any evidence that our troops present their victories as kill lists, he had better give it to us, because I certainly have not seen it.

Paul Flynn: Will my right hon. Friend give way?

Mr. Ainsworth: No, I will not give way. My hon. Friend took more than half the time, and I have little time to reply to the points that he has made.

To be clear, had we not taken military action in Musa Qala last year, Taliban brutality would still be in the ascendant and the children would have no school. What I have just described is an example—just a microcosm—of what we are attempting through the comprehensive approach, and part of that approach is in counter-narcotics. That is for two profoundly important reasons. First, Afghanistan simply cannot develop and build itself as long as its foundation is an illegal narco economy. Secondly, the product of that economy, heroin, wreaks untold misery both within Afghanistan and more widely. We should remember that almost all the heroin on our streets originates in Afghanistan.

We attack that trade through a multi-dimensional and sophisticated approach. Eradication focuses on those for whom alternative livelihoods are available—the targets are the greedy and not the needy. The targets are the wealthy facilitators, financiers and traffickers, not the unfortunate poor who are forced to grow opium by the brutal landowners who lurk in the shadows, and our attention is focused on those landowners. It must be remembered that our involvement in those efforts is necessarily a supporting one: Afghans are in the lead, as they should be, from President Karzai down. Some progress has been made: in 2007, the number of poppy-free provinces in Afghanistan more than doubled from six to 13.

My hon. Friend has said that we do not raise some of those issues because of the Americans. We do not raise some of those issues because we are in a country at the invitation of its Government. Importantly, as he knows and mentioned throughout his contribution, Afghans lead on those policy areas. The Afghan Government build their own capacity, and we do not take over and dictate to them. My hon. Friend has decried American policy on aerial spraying, but knows that the Americans cannot engage in aerial spraying without the agreement of the Afghan Government. We agree with the Afghan Government that that would not be a step forward or an appropriate way of tackling narcotics cultivation in Helmand province and elsewhere in Afghanistan.

Paul Flynn: Will my right hon. Friend give way?

Mr. Ainsworth: I will give way if I have time, but my hon. Friend has left me little time to respond.

Just as no state can exist on illegal economic foundations, one cannot be built on fear. The Taliban have learnt that to their cost and are hated by the people they seek to oppress. That provides us and the legitimate Government of Afghanistan with an opportunity, and operations such as that at Musa Qala exploit such opportunities. The Taliban are a desperate and divided enemy who are increasingly reliant upon asymmetric tactics, suicide bombers and land mines. Vile though those tactics are, they represent disarray, and the atrocities widen the chasm between the Taliban and the Afghan people.

Our mission in Afghanistan is part of an international coalition, which is NATO-led and Afghan-invited. We are supporting the Afghan Government and enabling them to spread the rule of law and democracy—Afghan democracy. We cannot simply sit back, renege on our commitments and allow Afghanistan once again to fail and return to the dark ages. To do so would allow renewed sanctuary for the terrorists who seek to attack us. Similarly, we should not allow Afghanistan to be

[Mr. Bob Ainsworth]

sacrificed to an illegal and appalling opium economy. Instead, without imposing our own ideals, we must support the growth of Afghanistan into a nation of stability—a nation whose people live with confidence, freely and without fear. That process will be neither easy nor quick, as I have said to my hon. Friend. It cannot be pursued without the dedication, bravery and ingenuity of our armed forces personnel, of whom we should be very proud, and I am enormously pleased by what my hon. Friend has said about them.

I shall say a few words about licit production. Even in Helmand, where production is high, as my hon. Friend has said, only a third of the arable, cultivated land is under poppy cultivation. To allow licit cultivation of heroin would risk drawing people even further into poppy cultivation, when they ought to be growing food for their own consumption or potentially for exportation in niche markets, thereby assisting their own economy. Those are the reasons why we do not support it. It is not because the Americans tell us not to, but because the Afghan Government are against it and because it does not make sense.

Paul Flynn: Does my right hon. Friend agree that the Afghans certainly lead on drug control and drug production? It has been claimed that half of the members of the Karzai Government profit from the narco trade, including one leading drug baron who is a relative of Karzai. My right hon. Friend, in his reply, showed that he is still in denial and that he has failed to recognise the utter disaster. We have failed militarily and with regard to drugs. In spite of the Minister's pious comments, we must recognise that there has been no success.

John Cummings (in the Chair): Order. We have run out of time and have to move on to the next debate.

Rural Development Overseas

1 pm

Martin Horwood (Cheltenham) (LD): Thank you, Mr. Cummings. It is a pleasure to serve under your chairmanship, especially as we have spent so many happy hours together dissecting the finer points of regional government on the Communities and Local Government Committee. I am grateful to Mr. Speaker for granting me this debate, and to the Minister for his time.

The issue of rural poverty in developing countries has interested me since I witnessed it at first hand some years ago when I worked for Oxfam and lived for a while in India, where I met poor rural farmers and came to understand some of the challenges that they face. I am not a development expert, but I learned three important lessons during my time working for Oxfam.

The first is the importance of first-hand experience and seeing for oneself the fragile existence of many rural farmers. For them, the issues are not millennium development goals or economic growth, but bare existence, the survival of their family and being able to put food into their children's mouths from month to month, from week to week and even from day to day.

The second important lesson is that small interventions can have an enormous impact. I saw that clearly in Oxfam's work all those years ago, and there are more recent examples, many of which are contained in a report that I commend to the Minister: "Unheard Voices", which was produced by Concern Worldwide, deals with many of the policies adopted by that charity's programme, including crop management, increasing the conservation focus of farming, improving the marketing of agricultural products by poor rural farmers and encouraging polyculture, which includes multi-cropping, companion planting and the promotion of beneficial weeds—all without the benefit of genetically modified crops or vast amounts of fertiliser, I am happy to say—and which leads to more diverse and more secure crops for many poor rural farmers.

The report quotes an interesting-sounding study by the university of Essex, which undertook

> "the largest ever study of environmentally and socially responsible farming, covering projects involving 12.6 million farmers in 57 countries. It explores how the poor can increase output using low-cost, locally-available technologies. The University's Centre for Environment and Society has evaluated how farmers in 286 sustainable agriculture projects have improved food crop productivity since the early-to-mid 1990s."

The following passage is the exciting bit for anyone who really wants a difference to be made to rural poverty:

> "The average crop yield increase is 79 per cent, with the highest improvement in rain-fed crops. The evaluation also found that relative yield increases are greater at lower yields".

In other words, the greatest benefit from that kind of approach actually translates into benefits for the poorest farmers.

The third important lesson that I learned at Oxfam was that one cannot separate the provision of support and assistance from people's rights, and that it is vital to champion their right to be heard and to influence at policy level the decisions that affect their lives. As I have said, I heard that at Oxfam, but I have also come across

it more recently as chairman of the all-party group on tribal peoples. An important focus of the group is to champion the ratification by the United Kingdom of International Labour Organisation convention No. 169, which emphasises that the rights of tribal peoples to be protected from incursions by everything from logging to mining, and from denial of their land rights, are a crucial part of maintaining their sustainable rural lifestyles. Such rights are also invaluable in respect of the more dispossessed, the landless rural poor and those mainstream farming communities that suffer from extreme poverty. Their voices need to be heard by national Governments in policy making, and donors and Governments need to reflect their priorities in strategies and listen to their voices.

What Oxfam understood then, and what Concern Worldwide has highlighted in its report, is that rural poverty is the hidden giant of poverty in developing countries. It is hidden because national Governments, non-governmental organisations, multilateral agencies and even bilateral missions are often based in reasonably comfortable, air-conditioned offices in national capitals. They often do not do what I managed to do in India all those years ago, and get out to see for themselves rural poverty and the impact on rural people's lives of development policies.

Rural poverty is a giant, because 75 per cent. of the world's poor live in rural areas. If 1.25 billion people live with the threat of hunger—that number is frequently used—then some 900 million people live in rural poverty. The UN millennium project's hunger taskforce classified the number of hungry people in the world into four specific categories: the first category contains 160 million urban household members; the second category contains 64 million herders, fishers and forest-dependent people, including the tribal peoples whom I have mentioned; the third category contains 176 million rural landless household members; and the fourth category contains 400 million people who live in farm households. A massive proportion of the overall number of hungry people in the world live in rural areas.

Most of the world's poor depend directly or indirectly on agriculture and the natural resources in their vicinity, but, unfortunately, aid to agriculture has fallen sharply in the past 25 years, Concern Worldwide stated:

"Although bilateral and multilateral assistance to agriculture increased during the 1970s and 1980s, it has since declined significantly."

The numbers are staggering:

"In 1982, 17 per cent of all aid went to agriculture. By 2002, this had fallen to just 3.7 per cent."

The fear is that the same trend is at work in our Government's programme. In its report, "Tackling rural poverty in developing countries", the National Audit Office asked Department for International Development country teams for their estimates of the proportion of their expenditure that benefited people in rural poverty. Fewer than half described their country programmes as more rural than non-rural. I would welcome it if the Minister were to provide more detailed statistics on whether the trend over time has been towards or against aid to agricultural areas.

There is more promising evidence of increasing commitment by national Governments and donors. In 2003, African Governments recognised the importance of increased support to agriculture and adopted the comprehensive Africa agriculture development programme, which includes commitments to increase market access through improved rural infrastructure, to increase food supply and reduce hunger across the region by increasing smallholder productivity, and to improve agricultural research. African Governments also committed themselves to spending 10 per cent. of their national budgets on agriculture by 2008.

In 2006, the alliance for a green revolution in Africa was founded by the Rockefeller Foundation and the Bill and Melinda Gates Foundation, with a commitment to provide hundreds of millions of dollars to revitalise African agriculture. The alliance's goal is that farmers will be able to double or even triple their yields within 10 to 20 years. Judging by the Essex university work, that is an achievable objective, if the political and social will are there.

More recently, Jeffrey Sachs has been leading discussions about the establishment of a fund for an African green revolution. Its structure would be similar to that of the Global Fund to Fight AIDS, Tuberculosis and Malaria, and it would aim to attract up to $10 billion to be used to fund projects that help poor farmers. It is hoped that it will be established later in 2008.

The increasing international attention to agriculture has been reinforced by the World Bank's "World Development Report 2008", which focused on agriculture for development. It stated:

"Agriculture has been vastly underused for development."

It made a plea for increased support:

"Today's improved opportunities and greater willingness to invest in agriculture provide optimism that agriculture-for-development agendas can move forward. The window of opportunity that this offers should not be missed because success will provide high payoffs toward the Millennium Development Goals".

The Government are committed to the millennium development goals. However, it is no exaggeration to say that their objectives on poverty reduction worldwide cannot be met without fully addressing rural poverty reduction. I am sure that the Minister is itching to get to his feet and say, "We do focus on it" and list the White Paper on international development, the International Development (Reporting and Transparency) Act 2006 and, above all, the 2005 policy paper, "Growth and poverty reduction: the role of agriculture". That was a good document, which contained welcome aims and priorities and recognised the importance of small farms and of the voice of the poor, particularly in the commitment to supporting the Governments of developing countries to

"ensure the participation of representatives of the rural poor in shaping agricultural policies",

which is welcome. There is a commitment to

"publicly take stock within three years of how we are performing against the commitments we have made."

However, criticisms can be made—and have been made—of both the content and the implementation of that policy.

DFID's policy seems exclusively to focus on agriculture as a means of achieving economic growth. DFID recognises that and says, in "Growth and poverty reduction: the role of agriculture", that this

"represents a change from our recent approach that has focused on the direct contribution to rural livelihoods."

However, that means that DFID's policy risks overlooking the role that agriculture plays not only in nurturing

[Martin Horwood]

growth, but in enabling farmers simply to feed their families, in providing jobs and in the management of natural resources. DFID is now taking an even narrower view than the World Bank, which at least defines agriculture as not only an economic activity, but a livelihood and a provider of environmental resources—quoting the World Bank approvingly is not something that I do lightly.

Several Select Committee reports and DFID's interim evaluation of its agriculture policy have highlighted concerns. Effective support by DFID to poor farmers requires action, but DFID's evaluation, published in April 2007, says that there is a:

"lack of a clear pathway from the policy to update by individual countries... Many of the heads of"

DFID country

"offices show little awareness of, or commitment to, the agriculture policy".

One possible explanation is that, unlike Oxfam, DFID has been a little less enthusiastic about taking its staff out of national capitals and into rural areas. As the Public Accounts Committee pointed out in its report on 10 December 2007, some key DFID staff spend little time in rural areas:

"DFID's management practices do not give it sufficient insight into the situation on the ground. DFID advisers and programme staff spent little time outside capital cities: the National Audit Office found that on average such DFID staff spent less than five days in rural areas in a year. In Rwanda and Nigeria staff spent less than two days in the field each year."

In November last year, the International Development Committee concluded that

"DFID has shifted its focus away from agriculture in recent years and we believe its programmes need to be rebalanced in this respect."

More recently, in January 2008, the Public Accounts Committee concluded that the

"needs of the rural poor are often not a major influence in DFID's country planning for its bilateral assistance"

and the

"sectors DFID chooses for its bilateral assistance often do not prioritise the rural poor and less than a third of country plans cited rural livelihoods as a priority sector."

The PAC analysed that a little more deeply in its December report:

"There is a tension between DFID's aims of helping the poorest, who are often in remote rural areas, and of making the quickest and most cost-effective progress against poverty reduction goals, which is often easiest in more densely populated locations. DFID does not analyse the results of its assistance to types of beneficiary such as the rural poor, and does not have targets to prevent some people from getting left behind. Rural areas have remained on average significantly poorer than non-rural areas, and in some countries this gap is increasing. DFID is currently off track for achieving its Public Service Agreement targets for poverty indicators such as child mortality rates, where rural areas have on average 28 more deaths per thousand than urban areas."

In conclusion, I shall ask the Minister a few key questions. I understand that it is difficult to provide on-the-spot answers to some questions, and I would be happy if some were answered in writing, if the Minister wishes to do so. First, in reviewing their agriculture policy this year, will the Government address that growing imbalance and put the needs of rural farmers and rural communities at the heart of their policy making, which so much evidence shows must be done? Secondly, will they reject that one-size-fits-all approach and identify, monitor and try to measure specific countries and agricultural communities in which an increased focus on agriculture and rural poverty could make a difference? Thirdly, how will they respond to the establishment of a global fund for the African green revolution and will they contribute to it? Fourthly, will the proportion of United Kingdom support to agriculture, which Concern Worldwide believes has declined over the past 20 years, now increase? Fifthly, will the UK Government address in practice—they have begun to do so in policy, at least—the rights of people in rural areas? For instance, will they ratify International Labour Organization convention No. 169 to support the rights of tribal peoples in rural areas and protect their way of life? Will they encourage partner countries actively to engage farming communities and the landless poor in their policy making? Perhaps then the unheard voices that Concern Worldwide has mentioned will, after all, be heard.

1.16 pm

The Parliamentary Under-Secretary of State for International Development (Mr. Shahid Malik): I congratulate the hon. Member for Cheltenham (Martin Horwood) on securing this timely debate. Tackling rural poverty is crucial to the achievement of the millennium development goals. Some 820 million people in the developing world are hungry, and more than 500 million of them live in rural areas. The majority of them depend on agriculture for their livelihoods and for food security. Agriculture and rural development are clear priorities for the Department for International Development.

DFID supports rural development in more than 20 countries. Our work is supported by a cadre of 49 professional livelihoods advisers whose policy expertise covers agriculture, livestock, forestry, fisheries, rural development, food security and natural resources management. DFID spends around £160 million each year on livelihoods programmes, much of which goes to rural areas. On top of that, our health, education, infrastructure, water and sanitation, governance, and other programmes, contribute to sustainable rural development. The £200 million that we have committed to agricultural research is a testament to our commitment to rural areas and agriculture.

I am just remembering my own recent experiences in Vietnam and Nepal. Agriculture is key in rural areas, as is the work that we do on roads development in rural areas, which has a positive impact on schooling, employment and health. We also have some health programmes in rural areas, such as one that I visited in Nepal, with midwives who get out on bicycles to assist mothers with pregnancies where, ordinarily, that would not have been so.

The Indian Government have warmly praised DFID's substantial contribution to rural development. Our support comprises five major livelihoods programmes in four states, with a total budget of more than £150 million. Our support in Andhra Pradesh has helped to lift more than 1 million people above the poverty line. Access to safe drinking water has improved; the number of children enrolled in education has increased; and people are choosing to use higher incomes to send their children to school, building for their future. In southern Orissa,

farmers have been given the skills to enable them to abandon destructive slash-and-burn systems of agriculture and to take up sustainable small-scale farming.

In Bangladesh, the programme has supported communities in raising more than 30,000 homesteads above the flood level and in raising the earth plinths, and that figure will increase to 100,000 by 2011. The programme has also provided more than 20,000 latrines and 750 tube wells, which have brought substantial health gains. Under the programme, more than 30,000 households have already received productive assets, such as cattle and goats. Close monitoring of the programme shows real success in helping to lift destitute and landless households out of chronic poverty.

In the context of the alliance, the hon. Gentleman talked about the green revolution in Africa. We are considering increasing support for agriculture, supporting the alliance and providing additional support through the rural development forum. Climate change will potentially have dire consequences for the rural poor, and it will make agriculture increasingly unreliable. Glacial melting in the Himalayas will compromise water flows into the nine major river systems of Asia, and it will reduce an already stressed water supply that goes to more than 1 billion people. In Asia alone, more than 50 million people who live in coastal areas are expected to be displaced by rising sea levels. That is why we have put together £800 million for an environmental transformation fund that will hopefully provide some of the answers to the difficult questions that the hon. Gentleman has asked—such questions are also asked every day across the world.

The gloomy prognosis adds to the urgency and priority of making rural livelihoods more resilient. It is encouraging that developing countries are recognising the importance of rural development. For example, in 2003 African Governments committed themselves to spending 10 per cent. of their national budgets on agriculture and rural development by 2009 from a baseline of just 4 per cent. DFID supports the "Comprehensive African Agriculture Development" programme, which is a major initiative by the African Union and is strongly backed by African political leaders. As I have mentioned, we are working closely with the Bill and Melinda Gates Foundation to support the alliance for a green revolution in Africa, which was recently launched by Kofi Annan.

Policy reform is delivering results—especially in Africa. In Malawi, DFID supports an innovative targeted fertiliser subsidy programme which has enabled the country to move quickly from dependency on maize imports to an export surplus at a time when the region as a whole has been experiencing a serious food crisis. In Uganda, reforms implemented in the 1990s have significantly increased the share of export prices received by farmers, which has contributed to a large reduction in rural poverty.

The hon. Gentleman also talked about rights. In all our work throughout the world, we try to embed a rights culture into programmes to ensure that the rights of many people from across a wide spectrum—irrespective of whether they are rural or urban—are protected, respected and enhanced. More focus has been put on rural and social transfer programmes for smallholder farmers and on giving cash, food and farming inputs to the poorest farmers in Ethiopia, Bangladesh and Zimbabwe.

Martin Horwood: I am sure that many of the examples that the Minister is giving are positive, but in the time remaining, I hope that he will address some of the questions about the proportion and emphasis of aid. As I have said, that has legitimately been criticised by a series of non-governmental organisations, Select Committees and the National Audit Office. Although there may be successful rural development projects in DFID's portfolio, the focus of those projects is too small for the vast numbers of rural poor who need our help.

Mr. Malik: I shall certainly come to that point. The hon. Gentleman talked about the review that we undertook in January 2007 and asked about the proportion of time spent in rural areas as opposed to capital cities. We are looking at that matter, but it should not be assumed that because staff are in capital cities they are not working on rural issues. Many Government decision makers are based in those cities and to obtain positive changes in rural areas it is necessary to engage in those cities and with those individuals. However, of course, we need to be at the coal face and to be in rural areas to get an understanding of the day-to-day challenges that people face.

We have acted upon the review through a submission to the Development Committee that contains a number of recommendations to improve the quality and quantity of our engagement in agriculture by addressing the poor policy and institutional environment. In Africa, improvements can be made by working regionally to influence donor approaches to agriculture, and in Asia we can build on our country networks to support regional advocacy. There should be active engagement in promoting agriculture-related policy reform in a number of focused countries and in direct budget support countries. Other donors should be worked with collectively to ensure that Government spending on agriculture and related sectors is adequate to meet national priorities. Funding for agriculture should be based on a harmonised approach and should use aid instruments appropriate to the country.

Rural development has received increased parliamentary attention in recent months, as has been mentioned, most notably by the International Development Committee and the Public Accounts Committee. That resonates with the latest world development report from the World Bank, which argues strongly that donors and partner countries have given insufficient attention to agriculture and rural development in the past decade. Does that concern us? Yes. Will that help to focus further attention in this area of work? Yes, it certainly will.

Martin Horwood: The Minister has mentioned the World Bank report. Does he accept the World Bank's definition of agriculture as something that does not simply contribute to economic growth but is a provider and sustainer of natural resources? That is a broader definition than the one that DFID is now adopting.

Mr. Malik: Common sense suggests that the wider definition that he has cited would be equally applicable.

Although DFID does not seek to distinguish rural from urban poverty in the pursuit of the millennium development goals, a good deal of DFID's work is directed to rural areas, and that is having a substantial impact. DFID remains strongly committed to tackling

[Mr Malik]

rural poverty, both in relation to food security and rural growth. The Committees' reports have made a number of recommendations about how DFID might improve its effectiveness. We have carefully considered those and responded appropriately.

Will the Government reject a one-size-fits-all approach? We do not agree that we have such an approach. Each of our country programmes works with that country's Government to agree how our support can best fit with the needs, challenges and priorities in that country. It is critical that we continue to work in that format. DFID will continue to seek to strengthen the effectiveness of the agriculture policies and programmes of multilateral donors, particularly the World Bank and the EU. We will develop joint policy programmes and engage in debate and dialogue around main strategies and policies. We will support reforms within the consultative group on international agricultural research and will continue to press for the urgently needed reform of the UN Food and Agriculture Organisation. At country level, we will seek to strengthen our engagement in agriculture and rural development—particularly in key countries in Africa and Asia, including Afghanistan, India, Bangladesh, Malawi, Uganda and Rwanda.

There is still much to do. We welcome the feedback that we receive from partners, NGOs, members of the public and parliamentary Committees. DFID will evaluate its agriculture policy later this year, and we will consult widely and listen carefully to what such groups have to say in determining the future direction of our programme. I am happy to receive the Concern Worldwide report, about which the hon. Gentleman has spoken. In the spirit of reciprocation, I was going to give him our report, "Growth and poverty reduction: the role of agriculture", but it is obvious that he has scanned through it and had a good read.

John Cummings (in the Chair): Order. We must move on.

Town and Village Greens (Planning)

1.30 pm

Tom Levitt (High Peak) (Lab): It is a pleasure to introduce the debate under your chairmanship, Mr. Cummings, and to seek a response from my hon. and good friend the Minister.

Let me start by saying that I am in favour of there being public open spaces where people, especially those in urban environments, can relax, play and enjoy leisure time. Town and village greens have a long history of being well used and appreciated by their communities. They allow, almost literally, a breath of fresh air to enter our urban environments. I have no problem, in principle, with areas of land that might be considered as town and village greens in all but name being legally recognised and registered and protected as such. That right has been recognised in law for many years and was reinforced by the Commons Act 2006. I served on the Standing Committee that considered that legislation, but I have to say that the changes that we made did not fully address the problematic issues that I shall raise today.

My worry is that over the years, we have established a body of legislation that allows the law to be used in ways that were not intended by Parliament. That misuse is tantamount to abuse when it is used deliberately to thwart an otherwise legitimate planning permission in High Peak, that has now produced a crisis in the planning process. Although the 2006 Act gave the authorities that decide on town and village green applications the power to reject repeat applications and those that are clearly vexatious, neither of those criteria has been sufficient to prevent misuse entirely, and many pre-2006 applications continue to wreak havoc with the planning process.

Although High Peak borough council is Conservative controlled, we speak with one voice on this matter. The leader of the local Liberal Democrats, the former leader of the council, also agrees. In a story in the local paper entitled "New Law to Stop Nimbys", he said that the vast majority of people should not be denied what they want because one or two people thought that a TVG application was a good way of stopping development. That problem is not unknown elsewhere, but it is rife in High Peak.

In my area, Derbyshire county council is the authority charged with processing TVG applications. It is currently dealing with about 20, of which half relate to High Peak. All but two of those relate to Buxton, with more believed to be in the pipeline. From that authority's discussions with specialist lawyers and other registration authorities, it seems that no other registration authority in the country has as many TVG applications as Derbyshire. It has recently increased the number of staff working on TVG applications in order to try to address the backlog of casework. I shall explain what is happening through the use of several examples.

First, High Peak borough council, like every other local authority, has a house building programme that has been consulted on and endorsed by the local plan. The building of affordable and social rented housing has become more important than ever, as local authorities and Government together strive to reach ambitious targets to cope with Britain's demographic challenges.

The largest single planned housing development in High Peak is off Dale lane, in Buxton. That would be a mixed development of about 300 homes, a substantial proportion of which would be affordable or rented. It would be adjacent to a large council estate in Fairfield and its access would be from an area known as Fairfield common. That name is a bit of a giveaway. Fairfield common is a genuine area of common land on the edge of Buxton, between the town and the golf course. From a new roundabout on the A6, a small access road needs to be built to make the Dale lane site accessible both to future residents and, in the shorter term, to construction vehicles, but today not a single brick has been laid, not a sod turned.

Three of the TVG applications—those submitted way back in 2002—have been processed. In April 2007, the High Court ordered that the town and village green register should be amended by the deletion of a previously recorded town green entry. At present, Fairfield common is free of town green status, which should allow the access road and therefore the homes to be built. A fourth application, registered in March 2003, does not directly affect the site of the proposed development, but a fifth, called VG86, was held in abeyance until that High Court action was completed. That happened almost a year ago, but VG86 remains unresolved.

Last week, a sixth application affecting the proposed development was made. It is known as VG101. I am pleased that Derbyshire now regards this as a priority site for the determination of TVG applications and will be taking that one together with the outstanding VG86. However, I am not optimistic about a rapid solution, as VG86 has remained unresolved since it was lodged in October 2003.

There are 2,732 people waiting for homes in High Peak, and the Fairfield development of 300 mixed homes could have made a significant hole in that backlog. It is my contention that the targets of the TVG applications were picked so as to thwart the building of the access road to the proposed Dale lane estate, as the site of the development itself continues to be free of town green applications. Although that was the largest housing development proposed in the local plan, would it not have been sensible to have identified other sites around the town of Buxton where housing development could take place? Indeed it would.

My second example is Hogshaw field in Buxton, which is reclaimed land. It was once a tip and therefore was never a village green. It is also earmarked for housing development in the local plan. In December 2003, a town green application was lodged—again, not in respect of the site itself, but of the land that would be needed to provide access to it. The application has yet to be resolved and will not be addressed until the Fairfield cases are over. In 2004, High Peak borough council's report on objections to the local plan stated:

"The TVG applications have the potential to fundamentally thwart the housing strategy for Buxton. If the Fairfield Link Road and the access to Hogshaw cannot be built, the two most important housing sites in Buxton would be stymied."

The third example is at the other end of the constituency, in Glossop, where 25 new homes, including eight classed as affordable, are planned on an infill site at Sumners place. In March 2006, a town green application was lodged, and a public inquiry will be held this summer, as that, too, is now regarded as a priority case.

It is not only housing developments that are being thwarted by the use of TVG applications. My fourth example is High Peak magistrates court. The 650 square miles of High Peak were, until recently, served by two magistrates courts—at Glossop and Buxton, 18 miles apart. In May 2002, planning permission was given for a new courthouse to be built adjacent to New Mills town hall, in the centre of the borough, on the site of a burned-out and derelict former Methodist church. It was planned that that new facility would replace both existing courts and the local county court.

Planning permission is but the start of the process, and a campaign led by residents living close to the proposed site gathered pace. Building had not commenced when, in March 2004, a TVG application was made. Clearly, a burned-out shell of a building to which there is no public access cannot be reclassified as a town green, but the campaign focused on a tiny patch of land to the rear of the premises that would be required for access purposes. Four years on, that application remains unresolved.

[Mr. Peter Atkinson *in the Chair*]

One possible outcome, I should remind hon. Members, is provided for in the commons legislation, which says that if that land were to be designated a town green—a claim that is by no means certain to be agreed—the authority could resolve the issue by identifying an appropriate alternative piece of land to fulfil the same function elsewhere in order to allow the development to take place.

In January 2007, the Court Service, quite rightly, closed Glossop court because of its inadequate access and security. All its cases and those of the county court, which closed at the same time, were transferred to Buxton magistrates court. That court has slightly better facilities than Glossop had, but even so, the court is up two flights of spiral stairs with no lift, security is so poor that prisoners on remand have to be tried elsewhere, privacy for solicitors and clients is limited to two booths constructed within the waiting room, prosecution and defence witnesses share the same waiting facilities, and the staff accommodation and facilities for magistrates are simply appalling.

The TVG application lodged in 2004 has yet to be decided, but the Court Service has made a decision. Because of the protracted delay in the commencement of the development of the new courthouse caused by the TVG application, the plans fell out of the 2005-08 spending round and are now, effectively, scrapped. There are no plans in the 2008-11 spending round to provide High Peak with a courthouse that meets the demands and standards of the 21st century. That is a tragedy caused by the action of nimbys who used town green legislation in a cavalier manner outwith the purposes for which it was designed.

Mr. David Drew (Stroud) (Lab/Co-op): Although I do not want to interfere in the grief of High Peak, will my hon. Friend accept that the obverse also exists? In my constituency, our commons are subject to land grabs because people want vehicular access. Although we have made various attempts to clarify the position, it is still very muddy. I am sure that my hon. Friend will agree that we may well have to revisit the problem.

Tom Levitt: I thank my hon. Friend for that intervention. He also served with me on the Standing Committee that considered the Commons Bill a couple of years ago. I will make some suggestions towards the end of my speech as to how we might address that situation.

The fifth example is at St. Thomas More secondary school, which announced plans to build a new sports hall within its existing footprint in Buxton. A large proportion of the funding of the building was to come from the sale of a piece of unused and waterlogged farmland, which was owned by Derbyshire county council and is situated about half a mile from the school. Although I understand that the schoolchildren used the land for cross-country running, it is not a sports field and not technically part of the school. The land was on the fringe of the built-up area of Buxton and has potential for development. However, houses would have spoiled the view from one or two large private homes, so what did the residents do? They submitted a TVG application. The field could not be sold for development and the funding stream for the sports hall dried up, which threatened to derail the project.

I met representatives of the county council, the school, the borough council and the diocesan education board and together we expressed our determination to press ahead with the project. Fortunately, a different financial arrangement was found, which resulted in a mere six-month delay, and the hall is now being built, but the TVG issue on the site off Brown Edge road remains unresolved. As there is no planning application involved, that application is not being treated as a priority, and there is, as yet, no timetable for resolving it. That resolution would have to be made by a body other than Derbyshire county council because, as owners of the land, it cannot pass a judgment.

My last example involves Buxton leisure centre. Two weeks ago, two sisters called Dorothy and Margaret came to see me. They own a very small farm on the outskirts of Buxton. The farm includes a field that is bounded on one side by a wooded hillside owned by the Civic Association, on another side by private housing and on a third by a school playing field. Buxton community school is a sports specialist school and it is therefore not surprising that High Peak borough council is considering using this site, adjacent to the school land, to relocate its swimming pool and develop a leisure centre. Development can be stuffed in the air, so what happens? Someone who may have once flown a kite on this field or walked their dog there—albeit while trespassing—puts in a town green application to protect the land from yet another socially valuable development. Whatever the merits of the case, we know that it will be years before this application is considered. Meanwhile, the sisters have to live with uncertainty, and the council has to look for another piece of land that is potentially more viable to develop.

Dorothy and Margaret were close to tears in my office. They are ladies of mature years and the field represents their retirement fund. A successful town green application would make the land next to worthless, effectively leaving them destitute and unable to plan for their retirement. That is not something the authorities can take into account when deciding on the merits of the case for a TVG.

In summary, more than 500 new homes, two leisure developments and a courthouse have all been put in jeopardy through the deliberate targeting of sites with TVG applications by people whose first thought is to stop legal, legitimate and much-needed developments, and whose passion for open spaces is, at best, secondary to that aim.

In a letter to me of 3 March, the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Gloucester (Mr. Dhanda), said that the "balance is about right" in the way in which TVG applications operate. However, Eversheds solicitors, writing in *Planning Magazine* on 14 March, takes a contrary view.

"The delay involved in a registration application can be just as important as its chances of success. Many cynical applications have been made with the clear intention to cause delay and cost."

It describes as "effectively impossible" the process of having land removed from the register once it has been included. It notes, too, that councils and developers cannot reclaim costs from TVG applicants whose applications fail, even if the delays have caused great expense, often to the taxpayer, or the loss of an approved planning development. In short, Eversheds is warning of a crisis in the planning world caused by TVGs. Citing examples from all over the country, it says:

"The full picture should strike fear into the hearts of private landowners and agencies trying to deliver housing and regeneration targets."

In another letter from the DCLG, to High Peak borough council in February, officials said:

"It is hardly surprising if communities spring to the defence of a valued site only once a change of use is proposed."

Such naivety is frankly staggering. There is no evidence to suggest that it is the communities that are making TVG applications. It is clever individuals who see a way of putting a spanner in the works of a development that has local support and the endorsement of the planning system.

In my experience, it is developments that are required by, or advantageous to, communities that are being hit by this blight. In one instance, the council was told by the DCLG:

"While it can be frustrating to have a particular site removed from consideration for housing in consequence of its registration as a new green, a local authority's housing strategy should be sufficiently robust and diverse to accommodate such difficulties."

The civil servant who wrote that is simply showing ignorance of the local situation. Brownfield sites are few and far between in High Peak, so when campaigners make a concerted effort to attack every major greenfield development with a town green application, and when most of a borough is contained within a national park in which there is simply no chance of significant housing development, the planning experts at the DCLG are effectively telling the council to like it or lump it.

With my endorsement, the council asked for a prohibition on TVG applications being made after a planning application has been submitted, and special measures to deal with potentially vindictive applications that would not be in the public interest.

Private landowners such as Dorothy and Margaret need special protection, so that their lifetime assets are not lost by the removal of development rights on private land that would follow a successful TVG application. Secondly—this covers the point made by my hon. Friend the Member for Stroud (Mr. Drew)—we should make it

compulsory for local authorities to include town and village greens in the local plan. That way, the need for public open spaces would have to be taken into account alongside other developments and not piecemeal, in conflict with them.

In 2006, there were 77 TVG applications across the country. In 2007, that figure more than doubled to 172. Unfortunately, that trend does not reflect a growing interest in access rights, the enjoyment of the countryside or the value of green lungs within urban environments. What it does reflect is that an increasing number of campaigners have discovered a low-cost, low-risk, low-effort way of delaying the development of sites, often to the extent of preventing the delivery of socially valuable projects, whether their TVG application is successful or not. "Crisis" is not too fine a word to describe the situation, and all the signs are that this misuse, bordering on abuse, of an otherwise beneficial law is going to make planning blight ever worse. We have created a virus that is loose in the planning system. I call upon my hon. Friend the Minister and his colleagues in the DCLG to stop it in its tracks and let sanity, balance and responsible government prevail in the planning system.

1.49 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jonathan Shaw): I congratulate my hon. Friend the Member for High Peak (Tom Levitt) on the way in which he presented the case on behalf of his constituents and raised the important issue of the 500 houses. Clearly, many of his constituents need affordable, rented housing in Buxton. I know the town well having visited it on a few occasions.

My hon. Friend talked about the magistrates court. It is right that its staff should have modern facilities. He also mentioned the schools that want to develop their sporting facilities. It is laudable for Buxton council to co-locate those facilities next to a specialist school but one of those projects—the Buxton specialist school—is now uncertain. He highlighted the disagreement between planning lawyers and the Department for Communities and Local Government. He knows that I am confined to speaking about Department for Environment, Food and Rural Affairs responsibilities, but I realise that the community and the council have some particular difficulties in Buxton. I will, therefore, arrange for him to bring folk from Buxton to meet my colleagues and our colleagues in the DCLG to go through the matter. It is clear that barriers are preventing developments that are desirable for the local community and my hon. Friend pressed his case well. I am aware that he raised such matters previously with our colleagues during the passage of the Commons Act 2006.

We recognise that applications to register new town and village greens can cause delays, as my hon. Friend said, but they do not cause enormous delays. The Government's survey of greens registration activity, undertaken in September last year, estimated that 133 applications were made in the first three quarters of 2007, compared with 103 in 2006. We welcome my hon. Friend's recognition of the role that public open spaces play in delivering an improved quality of life, particularly in built-up areas. He said that there should be a compulsory measure to require new developments to have green lungs and the like, but that is for the local development framework and for local councils to determine. We are trying to move away from centralised imposition—to reduce the number of indicators and targets and so on—so such matters are for local communities to resolve.

It is only right that long-standing use of land by local people for recreation should have protection in law—as my hon. Friend knows, that has always been the position—just as there is protection for long-used paths or for rights to light. However, such rights are frequently asserted only when they are threatened. Although my hon. Friend is concerned about what the DCLG said about objections coming to the fore, he will know from his time as both MP and councillor that people say, "I only got to hear about this or that at the last moment, and I am concerned". We need to acknowledge that people do not always know what is happening, despite the laudable best efforts of local authorities to advise them. The difficulty, therefore, is to distinguish the legitimate response that is intended to protect community recreational sites from the vexatious application that is intended to defer or obstruct, which my hon. Friend described.

Under the old common law, once a green became established through long use, it remained protected for good. My hon. Friend was kind enough to acknowledge that the 2006 Act brings the law up to date: a claim for green status may be brought only within two years of any interruption of use. However, as a transitional provision, we ensured that a claim can be brought within five years of cessation of use if the interruption took place before the commencement date of 1 April 2007, which gives much needed clarity both for landowners and for local communities. Once use as of right has ceased for the requisite period, the landowner can be confident that no subsequent green application can succeed. That may offer little comfort in High Peak, where there has been no delay in bringing forward applications for registration, but it should increase certainty generally.

The Government see the provision to register greens as a necessary balance between long-standing community recreational use and legitimate development proposals. That is not to say that the balance is likely to turn out right in every case, or in many cases, such as those to which my hon. Friend referred. However, let us look at the difficulties. An application to register a green will inevitably interrupt plans for development. Applications take time to deal with. Notices must be served and people must have time to comment; often, the local authority will want to hold a hearing or inquiry to test the evidence, so reports must be drafted, committees convened and so on. Meanwhile, no wise developer would proceed with work on land in respect of which such an application had been made, so there may be long delays to works. Sometimes, a deal might fall through, as my hon. Friend mentioned in relation to the courts in Buxton. Funding may be withdrawn, or the developer may sell up and try his luck elsewhere.

It is difficult to see how green applications can be properly and fairly determined without rigorous appraisal, and such appraisals inevitably take time, just as it might take time to investigate claims to an unrecorded right of way, or for the Secretary of State to call in and determine a controversial planning application. Nevertheless, we want to encourage local authorities to be sensitive to the circumstances surrounding applications, and to consider prioritising cases in which the determination of an

[Richard Younger-Ross]

are unable to sell their park home because of the park owner's interference. I shall come to that in greater length and detail. If I may have an opportunity to progress, I shall come also to Mr. Small and what we might be able to do with him.

I used parliamentary privilege to name Mr. Small during a previous debate. He responded by saying that he did not think that I had ever been to Buckingham Orchard, the site that I named. For the record, I have visited it on probably a dozen occasions, although I do not have records beyond that. According to the *Herald Express*, Mr. Small responded:

"It is complete rubbish. If I thought it was somebody sensible saying all this, I might be concerned, but my mother always told me never to take any notice of politicians and clergy."

I did not realise that our profile had risen to such a stock.

Mr. Steen: Is the hon. Gentleman aware that although Mr. Small may have no regard for politicians or the clergy there are court proceedings against him, as well as a number of judgments that are currently unsatisfied? That is an entirely different matter. As well as not liking politicians and the clergy, he is trying to flout the law.

Richard Younger-Ross: The hon. Gentleman is slightly ahead of me, because I was about to say that it is clear that Mr. Small appears to have no regard or respect not only for politicians, but also for the laws that we pass and for the residents of his parks.

To answer the hon. Gentleman's question, we can resolve the problem by introducing legislation requiring site licence owners to be "fit and proper people". That has been raised on a number of occasions and certainly by the working party set up by the Government in 1998, which reported in 2000. One of its recommendations was that licensees should be "fit and proper people". The Government's response in 2000 stated:

"The Government accepts in principle that a licensee should be a 'fit and proper person'".

We tabled an amendment to the Housing and Regeneration Bill in Committee, and I have tabled another for Third Reading, requiring the Government to consider legislation defining a "fit and proper person". I hope that the Minister will explain how he plans to make progress on that. He should bear in mind that some Members' patience is stretched, given that the Government responded positively eight years ago to indicate that they were considering such an approach. I hope, therefore, to hear something positive and firm about how that will progress. From conversations with the Minister, I know that he is concerned about the situation, but I emphasise the point that some Members have been here several times before and had hoped for more progress.

Why the need for "fit and proper people"? The hon. Member for Totnes (Mr. Steen) described Mr. Small as a Rachman—

Mr. Steen: A latter-day Rachman.

Richard Younger-Ross: Indeed, although I am not sure that I would necessarily go along with that description, because it implies intent, and I am not sure that in Mr. Small's case there was intent. In some cases, he has shown careless disregard for residents, but he has not deliberately tried to force them off the site. However, that does not mean that the hon. Gentleman is not right in saying that some park home owners have a policy of trying to force people off. I heard evidence yesterday about a site in southern England being stripped of park homes, one by one, with what appears to be a clear view on the part of the owner to constructing a bricks and blocks development when all the park homes have been removed.

I shall leave Mr. Small for a moment and read out a letter sent to me by a park homes residents association that does excellent work. I shall keep the location and the person anonymous, because I do not have their consent, but I can name the site owner. The person writes:

"My distress centres around a visit from Mr Asa Hartley at approximately 10.30 on Friday...informing me that the ground rent I pay must be increased from £84 to £105 per month and that my contract, which has been in place since 1990, must be changed.

I would stress that Mr Hartley was the epitome of politeness, and was in no way abrasive, however he was very persuasive. I am afraid that my advanced years and lack of understanding in legislative matters caused me to panic and I signed a document agreeing to comply with the new proposed arrangements. Mr Hartley took away my old agreement, saying it would be shredded and I would receive a new replacement.

Various people are now telling me that the Park Owner is not in order in making demands and that I took the wrong course of action."

That is, of course, entirely true. Many park home owners rely on the fact that most people who move to park homes do so after retirement and that some of them are quite elderly, frail and easily intimidated by a persuasive, polite gentleman, who says things such as, "I am going to put up your park home pitch fee; if you disagree, I shall take you to court." For many people, the mere threat of being taken to court is enough to make them comply and sign.

Mark Simmonds (Boston and Skegness) (Con): I, too, congratulate the hon. Gentleman on securing this important debate. Does he share my view that many people who purchase park homes have no understanding of the relationship between themselves and the site landlord and assume, as with normal property transactions, that they are caught up in landlord and tenant legislation, which does not apply to park homes?

Richard Younger-Ross: The hon. Gentleman makes a valid point. Many people purchase park homes with no legal advice, believing that the site is some ideal little park. It is rather like going on holiday—they think that they simply need to book their plot and go and live on it, and that everything will be ideal. It seems like an extended holiday; it is not a holiday, but a permanent residence. When taking out a long-term lease on a property, one would probably take legal advice. When purchasing a property, one would certainly take legal advice, from the estate agents, who have duties and things that they can and cannot do, and from solicitors. For park homes, people do not do that.

Mr. Richard Benyon (Newbury) (Con): Does the hon. Gentleman agree that part of the problem is that these dwellings—as I refer to them—are defined legally not as homes, but as chattels? We must change that.

Richard Younger-Ross: I agree; that is part of the problem. The definition of a park home can be misleading. They are not deemed to be homes because they are not fixed, so their legal status is different from what it would be if they were built of blocks on the ground. The mere fact that some people brick up the gap around their park homes, which effectively fixes them to the ground, or that they build verandas and porches, which are fixed to the ground, should, in some senses, change the status of the home. Sadly, as the law stands, that is not the case, so the homes end up in limbo with regard to the protection afforded to an ordinary owner.

Mr. Mark Francois (Rayleigh) (Con): I, too, congratulate the hon. Gentleman on initiating this important debate. There are several park homes in my constituency, mainly around the River Crouch, and many people who have chosen to live there are retired. I reiterate the point about the 10 per cent. commission. For many people who decide to sell, for whatever reason, it rankles that they have to pay 10 per cent. commission to the site owner. Does the hon. Gentleman accept that many of my constituents would like that provision to be reviewed? I hope that the Minister, like me, listened to what he said about it and that there will be an opportunity to reconsider the commission.

Richard Younger-Ross: I am sure that the Minister has heard those comments, because the issue needs to be considered fully. I have attended a number of meetings at many park homes—some large, some very small—in my constituency, and often I ask, "Do you want a change in the 10 per cent. commission?" Some people say, "Yes, because we are looking to move and it is a large sum of money to be taken from us", but others say, "No, because this is my last home and, therefore, only the executors of my estate will have to pay that commission, and I would rather have a lower pitch fee in the interim." There are arguments on both sides, so we need to consult on that point. On balance, I think that 10 per cent. is too high, but that going down to 2 or 3 per cent. would make the pitch fees too high. We ought to seek a compromise of about 6, 7 or 8 per cent.—that is the sort of figure we ought to be aiming for. However, it is a matter for consultation. It is for those who live in park homes to say what they want in consultation. I am sure that the Minister has heard our points and will respond later.

To provide a larger picture of the life that one can live if one happens to reside on a badly run park home site, I return to the issue of who is a fit and proper person. Buckingham Orchard was a problem site before Mr. Small bought it in 2001, shortly after I was elected. Over the years, I have not had much cause to praise my predecessor, Patrick Nicholls, but he worked on park homes issues, including Buckingham Orchard and other sites, and was part of a working group that came up with some sensible recommendations, some of which have been implemented, some of which we still await. I have a note dated 11 November 2005, when there were 79 units on the site, of which only 69 were on the licence. Mr.—

Mr. Steen: Small.

Richard Younger-Ross: Mr. Small—shall I ever forget his name?—applied for an extension to the park. The planning authority and the councillors granted it in the belief that it would be in compliance with the 6 m rule. The local authority insisted on that, even though, in my view, the standards that it demanded involved such minor breaches that it was not worth the effort of moving a park home. Indeed, several local authorities take a different view from the one Teignbridge took at the time. Before Mr. Small had even completed the roads or reconfigured any of the old site, however, he moved new park home owners on to the new part of the site. Indeed, he moved owners not only on to that part of the site, but on to land that did not have planning consent because he had extended the boundaries—by accident and oversight, of course—and was then required to move them. The garages were non-compliant, and he was required to move some of them back.

For the people on the rest of the site, there began a long and slow process of making the site fit. Mr. Small would tell a resident that the park home was going to be moved but not exactly when, because between the two events there must be a signed agreement that the move can go ahead. He would eventually move the resident's home, but if it was damaged during the process he would argue that that was down to their insurance, that it had nothing to do with him and that he had no responsibility for any of the damage. He denied that it was his fault.

The homes would then be put on a new site. It was not the home owners' fault that historically, for some reason, their park homes were 5.9 m apart rather than 6 m apart. It was not their fault that the planning authority and the park home site owner allowed the park homes to be 1.5 m from a boundary rather than the regulatory 3 m; they were moved, and legislation should not allow someone who is forced to move in those circumstances to end up with a loss. Damage was certainly caused to their homes.

If one looks at park home magazines, one sees that many home owners have beautiful gardens. Being retired, they spend a lot of time on very small gardens, laying patios, building verandas, putting in small ponds, ornaments and plants, and spending money on plants from the garden centre; yet their gardens are sometimes totally trashed by the moving of a park home. It may be moved only 1 m or 3 m, but at the end of the day, their beautiful garden becomes, yet again, a pile of muck and rubble. That was the condition in which some gardens were left; they were destroyed but they were not put back.

Mr. Steen: The hon. Gentleman and I share a common campaign, and the name "Mr. Small" always results in me jumping up. Is the hon. Gentleman aware that of the three sites in my constituency, which are all well run, two are owned by Mr. Small? The hon. Gentleman is describing matters with which I am very familiar, because they have happened at the two park home sites in my constituency owned by Mr. Small. Torbay unitary authority is doing everything it can, and very well, with a full-time employee, to deal with the situation, but is the hon. Gentleman aware that in spite of that full-time official, the law is not strong enough to help a well intentioned local authority do anything much about the situation?

Richard Younger-Ross: That is very much the case, which is why I am arguing for new regulations that would require licence owners to be fit and proper people,

[Richard Younger-Ross]

ensuring that if they did not comply with the site licence, it would be removed from them and they would be forced to sell up.

The hon. Gentleman mentioned that Mr. Small owns a couple of park home sites in his constituency, and the National Association of Park Home Residents advises me that Mr. Small and his family have a number of sites. I shall read the names into the record. They are Battisford Park homes at Plympton, Beauford Park at Norton Fitzwarren in Taunton, Beechdown Park, Totnes road in Paignton, in the hon. Gentleman's constituency, Bickington Park in Barnstaple, Brimley Gardens in Bovey Tracey in my constituency, and Brookmeadow Park, High street, Wroughton, in Swindon. I remember the former Member for Swindon, Julia Drown, complaining about Mr. Small and the difficulties experienced in tracking him down. We had some conversations then about the difficulties that the Smalls were causing on the site in her constituency.

Mr. Small also owns Broughton Park, Shoreditch, in Taunton, Buckingham Orchard, which I have already mentioned, in Chudleigh Knighton, Byways Park, Strode road, in Clevedon, north Somerset, Green Lane Park Homes at Breinton in Hereford, Hillside Park, Totnes road in Paignton—his other site in the constituency of the hon. Member for Totnes—Kingsway Park, Tower Lane, Tower road north, Warmley in Bristol, Manleaze Park at Cannards Grave, Shepton Mallet, Somerset, Moorland Park on Old Moorland road, Bovey Tracey, again in my constituency, Newlands Park on Sidmouth road, Aylesbeare, Ringswell Park, Middlemoor in Exeter and Woodlands Park in Tedburn St. Mary, also in my constituency.

I have never had any complaints from my constituents about Woodlands Park, but I know that Members have had problems with many of the other parks, so if the media pick up any of this story, I recommend that they have a look at those parks, talk to the residents and find out whether there is a problem with the management in their area. I am not saying that all those parks are badly managed, but in my experience and that of the hon. Member for Totnes, my hon. Friend the Member for North Devon (Nick Harvey), who sadly cannot be present, and others, Mr. Small has caused problems.

Mr. Small is not the only one, however. In relation to sales and commission, there are difficulties not only with the percentage fee, but with the requirement of the park home owner to determine who can buy, and move on to, the pitch. The Government amended the legislation, and they were wise to do so, because it had been recommended. However, they have not got rid of all the problems.

For example, Mrs. Hughes, a resident of the United States of America contacted me. Her mother, who lived at Buckingham Orchard but has since sadly died, had her park home valued by an estate agent at £60,000. She eventually sold it to Mr. Small for £10,000 and, to add insult to injury, I think he may have been entitled to take 10 per cent. commission on top. He did so, I believe, on the ground that the home was in breach of regulations—regulations that, to my knowledge, the local authorities had been telling him and the previous site owner to comply with for the past 15 years. Now, when someone wishes to sell, they are told, "You can't sell, you're in breach of regulation, therefore I am not permitting the sale."

Mrs. Hughes was, I believe, defrauded of £50,000, if the valuation was £60,000. In my view, she was certainly defrauded of some money, but she is not the only one. I apologise for not having mentioned the next case to the Member in whose constituency it occurred, but I could not find the hon. Member concerned. I have a letter here from residents of a park home in Radcliffe on Trent. It says that Wyldecrest Properties Ltd is

"repeatedly putting obstacles in the way to prevent her"

a person living there

"from selling, as she is aware that legally she can assign a home to a new purchaser at the same rent as it is at present".

In other words, Wyldecrest Properties Ltd is trying to put up the rent and the pitch fees—a point I shall come on to. The person was also told that her property could not be sold because

"It's too close to other properties."

Another park home in another part of the country is using exactly the same excuse to block a sale. In that instance, I do not know whether the park home owner could buy the park home at a knock-down price or not, but I suspect that might be the case.

I would like to reveal the other problems that people on these sites may face. I come back to Mr. Small again, because earlier I mentioned the site at Bickington Park, near Barnstaple, North Devon. In that case, the installation of a new home that had been sold was moved. One might think that if someone bought a new home, it would be fault-free. However, in this case the son of the people who moved there alleged that there had been incorrect installation of the home. I shall read from his letter:

"This is...the most serious issue of them all. Upon visiting the home, it was pointed out to a representative from Homeseeker"

who provided the home

"that some of the interior doors were not closing properly. Upon further inspection, he discovered a bulge in the floor. The Homeseeker representative was of the opinion that the axle stands on which the home stands were not placed correctly, and in addition there did not appear to be enough of them. He emphasised that it was the responsibility of the site owners to rectify this fault, but unsurprisingly the site owners are insisting that Homeseeker are culpable."

Even when a new property is moved, which one would expect to be fairly straightforward and achieved in a competent matter, homes are badly installed.

I return to Mr. Small. A "Park Profile" for Somerset—I am not sure of its date—said that "Jeff"—that is, Jeff Small—

"was determined that his residents should settle into their new homes in peace and quiet and not feel as if they were living in the middle of a building site".

Well, I hate to say it, but although that might make for good reading in a magazine about park homes, the reality for people in Buckingham Orchard is that they have been living on a building site for the last five years.

During that time, the local authority chief executive in the area and some of the other local authority officers have changed and the new officers are far more robust than their predecessors. However, the original local authority chief executive wrote to me to say that it

would take several years for the work at Buckingham Orchard to be completed. That is not acceptable. It is not acceptable that we allow elderly people who have retired to what they hope will be comfort and quiet decent living to be subjected to life on a tip, and Buckingham Orchard at times was a tip, with wrecked park homes left piled up and rubbish strewn over empty pitches. That is not the quality of life that the residents expected; it is not the quality of life that they deserve, and it is not the quality of life that we should allow them to endure just because we are unable to come up with the right legislation to correct some of the problems.

I have a final point about pitch fees. Again, the Government wisely listened to the working group and introduced legislation on the issue. I must say that the Government were loth to introduce changes to the legislation in the first place and they said that they did not want to introduce them in the Housing Bill.

The Chief Secretary to the Treasury, the right hon. Member for Pontefract and Castleford (Yvette Cooper), who was at the time the Under-Secretary of State for Communities and Local Government, stated at a meeting of the all-party group on park home owners that she would not introduce those changes. She was confronted by me and a Conservative shadow spokesman on housing not the hon. Member for Wycombe (Mr. Goodman) but we persuaded the Under-Secretary, as she was then, that we would not oppose the Bill and we would support it if the Government accepted the changes that we suggested. As they did not take up extra time, the Government introduced the changes. They are to be congratulated on that. It also shows that all-party working on some issues can be effective.

I can tell the Minister that there are other issues on which we need some all-party work and I hope that we can make some of the other changes that we need. He will find that there is common cause among Members in Westminster Hall today on some of those changes.

Pitch fees were changed so that the Government could allow other regulatory changes to be factored in. I believe that there is a site somewhere in Hampshire—I do not have a note of the name on my file—where the pitch fee review took inflation into consideration. There was an appendix of some of the additional costs. I shall list some of them:

"Costs of letters advising owners of C&LG fact sheet"

the Communities and Local Government fact sheet—

"£0.28 / annum.

'One off" costs training / revision of M H acts...£0.22 / annum

Ongoing costs administration 14 day notices...£1.25 / annum

Park home base fund...£21.74 / annum

Fire regulations...£1.77 / annum".

I know that a lot of those costs may appear feasible, if perhaps a little petty—"£0.22 /annum"—but over a large number of sites in an area they add up. In addition, one would think that such cost for fact sheets would be part of the general administrative cost included in people's pitch fees.

However, for the life of me, I do not know how the park home owners came up with the idea that they would charge "£15.76/annum" for "Additional maternity entitlement" regulations. I am at a loss to understand how someone can justify making that charge on people, in addition to their pitch fee, so that they can place their park home on a site.

I know that the Minister has an interest in this subject. He responded to the debate on Second Reading of the Housing and Regeneration Bill. I have also heard what he has said informally, as well as what he has said in Committee. I hope that he will respond positively when he is given the opportunity. There is cross-party consensus that something more needs to be done to protect park home residents, certainly on ensuring that fit and proper people run the sites. I hope that we can make progress and I look forward to hearing from him later.

Several hon. Members *rose*—

Mr. Martyn Jones (in the Chair): Order. It appears that four or five hon. Members wish to speak. If they can all keep to about five minutes each, I think that I can get them all in.

10.6 am

John Mann (Bassetlaw) (Lab): Mr. Jones, I shall be brief, although the seriousness of the points that I will make should not be underestimated because of their brevity.

I have two basic points to make to the Minister. The first is that I recall, many years ago as a young butcher's lad, making deliveries on Elland road in Leeds to the "pre-fabs", or pre-fabricated houses. My question to the Minister is simple. The construction of a pre-fab, of which there were many in that area of Leeds at that time, and the construction of a park home are somewhat similar, and in terms of dwelling space and so on they are also somewhat similar. My understanding, which may be wrong, is that there is a different status in law for park homes. When the Minister is considering what to do, it seems that that legal status is a potential route for him to explore, because the pre-fabs were constructed, of course, immediately after world war two, allegedly temporarily but it was only 45 or 50 years later that they were removed, often with protests by the occupants. So I pose that as an issue for the Minister's delectation.

I would like to make a second point. I do not claim to have the expertise with which the hon. Member for Teignbridge (Richard Younger-Ross) so eloquently introduced the debate, and I certainly have not done the same amount of research as him. However, I can smell injustice from a fair distance. When it comes to the park homes in my constituency, I can smell the injustice from here, because we have Mr. Adams, who is perhaps a relative, in some way, of Mr. Small—I do not know. Perhaps he is the bad cousin of Mr. Small, because Mr. Adams has been forcing people out of the park homes in my constituency at the cost of £1,000 per home.

It is fair to say that some of these issues have been hidden away because they are internalised within the self-described Gypsy community. Within that community, people have been removed from their park homes, and they are people who have lived there, or whose relatives have lived there, for many generations. In the Five Acres caravan site in Scrooby in my constituency, which is the worst example, a range of people have been, in essence, forced out for different reasons.

[John Mann]

I have a key question for the Minister and it is also a question for the hon. Member for Wycombe (Mr. Goodman) on the Opposition Front Bench. My Conservative district council seems unwilling to take any legal action, despite requests from me and my constituents to take such action.

I seek clarification about the law in this area, and if my understanding of it is right, I shall seek action from the Conservatives about their recalcitrant councillors in Bassetlaw. I understand that when there have been serious breaches of the law, local authorities have the power—in essence, a duty—to take legal action on behalf of the relevant people. My constituents have requested that such action should be taken, but that has not happened.

After suggesting that the local authority was empowered to take action on this issue, I received letters from the chief executive of Bassetlaw district council, this year, suggesting that the illegal eviction of a resident from a park home is a private matter that should be resolved between individuals. Such cases often involve elderly people who have never been to court in their lives and who do not have the resources to do so. I am no expert in taking such matters forward, but it seems to me that if the law obliges the local authority to act, it should act. If my reading of the law is correct, and local authorities have those powers, they should use them. Two years ago, Bassetlaw claimed to have such powers. Will the Minister write to the council, outlining what its powers are and why it would be appropriate, if there have been clear breaches of the law, to use them?

10.11 am

Mark Simmonds (Boston and Skegness) (Con): I congratulate the hon. Member for Teignbridge (Richard Younger-Ross) on securing the debate, and on his consistent campaigning on behalf of park home residents across the country. I am pleased to follow the hon. Member for Bassetlaw (John Mann); I was born in his constituency, and well know many of the issues that he has raised. I, too, shall attempt to be brief, so I hope that hon. Members will forgive me if I rattle through the key points. Park homes play a significant role in providing low-cost accommodation, and the hon. Member for Teignbridge is right to highlight the prevalence of retired people who live in park homes. There are a significant number on the east Lincolnshire coast, particularly around Skegness and Ingoldmells in my constituency.

There are four key issues that I want the Minister and his civil servants to consider, the first of which is the pitch fee. Despite the relevant changes to the Mobile Homes Act 1983, a landlord in my constituency is trying to raise the pitch fee by 25 per cent., with absolutely no consultation with residents and certainly with no agreement. In another park, the landlord is attempting to impose a pitch fee increase that is above the retail price index, again without consultation. When residents resist, through the residents association, the landlord issues letters, via a solicitor, threatening not only to evict individuals but to shut down the whole park, by taking it to court, thereby evicting everyone. The Minister and hon. Members will understand that that causes great concern and consternation. The problem gets worse. An elderly couple is in dispute with that site owner, who used to be a residents association chairman. They have managed to obtain grants for a lift to help the wife get into her home, but the landlord refused to give permission for the works to be carried out while they were in dispute about the pitch fee. Those are the sorts of people with whom we are dealing, and that issue should be considered closely.

The second issue, which the hon. Member for Teignbridge has also mentioned, is the wheeze that some landlords use of adding costs for the provision of services such as road improvements, water and sewerage. In one park in my constituency, the sewerage system does not work properly and the landlord will not put it right.

The third issue, which my hon. Friend the Member for Rayleigh (Mr. Francois) and other hon. Members raised, is the commission rate of properties that are bought and sold. I understand that good park home owners sometimes invest the vast majority of that 10 per cent. figure into the park to provide or better facilities and services to residents. More often than not, however, that is not the case. There needs to be much greater transparency, so that residents and residents associations, as the representatives of people who live on the park, can see how that money is being spent and whether it is going straight into the landlord's pocket or is being reinvested into the park. It is important that residents understand what they are getting into when they buy on to a park, but that is not the case in my constituency—other hon. Members are nodding—where there is not a fundamental understanding. The point about legal advice that was made earlier is absolutely right.

The fourth area that the Minister should consider is the role of the local authority. There is no duty on the local authority to enforce when there is a breach of site licence conditions. However, I understand that, to some extent, because, ultimately, a local authority's only sanction is to remove a site's licence, in which case the residents would no longer be allowed to stay there and the local authority would have a duty to house them. Clearly, no local authority is going to do that, because of the additional cost.

Further changes to the 1983 Act are needed, but there are things that the Minister could do now, without changing the current law or introducing primary legislation. At the meeting of the all-party parliamentary group for the welfare of park home owners that the Minister kindly attended, he mentioned that he was considering a tribunal system. It would help if he were to update us regarding the implementation of a tribunal system by which disputes between landlords and residents may be resolved. It would also be helpful if his Department provided a simplified guide for residents about their legal rights, so that they understand exactly where the law stands on protecting their rights. His Department should also put more pressure on local authorities to implement existing law and should ensure that they enforce site licences, because that clearly is not happening across the country. Will he compile a list of park homes and owners for the public, so that people can see which park owners are doing their job properly and which are not? That would effectively be a name and shame operation.

In conclusion, it is clear that the current legislative structure is not working. It still allows inappropriate behaviour by many landlords to the detriment of park home residents, many of whom bought their homes in

good faith but are not being allowed quiet enjoyment of them. I believe that the Minister is serious about looking into this issue, and he needs to look carefully at the issues that I have raised.

10.17 am

Mr. David Drew (Stroud) (Lab/Co-op): Time is short, so I shall be brief. I congratulate the hon. Member for Teignbridge (Richard Younger-Ross) on securing this timely debate on this ongoing issue. Many of the points that I was going to make have been made by the hon. Member for Boston and Skegness (Mark Simmonds), so I shall skate quickly over them.

I should like to put on record my thanks to those who have run the all-party group for the welfare of park home owners for a number of years. It was set up by Hilton Dawson, the former MP for Lancaster and Wyre, and now the noble Lord Graham of Edmonton does a lot of the work. It is one of the best all-party groups, because it brings people together, including—dare I say it—site owners and park home residents. The group is important, and we should listen to it.

Park homes are an invaluable source of good accommodation, largely for older people, so I do not wish to diminish them. I wish that the public sector were a little more involved with them, because moving into such homes is an ideal way for people to downsize affordably and with dignity. I know that there have been comments about the need to revisit this issue, but I congratulate the Government on grappling with it, after their initial hesitation. They have made changes in the Housing Act 2004 and the Mobile Homes Act 1983 (Amendment of Schedule 1) (England) Order 2006, which uprated the Mobile Homes Act 1983. Those changes have brought greater protection and transparency and have legitimised and formalised some of the paperwork that I know, having considered this issue over the years, was not in a good state. The situation is much better now.

In the late 1990s, I did a survey of my park homes—I have about half a dozen—and found that residents overwhelmingly want improvements to council tax, which is an ongoing source of anger. When and if the Government eventually look at changing council tax banding, I hope that they look at that. Park home owners feel that they pay unduly, given the communalisation of services. I know that it is probably above the Minister's pay grade to talk about that now, but it is important that we encourage people to choose that form of living by giving them some incentives. Hon. Members have discussed pitch fees and commissions, so I do not need to say much more about them.

I shall finish with two sources of worry, one of which is current—I shall not mention names, as I have not checked whether I can. Given the nature of the people who live in park homes, it is obvious that there is a need, over time, for home improvements to deal with energy efficiency, accessibility and so on. I have just come across a case of a site owner who is basically saying that if the lady in question were to put in a stair lift, it would affect his public liability insurance. To me, that sounds like a bit of a ruse, but it would be interesting to know where park homes stand in respect of home improvement activity.

I have been the director of a care and repair agency for 20 years. It would be stupid if the work that that agency does with older people could not be done for those in park homes, because they are often some of the most vulnerable people. We need to ensure that the legislation in that area is working.

The second point of concern is the usual one. It is not so much about individual homes—in a sense, that is up to owners in liaison with site owners—but more particularly about how site improvements are made. It is sad that, by going on site, one can see where money has supposedly been saved—the state of the roads is poor, the sewerage is causing difficulties, and there may be problems with electricity and gas.

The question is how one forces site owners to recognise their responsibilities. Their response is, "I am sorry, I keep the pitch fees low and cannot afford to do the work." That simply is not good enough. Some sites are dangerous because of poor maintenance, which is unacceptable. It would be interesting to know the degree to which the Government are prepared to put pressure on site owners to ensure general upkeep of the site. If that were done, we could encourage many older people to consider a park home.

10.22 am

Bob Spink (Castle Point) (Con): It is always a pleasure to follow eloquent and decent MPs, such as those who have spoken today. I mention in particular the hon. Member for Bassetlaw (John Mann), who is a great campaigner. He always works assiduously for his constituents and always brings common sense and decency to this House.

I want to bring an alternative view and balance to the debate, because it is right to have balance in our debates. I have in my constituency Britannia Parks, which now owns Kings Park, perhaps the biggest and certainly one of the best park homes in the country. People who live there feel that it is as close to an idyllic community as they could possibly get, given their circumstances. A wonderful set of more than 1,000 residents live on the site. There are great staff who are caring and who work assiduously for the residents. The site is attractive: there are trees and a huge lake with fish in it, and there is a pond on the village green with ducks and geese on it.

It is a superb community, and residents take fantastic pride in their park homes, which are new. They are modern and extremely well insulated, and they are extremely well kept. The site facilities are all superb—better than most new housing estates, actually. The site is fenced with security on the gate, and people take great pride in their homes, gardens and environment.

I put that balancing view on the record, although I admit that there are rogue operators. I congratulate the Government on their recent legislation, which tackled many of the issues. I have met the Minister on several occasions, and I have taken the Kings Park owner to discuss the regulations with him. What we really need now is stricter enforcement of the existing regulations, and, of course, we also need the tribunal system. However, we should not be seduced into rushing at the 10 per cent. commission, which may be an error. Many people may take the view that they prefer to have smaller pitch fees and to pay the money at the end, when it is easier for them.

[Bob Spink]

Park homes offer an alternative and a choice. I believe in offering people choice, but it must be informed choice. Several points have been made about ensuring that people are forced to get sound legal advice on exactly what they are entering into with a park home, but, provided that they get that advice, giving them a choice is a good thing.

Park homes provide affordable, low-cost housing, and offer a viable option for some people. They allow people to avoid rip-off bank and building society equity release schemes. Some of my constituents received £25,000, £30,000 or £40,000 from such schemes, but now they must pay back £160,000 or £180,000 they feel totally ripped off. Park homes give people a choice of avoiding that, even though there is a 10 per cent. commission when and if they sell.

Park homes create secure, close communities in which people know and care for each other. There are clubs and activities, and people, particularly those who become frail and vulnerable as they get older, can feel secure. Where demand for low-cost housing is high and there is a shortage of such housing, the Government should support good park home operators in the creation of sustainable communities. Pro-park home planning policies, the extension and intensification of existing sites, if appropriate, and consideration in national planning policy of the demand for such sites are needed. Planning policies at local level tend to be anti-park home, which is regrettable. Such homes have a part to play in the housing market. I am pleased that you have allowed me to make those balancing points, Mr. Jones.

10.27 am

Mr. Richard Benyon (Newbury) (Con): In the two and a half minutes that I have to speak, I want to say, in congratulating the hon. Member for Teignbridge (Richard Younger-Ross) on securing the debate, that Mr. Small's name is obviously wrong, because he is a Mr. Big given how the situation is developing.

My hon. Friend the Member for Castle Point (Bob Spink) has made a good point. My hon. Friend the Member for Christchurch (Mr. Chope) also made that point to the all-party group on park home owners. He said that park homes are a life choice that many people make and should be encouraged to make. The problem is that, at present, because of the way in which the law is structured, and because of the inability of local authorities and other agencies to take action, people are actively discouraged from making that excellent life choice at a particular time in their lives. I want to suggest three ways in which the Minister could address that. Many of these points have been touched on.

First, on the sale of park homes, I shall describe a factual scenario. I am not dressing this up—it happened in my constituency. Somebody was selling their park home for a similar figure to the one mentioned by the hon. Member for Bassetlaw (John Mann). She was a widow, and had to go into residential care. She agreed a price with a buyer—£60,000 or £70,000, I believe—and, as required, they went to see the site owner. He said, "Absolutely fine. I agree that she would be perfect on this site. By the way", he said to the purchaser, "when you come here, I will make your life hell. I will put more pitches close to you. I will remove parking spaces and put up the pitch fees as much as I can. I will be at you day and night." That person said, "I'm not going to live here in the evening of my life," and quit. The park home site owner then purchased the home at a knock-down price, and added insult to injury by charging 10 per cent. on the sale. I hope that the Minister will address that, because it is one of the greatest unfairnesses of the current system.

I also suggest that we consider tribunals. The Minister made some good points in a recent meeting of the all-party group on park home owners. I tried to amend the then Tribunals, Courts and Enforcement Bill so that disputes relating to issues such as residents' associations—a problem in some park homes in my constituency—do not have to go to the Crown court and can instead go to a tribunal set up, for example, by the local authority. That is a much less difficult scenario for people to deal with.

Having made those two key points, my final point is that residents' associations are still being subjected to unbearable pressure. People in park homes in my constituency have not been able to set up a residents association because of pressure by the park owner. That is unacceptable. I hope that the Minister will address these key points.

10.30 am

Dan Rogerson (North Cornwall) (LD): I pay tribute to my hon. Friend the Member for Teignbridge (Richard Younger-Ross), not just for securing this debate—I congratulate him on doing so—but for his constructive work in this area for a number of years. He has held discussions with the Minister in the hope of taking forward some of these issues, and he has participated in the all-party group on park home owners, which hon. Members have mentioned. The all-party group is a constructive and useful forum for moving forward on the issue of park homes.

My hon. Friend was keen to say that it is not always a sad story—people live happily on park home sites that are run well and park homes make a positive contribution—and he was right to do so. However, we are discussing this matter today, because that is not everybody's experience. My hon. Friend clearly set out the problems, which he was keen to say may, in some cases, be down to negligence on the part of park owners rather than design. Hon. Members have mentioned park owners using the rules as they currently stand to intimidate or press residents to fit in with their plans. However, I am sure that there are park owners out there who see parks as a valuable source of income, which is the key driver for them. It happens not so much by design, but through negligence.

My hon. Friend has been an advocate of the concept of a fit and proper person. There may be questions about such a concept, if it is a disincentive for people involved. Having said already that much good can be done in providing park homes, in terms of people's lifestyle choice, we would not want to impose artificial barriers that would prevent people from doing that. However, my hon. Friend is right to mention the concept, because often site owners do not just have one site, although some do. The gentleman that he mentioned—the infamous Mr. Small—has a large number of sites, as do

many other owners, so they are significant people. Using the concept of a fit and proper person may be a way of looking at people who are such a significant figure in so many people's lives.

My hon. Friend identified a range of problems: not just the obvious ones in respect of the financial issues to do with commission and increasing ground rents, but those to do with the moving of homes, which are the assets in which people have invested. People do not have so much control over the rest of the site—they accept that they are paying ground rent and that they are on someone else's land—but they have invested in the home itself and, perhaps, in providing some extra facilities around it, as my hon. Friend has described. So it is extremely distressing and damaging for people to have that work undermined and their investment damaged in any way.

My hon. Friend also mentioned the lack of maintenance. Many hon. Members have experienced that in respect of homes in their constituencies, where the park home owner is not meeting their side of the bargain and providing a pleasant environment in which people can enjoy park homes.

The hon. Member for Bassetlaw (John Mann) talked about the legal situation in respect of particular local circumstances. The hon. Member for Boston and Skegness (Mark Simmonds) made a number of points, including the key point about transparency, which is important. People who are looking at park homes as a way of enjoying their retirement—we are, in many cases, talking about people in retirement—need to understand the issues. Although the written agreements that are a feature of this process have a part to play, he was right to identify the fact that more can be done in terms of the transparency of financial arrangements, in all the ways that those are applied, whether at the point of sale and transference of a park home or a site or in respect of ground rent or any other fees that are levied.

The hon. Member for Stroud (Mr. Drew) was keen to put the positive side of the case. Park homes are a positive lifestyle choice, and there is potential for them to do more in meeting housing need and allowing people to downsize, and so on. He mentioned council tax, which is a problem for park home residents. I am sure that the Minister will want to take that away with him, because it might not be a main focus of our deliberations today.

The hon. Members for Castle Point (Bob Spink) and for Newbury (Mr. Benyon) courteously made brief contributions. The hon. Member for Castle Point spoke about the positive side of the issue, particularly in respect of the large sites in his constituency. If I ever have the opportunity to visit those, it will be interesting to see the size of the community that has developed there. The hon. Member for Newbury mentioned a more formalised arbitration process to allow some issues to be resolved without recourse to the courts. As other hon. Members have said, we are often dealing with residents who do not have the financial resources to pursue legal cases and, even if they are able to get access to legal advice, with support, they may be distressed by that process, so they are not best placed to represent their interests or to put those things across effectively. Therefore they may rather acquiesce in the face of bullying.

In responding to the issues more generally, park homes make a positive contribution. In respect of the park home sites in my large, rural constituency, in nearly three years as a Member of Parliament only one case has been brought to my attention—it involved the new owner of a park taking a slightly different view of parking permissions that the previous owner had been happy to allow. That was one of those vexed issues, but it was not the sort of problem that we have heard about elsewhere in the country. In the past, I visited a site in the south of England where such problems were occurring. However, I will not mention the constituency, because I have not had the opportunity to discuss that matter with the hon. Member concerned. There was great dilapidation of the site area, park homes were being removed and the owner seemed to want to replace them with new park homes with a view to the profit that was to be made. So he was running down the site to persuade existing occupants of park homes to move on and sell to him—again, at a knock-down rate.

We are talking about people who are often older and on fixed incomes, who are particularly vulnerable to the bullying and distressing actions that we have heard about—particularly in my hon. Friend's constituency. I hope that the Minister will seriously consider my hon. Friend's suggestion about a fit and proper person. If he feels that that is not the appropriate route to go down at this stage, perhaps he will be able to offer interim arrangements that may reassure people out there on park home sites who are suffering at the moment from unjust treatment. The hon. Member for Bassetlaw mentioned his ability to sniff out injustice at some distance. One thing that unites all of us here is our determination to see that anybody who is currently living in a park home should not suffer injustice.

Finally, I want to probe the Minister on commission and the consultation undertaken in answer to my hon. Friend the Member for Winchester (Mr. Oaten) in July 2007, when the Department for Communities and Local Government set out responses, and the balance of those responses, to the different options that were presented. There seemed to be a will to shift towards 7.5 per cent. commission and to consider other ways of creating income for park home owners, but the proposals that eventually emerged from the Department were to stick with the 10 per cent. I shall be interested to hear whether the Government will re-examine that, and on what the final decision was based, given that so many responders wanted a change.

10.40 am

Mr. Paul Goodman (Wycombe) (Con): It is a pleasure to see you in the Chair, Mr. Jones.

I congratulate the hon. Member for Teignbridge (Richard Younger-Ross) on luring a small but select body of colleagues into the Chamber this morning for this debate *[Interruption.]* It may not be as small as some bodies that come here, and there has been great interest in the issue. He spoke with great lucidity and charm when introducing the debate.

One matter that the hon. Gentleman has conveyed clearly, and to which other hon. Members have referred, is that people who decide to live in park homes have made a lifestyle choice, and devote considerable care to improving their verandas, tending their gardens, and

[Mr. Paul Goodman]

building porches. They take great care of their park homes. That rang a bell with me, because for six months of the year my grandparents—they are dead now—lived in a fixed caravan on a park home site, so I have some small acquaintance from my summer holidays back in the 1970s with the park home lifestyle. Many of the hon. Gentleman's observations rang true.

The hon. Gentleman introduced us to Mr. Small. My hon. Friend the Member for Totnes (Mr. Steen) described him as a latter-day Rachman, but the hon. Member for Teignbridge was more cautious and said that the Mr. Small showed a careless disregard for people who live in park homes on his site, and he listed some of those sites in detail. I am sure that the media in his area, whose interest he was trying to arouse, will not have missed that list—they certainly should not miss it.

What emerged during the debate is that, as all hon. Members who are present have described, there are other Mr. Smalls. There is clearly a difficulty. During the debate, I was reflecting on the fact that the whole arrangement for park homes is unique and difficult. The occupier owns the home, but not the site. The site owner can charge pitch fees and commission of up to 10 per cent., and they can try to block the sale of homes. We heard details of complaints about all those matters this morning. There is structural difficulty in the whole relationship from the start.

I thought that the idea of the hon. Member for Teignbridge of occupiers having to pass a test to show that they are fit and proper people—I am not a lawyer, but I believe that that phrase is well recognised in law—is worth exploring, and hon. Members will be interested to hear what the Minister has to say about that. It is worth looking back at the legislation, and at the tensions between site owners and occupiers. The tendency over the years has been increasingly to protect occupiers all the way through from the original Caravan Sites and Control of Development Act 1960 to the Mobile Homes Act 1983, which first gave security of tenure to residents.

There is agreement that there should be proper protection for residents, and that more should be done in that regard. I have referred to the idea of the hon. Member for Teignbridge about fit and proper persons. My hon. Friend the Member for Boston and Skegness (Mark Simmonds) made an important point about transparency, and I shall ask the Minister about that. Other hon. Members have referred to a tribunal system, which is being explored in discussions between the all-party park homes owners group and the Minister. We all want proper protection. It is clear from what the hon. Gentleman said about Mr. Small and other comments during the debate that there is a problem with unscrupulous owners.

It is important to add for the record that no evidence has yet been produced in this debate to suggest that the majority of owners run their homes other than decently, so it is worth pausing to reflect on a general law of life that often arises—our old friend the law of unexpected consequences. If we rush carelessly into action on, for example, commission, there could be a consequence in what the site owners do with pitch fees, and so on. Care is necessary, and I am sure that the Minister will refer to that.

To pick up a point that the hon. Member for North Cornwall (Dan Rogerson) has made about the Government's consultation, it is worth reflecting on the figures. The Government received 834 responses favouring a reduction in the maximum commission from 10 per cent. to 7 per cent., and 161 responses favouring keeping it at 10 per cent. The Government have not yet responded favourably to the overwhelming majority of the responses to their consultation. We are, naturally, curious to know why. Do they believe that the number of responses was too low, or is there another reason? We look forward to hearing from the Minister.

In March 2007, the Government announced plans to improve transparency in the commission—the very matter to which my hon. Friend the Member for Boston and Skegness has referred. Will the Minister tell us when we can expect any planned changes to take effect? On site conditions and licensing, will he give the Chamber a timetable for the implementation of any plans to address difficulties with the current site licensing system announced in the Housing Act 2004?

This has been a good and useful debate. The hon. Member for Teignbridge should be congratulated on securing it and on his work more generally. We all look forward to the Minister's reply.

10.47 am

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): I have enjoyed today's debate, which has been excellent, and well chaired by your good self, Mr. Jones. I congratulate the hon. Member for Teignbridge (Richard Younger-Ross) on securing it, and I hope that he agrees that our meeting yesterday was productive and useful in setting out our respective lines, on which there is an element of consensus.

Richard Younger-Ross: I do.

Mr. Wright: The debate has illustrated an important point, which is a key matter for many constituents of hon. Members here today, including the good constituents of Elmtree Park in Hartlepool in my constituency. The hon. Gentleman's debate has provided a much-needed opportunity to discuss this matter, and the excellent contributions from many hon. Members have illustrated its importance. The subject is worthy of a debate longer than the 90 minutes available in Westminster Hall, and I would press for a three-hour debate on a Thursday afternoon to tease out in more detail the important issues that have been raised.

As other hon. Gentlemen have done, it is worth paying tribute to the work of the all-party park home owners group, which is excellently chaired by my hon. Friend the Member for Nuneaton (Mr. Oliver), and benefits from the commitment and wisdom of my noble Friend Lord Graham of Edmonton—Lord Ted of Ed, as he describes himself—who is its secretary and driving force, and who is a fellow north-easterner. Support for the group and its members' concern for park home constituents was demonstrated by the high turnout of hon. Members at the most recent meeting in November last year. I do not believe that I have ever seen so many hon. Members attend an all-party group, which demonstrates the strength of feeling about the matter.

The driver for today's debate is hon. Members' concerns about bad practices by owners of park home sites. I believe that hon. Members accept that those owners represent a minority in the sector and that most sites are managed by professional, competent people. That point was made well by the hon. Members for Castle Point (Bob Spink), for North Cornwall (Dan Rogerson), and for Wycombe (Mr. Goodman). In support of that view, I am aware of the efforts of trade organisations to secure high standards of performance among their members and to promote good practice. However, as hon. Members have graphically illustrated today and as I can confirm from the correspondence that I have received in my role as the relevant Minister, professionalism is not universal in the sector. Indeed, I admit that standards of management at some sites are sometimes woefully inadequate, and in some cases border on the criminal, as we have heard.

I start from the principle of wanting to incentivise good park home site owners, while penalising the bad ones. In a minority of cases, only enforcement with meaningful and appropriate penalties will change behaviour or drive unprofessional operators out of the sector. I acknowledge that further change is necessary, and I confirm my commitment to reforming the sector, specifically in the field of site licensing. However, we are not starting from a low base and, in a moment, I shall outline the improvements that have already been made to the sector.

It is right that I now address the central matter of the debate: site licensing. I recognise that there is a need to bring forward a comprehensive and effective system of site licensing to replace the scheme introduced under the Caravan Sites and Control of Development Act 1960. The comments of hon. Members have reinforced my conviction that something needs to be done to prevent unscrupulous individuals from operating in the sector. Action also needs to be taken where an individual has acted in a criminal manner that is relevant to their fitness to be engaged in the management of a park home site. Therefore, let me make it clear to hon. Members that I intend to introduce a licensing regime that requires managers of park homes and other caravan sites to be confirmed as fit and proper persons, and to have the relevant competencies to manage a specific and, as hon. Members have said, in some cases unique type of accommodation.

As mentioned by my hon. Friend the Member for Bassetlaw (John Mann), I also want to ensure that local authorities have the right tools to enforce licensing requirements and that they are properly resourced to do so. We need to ensure that any regulation is light touch, that it is clear and easy to understand and that it will neither drive good owners out of the market nor discourage suitable other persons from entering it, which is a point well made by the hon. Member for Wycombe.

A new licensing regime must meet the needs of all, be comprehensive and work in the 21st century housing market. Park homes could have an increased role in addressing the need to supply suitable and affordable housing in the years to come. Therefore, before we embark on any detailed proposals, I think that hon. Members would agree that we need to consult on such proposals and assess their potential impact. I want to hear from residents, site owners, local authorities and their representatives about how we should take matters forward.

We cannot stand still on this issue. There is need for reform and although I fully understand that hon. Members are concerned that people's patience has been stretched, I want to get it right. Knee-jerk or ill-thought-through legislation is rarely successful and often compounds the problem. We need to consider the specific details on matters such as licensing, the procedures to grant a licence, the fee regime, whether or not a licence can be transferred or assigned, how licences can be revoked on transfer of ownership or management, and other such detailed and technical matters. I hope that the hon. Member for Wycombe agrees that we should try to avoid unintended consequences or unworkable solutions.

I aim to get my response to the issue right, rather than having a race to Royal Assent. With help and support from residents and the industry, we will get it right, but it will take time. For that reason, the amendments to the Housing and Regeneration Bill tabled by the hon. Member for Teignbridge, which are due to be considered on Monday, are not the appropriate vehicle to take the matter forward. However, I hope that he and other hon. Members will accept my clear commitment to deal with the issue.

Richard Younger-Ross: With that reassurance, I am happy to withdraw my amendments to the Housing and Regeneration Bill.

Mr. Wright: I am grateful to the hon. Gentleman for that. As I have said, I hope that he is clear about the commitment that I have made. I will keep him, the all-party group and the House informed on this matter.

In the short time available, I want to discuss my proposals on site licensing. As I mentioned earlier, they include a requirement that site owners or managers are fit and proper persons and that acceptable management practices that have been agreed with the council are in place. I wish to include a requirement that sites are or can be made suitable for the number of homes specified in the licence. I also want to introduce measures to increase the level of fines for breaches of a site licensing condition and, importantly, to give local authorities powers to refuse or revoke licences granted. I want to place a duty on local authorities to monitor compliance with the licences they have granted—my hon. Friend the Member for Bassetlaw has mentioned that point—and require them to grant such licences subject to appropriate conditions. If sites are licensable and no licence is in place, either because it has been revoked or because an application has been refused, I want to introduce special measures requiring the authority to put effective and proper management in place.

Of course, the powers and duties on local authorities will need to be funded, and I intend to give them a power to charge a reasonable fee for the licences they grant. Again, close discussions need to take place about how much of that fee would be transferred to park home residents and whether that is appropriate. We have had an important debate about pitch fee reviews, and it is crucial that the burden is not passed solely on to residents. We want to make sure that the right balance is struck.

On the timetable for my proposals, I intend to consult on the matter later in the year. Again, I hope that the hon. Member for Teignbridge and the whole House are reassured on my absolute commitment to the issue. As I

[Mr. Iain Wright]

said earlier, however, I am sure that hon. Members will acknowledge that we are not simply starting from scratch. Significant changes to enhance the protection given to park home owners have taken place in the past few years.

The hon. Gentleman mentioned the park homes working party, which was established in 1998. The working party is comprised of members from across the sector who consider the operation of the existing controls on park homes. It made 30 recommendations designed to achieve a fair and workable balance between the needs and interests of home owners and park owners. The Government responded in 2001 and an in-principle commitment was made to take forward 25 of the working party's 30 recommendations. We have delivered on 20 of those, and the remaining five relate to site licensing reform. As I have mentioned, primary legislation is required to bring that reform into effect. The revision of the model standards for sites, which was also recommended by the working party, will be published next month.

As has been mentioned, I appreciate that many park home residents have been frustrated with the pace of change and think that the October 2006 changes have not had the intended effects. Therefore, they have asked for further legislation to address some of their concerns. I ask hon. Members and park home residents to allow time for reflection and bedding-in so that the initial problems relating to the creation and enactment of legislation are identified and addressed. As I mentioned with regard to site licensing, short-term and knee-jerk legislation very rarely works and often compounds the problem.

Mr. Benyon: I understand that the Minister's desire to get this right means that we should not be precipitate in our approach. However, there is a sense of urgency in relation to this issue. I have been dealing with the problem for nearly three years, but it goes back further than that. There is a degree of urgency, so can the Minister give us more of a commitment on when these matters will be resolved?

Mr. Wright: In direct reference to the hon. Gentleman's point, I was about to say that we need to be clear about our communication methods. The hon. Member for Boston and Skegness (Mark Simmonds) made a first-class contribution, in which he mentioned the importance of transparency. We are pushing further on that. It is important that residents are clear about their rights on who they can sell to, pitch fee reviews and the process of negotiation—the owner should not simply bestow changes from on high. They should also be made aware of residents associations, and I shall refer to that in a moment.

I am aware that professional trade bodies operate in the sector and that there are active residents groups. People involved with such groups give freely of their time, because they are committed to improving the lot of their members. Residents, site owners and local authorities need to engage with each other more effectively. In the first instance, the primary role for enforcing standards must rest with the local authority, and it should work with site owners to ensure they are complying with their site licences.

There are an awful lot of issues that I want to discuss, and I am disappointed that I will be unable to do so.

Bob Spink *rose*

Mr. Wright: With the greatest of respect, I am unable to give way to the hon. Gentleman, because I have only a few seconds left. I will write to hon. Members on changing the law on property to ensure that park home sites have the same responsibilities as fixed dwellings. I shall also write to them on the Government's policy on sales commission.

In conclusion, I condemn outright the bad practices about which we have heard today. I recognise the concerns expressed by the hon. Member for Teignbridge on enforcing better standards. I hope that I have reassured hon. Members with my commitment to bring forward fit and proper persons in respect of site licensing. The Government and I are committed to ensuring that we have a vibrant park homes sector.

Mr. Martyn Jones (in the Chair): Order. We must move on to the next subject.

Southwest One and IBM

11 am

Mr. Ian Liddell-Grainger (Bridgwater) (Con): It is a pleasure to serve under your chairmanship again, Mr. Jones. I am very grateful for the chance to bring the subject of this debate before the House. I shall raise extremely urgent matters that involve the public interest and may have grave implications way beyond the county of Somerset. I believe that public money is being misappropriated and I fear—I do not mince my words—corruption.

My concern relates to the creation of a new company designed to take over important responsibilities from local authorities and others without any proper scrutiny or accountability. The company is called Southwest One. People will not find it listed in the Somerset telephone directory. It has not yet submitted any company reports. It describes itself as a joint venture exercise between two councils and the multinational computer giant IBM. Its registered address is IBM's UK base in Portsmouth.

A joint venture implies a partnership, but this partnership is far from equal. It is my clear understanding that IBM will continue to own 81 per cent. of the operation. There are nine members of the interim board, seven of whom are high-powered IBM executives. The company did not get where it is today through charity. Last year, IBM turned over $98 billion and made a $10 billion profit, so where is the democratic balance in the new joint venture?

Did the two Somerset councils bring their sharpest business brains into the fray? Did they heck. In fact, there are only two potential defenders of the public interest on the board, but I am afraid that they are woefully inexperienced and gullible Liberal Democrat councillors. Their forensic ability to tackle a global concern such as IBM is severely limited. One of them is nominally in charge of Taunton's car parks. The other strums in a Yeovil jazz band and, I am reliably informed, can sometimes get a tune out of a didgeridoo. Half a million council tax payers are now represented by two rank amateurs. That is a joke. Both would be baffled by a balance sheet. They are the patsies of this bizarre outfit. It is tacky tokenism in the name of accountability.

When dealing with the delivery of local council services, top-class accountability is vital. The Government know that and we know it. Do not take my word for it: the Audit Commission has real concerns about shared service partnerships such as Southwest One. In January, it published an important report that stated:

"Councils should only deliver services through SSPs if they are prepared to manage them effectively."

Effective management ought to mean an awful lot more than two well meaning volunteers on the board of the organisation.

The Liberal Democrats run Somerset county council and Taunton Deane borough council. Their leaders pay lavish lip service to working for the people, but if their words were worth a row of beans, they would have stopped this nonsense—this madness—in its tracks. Already Southwest One has taken over the employment of 800 staff formerly on the payroll of Somerset county council and Taunton Deane borough council. Interestingly, the payslips for those employees still come from the councils, but their long-term employment rights are now stunningly vague. They have been "guaranteed" that their jobs are secure, but the small print of the guarantee—believe it or not—is not available for inspection, even if they knew what was going on.

Southwest One is an outfit born in secrecy and reliant on secrecy. Trade unionists who ask responsible questions are branded traitors. Joe Stalin would have been proud of the company. Southwest One is destined to gobble up more than £400 million of public money providing just two councils with services over the next 10 years.

Mr. David Heathcoat-Amory (Wells) (Con): My hon. Friend has mentioned investment. Is he aware that the county council explanation of the scheme mentions Project Taunton, which is a regeneration project for that town? This is at a time when the county council is denying funding for much-needed improvement to the Somerset coast road, which serves the holiday industry north of Burnham-on-Sea up to Brean. Does my hon. Friend believe that there is a danger that the scheme will lead to more investment by the county council—based in Taunton—in Taunton, at the expense of the peripheral areas of Somerset? Does he believe that the county council is being open enough about its investment intentions following the project?

Mr. Liddell-Grainger: I thank my right hon. Friend for his intervention. He is, as usual, perceptive and to the point. Yes, I agree. The county council has always been Taunton-centric. His experience is greater than mine: he has been an MP for much longer. We all know that the council has stifled investment in other parts of Somerset. MPs such as me and many others, including, dare I say it, Liberal Democrats, have had concerns about that. My right hon. Friend is right. Why should the council be Taunton-centric? Surely Southwest One is part of the answer. They want to keep the money in the centre and not give it to the peripheries, such as Brean, Highbridge and Wells.

The creators promised that the scheme would save a lot of money—£200 million, which is the equivalent of a £20 million cut from existing budgets every year. Last night, I was bombarded with documents from Somerset county council hoping to convince me of the savings. I read them all. They all mentioned the magic word "guarantee", but it is all aspiration; it is not an explanation of what is going on. Somerset people are being asked to believe in fairies, and we do not. Painless savings cannot be made unless there are real economies of scale, and they certainly cannot be guaranteed. In other words, many public authorities need to be on board to justify the cost, and even then some brutal job cutting will be needed as well.

Assuming that the instigators of the scheme were not complete idiots, there had to be a viable plan to get several local authorities involved at once. There was: Somerset county council's bid to become a giant unitary authority. Last year, the council appealed to the Government for permission to take over the responsibilities of five district councils. It was a half-baked and stupid idea. The sums had not been done. It was said that there could be a saving of £27 million and that only 65 jobs would be got rid of—lunacy. The plan would have left Somerset people democratically unrepresented at local level and created the most unwieldy local government monster.

[Jonathan Shaw]

application may be crucial to a wider development agenda. I am reassured to hear from my hon. Friend that Derbyshire county council has adopted just such an approach in its area, and that it has increased the resources available for determining the applications that have already been made.

We do not accept that planning permission should override claims to register new greens, any more than it prevails over any other third-party rights, such as rights of way, easements, rights to light and restrictive covenants. Indeed, it would be inappropriate to impose a cut-off on applications to register new greens as soon as planning permission for development of the site was granted, because it might encourage developers to act as quickly as possible, perhaps forsaking community engagement, to have plans approved.

My hon. Friend will know of developments where there has been good, positive community engagement, which eases concerns within communities and allows developments to take place.

Tom Levitt: I hear and respect what my hon. Friend is saying. However, the 10-year development plan, which is considered with full public engagement and consultation, is the time to decide on medium and long-term land use; not to look at every aspect of land use apart from town and village greens, which are then considered ad hoc, piecemeal and separately.

Jonathan Shaw: I have undertaken to meet my hon. Friend to look at his local circumstances. We have not seen the High Peak phenomenon elsewhere in the country. We must look across the board, but I should be happy to consider particular circumstances.

I have not much time, and my hon. Friend wants to know what the Government are doing about the situation. We recognise that there are difficulties, and it seems that his constituency is a hot spot. The survey of registration activity that we undertook last year found an increasing level of applications for registration, but it is too early to conclude that there is a huge and increasing trend. We already enable local authorities and others who want to develop greens to apply to the Secretary of State to change the status of the green, as my hon. Friend mentioned.

We are grappling with a complex policy area, the history and law of which stretch back several hundred years. I learned very quickly from the 2006 Act—as my hon. Friends the Members for High Peak and for Stroud (Mr. Drew) know—that there are no simple answers to the complexity of the questions that arise. Even so, I hope that my Friend the Member for High Peak accepts that in this brief debate, I have gained some understanding of the problems in his constituency that he described, and that I will keep them in mind as we develop measures for the full implementation of part 1 of the 2006 Act. The regulations that currently govern the registration of new greens in England are described in the Act as "interim arrangements", and we have the opportunity to rethink them when we fully bring part 1 into force. I am hopeful that, as we proceed with implementation, we can tailor the measures to ensure that the balance does not tilt too far in favour of any one part of the community against another. My hon. Friend has articulated concerns; I have offered to meet him, and I am sure that the discussion will continue.

It being Two o'clock, the motion for the Adjournment of the sitting lapsed, without Question put.

Westminster Hall

Wednesday 26 March 2008

[MR. MARTYN JONES *in the Chair*]

Park Home Sites

Motion made, and Question proposed, That the sitting be now adjourned.—*[Liz Blackman.]*

9.30 am

Richard Younger-Ross (Teignbridge) (LD): The issue of park homes has been debated in this Chamber and in the House for a number of years. Different Governments and different Ministers have tried to grapple with the complex problems of those who seek a simpler lifestyle in a park home. I shall define what a park home is, because a lot of people, when they hear "park home", have the idea that it is some little chalet by the sea. A park home is not a chalet by the sea. It is, by and large, a mobile home—what we used to call a caravan once upon a time—which is not a home fixed to the ground but one that rests on a pitch. I understand that to be the definition.

Bob Spink (Castle Point) (Con): Will the hon. Gentleman give way?

Richard Younger-Ross: Before I have even started?

Bob Spink: I congratulate the hon. Gentleman on bringing this important subject before the House. My constituency has the biggest and best park home site in the country; more than 1,000 people live on it. The homes there are not caravans, and they are not mobile. They are like small chalet bungalows. They are beautiful little homes that offer their residents an awful lot, as I will say if I catch your eye, Mr. Jones.

Richard Younger-Ross: The point is that park homes are not fixed to the ground. That is important. They are mobile, and can be moved. Often, when they are moved, they are dragged rather than towed.

There are wonderful magazines that promote the purchase of park homes. I have here a magazine called *Park and Holiday Homes.* The picture on the front cover shows a wonderful little chalet-style property with big windows that probably measures 40 ft by 20 ft. Such homes are rather different from the sort of mobile home in which I was brought up. My parents had the misfortune to run into financial troubles, and we ended up living in a caravan—we called them caravans then—between 1964 and 1969. Ours was 22 ft by 7 ft. Modern ones are entirely different, and people live in them for entirely different reasons. For us it was the force of economic circumstance, or perhaps lack of economic circumstance—I am not sure which, but we were certainly forced—but nowadays people take a lifestyle choice to move somewhere beautiful to a home that is compact and easy to maintain, and often sold to them with the idea that they can be part of a wonderful community.

For many people, that is the reality. I can visit many beautiful park homes in my constituency that are located in an idyllic part of Devon—we all know that Devon is idyllic—where people wish to reside. However, not all of them are beautiful. There are some issues with the legislation, particularly concerning what sort of people should be allowed to run the parks. Some fail to run them fully and properly, and there is always debate about whether the people who run them should be fit and proper. On Second Reading of the Housing and Regeneration Bill, I highlighted for the House how one particular park owner, Mr. J. Small, dealt with the residents of his park.

Mr. Andrew Turner (Isle of Wight) (Con): I congratulate the hon. Gentleman on securing the debate. Does he agree that greater protection is needed for park home residents, particularly when they want to sell, and that communication of their rights and responsibilities could be greatly improved?

Richard Younger-Ross: I agree entirely. I believe that Mr. Small may have purchased, or may be about to purchase, a site in the hon. Gentleman's constituency. I recommend that he visits it to see how Mr. Small gets on.

David Taylor (North-West Leicestershire) (Lab/Co-op): Park homes, although they are predominantly in coastal and tourist areas, are not found only there. They are an inexpensive alternative for many people, but one of the things inhibiting mobility is continuing high commission on the sale of park home sites. Although it has decreased from 20 to 15 to 10 per cent. over the years, two-thirds of people who responded to the recent Government consultation supported the view that it should be reduced further to 7.5 per cent., or perhaps even lower. Is the hon. Gentleman disappointed that the Government have yet to respond to that suggestion in any positive way?

Richard Younger-Ross: I hope that the Government will consider the issue again and respond to it. I note that they have consulted, but the question about the drop from 10 to 7.5 per cent. involved no corresponding rise in pitch fee. If one talks to those in the industry, they say, "We get our money from here, and we get it from there"—I shall come to the three main sources later—so they want to balance their income. If there is a cut in commission, as there probably should be, how should the pitch fee be adjusted to account for that loss of income? The Department for Communities and Local Government should be considering that, and perhaps some slightly deeper and more complex consultation should be undertaken. I am sure that the Minister, unless he wishes to intervene now, will respond in the—sadly—brief time available to him at the end of the debate.

Mr. Anthony Steen (Totnes) (Con): I congratulate the hon. Gentleman on bringing the matter to the attention of the House, but I do not want to leave Mr. Small. Is the hon. Gentleman aware that I have two park homes in my constituency where Mr. Small behaves like a latter-day Rachman? He terrifies the residents, frightens the inmates and does none of the work that he has committed to do. Does the hon. Gentleman have any idea what we can do to drive Mr. Small out of our area of Teignbridge and south Devon?

Richard Younger-Ross: The hon. Gentleman makes a good point. I noticed some laughter when he used the word "inmate", but some people on those sites do feel like inmates. They feel imprisoned, particularly if they

[Mr. Parmjit Dhanda]

partnership, he would be well within his rights to present it to the district auditor, as I am sure that he will. The district auditor is the right person to investigate such matters.

Central Government can and do facilitate the sharing of information and good practice about shared services, so that councils can make the most of the opportunities through partnerships with the private or third sectors, or other parts of the public sector. The Government believe that there are opportunities to be exploited from partnership working, and the hon. Gentleman agrees. A good, well run partnership can deliver a combination of the following: increase councils' capacity to bring about transformational and radical improvements in service; enable a stronger focus on the needs of service users; secure valuable efficiency gains, including through economies of scale; help to break down cultural and organisational barriers to improvement; combine the skills and expertise of different partners; provide the means for innovation and flexibility, which would enable services to be delivered in a way that would not be possible for councils working on their own; and lever in new capital resources. However, I am sure that hon. Members have heard the concerns expressed by the hon. Gentleman and other local Members of Parliament about what is happening in their locality.

Councils also understand the benefits that can be enjoyed through partnerships that work. More than half of all councils say that they are engaged in, or are considering entering, a service partnership and that they expect to obtain savings of up to around 15 per cent. as a result. Pendle borough council is one such example. In 2005, it formed a partnership with Liberata Ltd to cover customer services, revenue and benefits, property services, information and communications technology, and human resources. Having listened to the hon. Gentleman's contribution, he has a problem not with the principle, but with what has happened in his local area and the process by which it has happened. Pendle generated savings of around 12 per cent. of costs on the services that were transferred, improved service delivery through, for example, better council tax and national non-domestic rate collection and assisted in regenerating Nelson town centre through the construction of a business centre on a derelict site. That is one example of what can be done when local authorities get such partnerships right.

Of course, a partnership approach to service delivery might not be the best solution for improving value for money in every circumstance. Certainly, whether partnership working is the most appropriate means of improving the efficiency and effectiveness of a service depends on a number of factors, principally relating to the capacity and capability of a local authority. The recent Audit Commission report, "For better, for worse", identifies a number of the factors that local authorities need to address to form a successful partnership. The report looked at partnerships that have lasted 10 or 15 years for delivering services such as council tax collection, information technology and property management. It examines why some partnerships have, and why others have not, generated all the expected benefits of partnerships with the private sector, which include greater flexibility, economies of scale, innovation, and risk and profit sharing. However, I heard what the hon. Gentleman said about the take-up of the partnership in his locality—he feels that two local authorities is a small level of take-up.

The capacity and capability issues that the report identifies include inadequate management of contracts, inappropriate risk allocation and a lack of proper incentives for partners to pursue shared goals. The report also makes clear the importance of flexibility in partnerships, so that they can adapt effectively to meet changing circumstances. I should like to add a caveat as a local Member of Parliament who is also a Minister. It is helpful, and in the interests of local authorities, to work with, and to give as much information as possible to, local Members of Parliament—I have always found that that is very helpful.

The hon. Gentleman has certainly put his views strongly in the debate. It is a matter for Southwest One and the local authorities, although I hear and understand what he has said. As he has outlined, he has also received a response from my right hon. Friend the Secretary of State. I shall watch to see how the matter progresses in the coming weeks and months ahead.

11.29 am

Sitting suspended until half-past Two o'clock.

Atomic Weapons Establishment Aldermaston

2.30 pm

Jeremy Corbyn (Islington, North) (Lab): I am pleased to have secured this debate. We are a thin audience this afternoon; others have obviously found President Sarkozy's attendance in the House a greater attraction than a debate on the future of Aldermaston, but there you go. I declare an interest in the matter: I am the national vice-chair of the Campaign for Nuclear Disarmament and have been for some time. Indeed, I have been a member since the age of 15.

I was at Aldermaston on Monday afternoon, when a large demonstration of CND supporters and opponents of nuclear weapons surrounded the establishment at 2.30 pm to commemorate 50 years since the first Aldermaston march, to show our concerns about Aldermaston's phenomenal cost and its continuation as a site for the development of nuclear weapons, and to protest against this country's possible nuclear rearmament, to which I shall come in a few moments. The chair of CND, Kate Hudson, said in a *New Statesman* article on 20 March that

"you—like I on a recent visit—will probably be stunned by the sheer size of the buildings that are being constructed at the site. The new facilities will house a range of equipment, which will be used to simulate the effects of nuclear testing—so that new warheads can be developed without actually contravening the Comprehensive Test Ban Treaty, which outlaws nuclear tests."

She then goes on to describe the development of the new computer and all the costs associated with it.

I want to draw the House's attention to a number of issues concerning Aldermaston, but I shall first go into a little of the history of Britain's involvement with nuclear weapons. Britain was involved in the Manhattan project during the second world war; indeed, Sir William Penney was central to the project. After the war, the British were denied access to US nuclear secrets under the McMahon Act and the US refused to pass back many of the nuclear secrets developed at Los Alamos by British and other scientists during the second world war, so instead, the British set up Fort Halstead in the north Kent downs near Sevenoaks. It was an old 1892 fortress, one of a ring of fortresses around London. In 1950, the site was moved to a farm at Aldermaston, near the former RAF base. For many years, Ordnance Survey maps did not recognise AWE Aldermaston—it was just put down as Aldermaston farm—so demonstrators going there would look for the farm, and then they would see that massive place used to develop nuclear weapons.

Aldermaston is a huge facility by any stretch of the imagination. I have been there on many occasions for various demonstrations and have always been concerned by its size, but I am concerned above all by its cost and purpose. Nuclear weapons are expensive and extremely controversial. The nuclear weapons expenditure planned for AWEs between the financial years 2008-09 and 2010-11 amounts to £2.65 billion: £800 million in the forthcoming year, rising to £900 million and then £950 million. Over those three years, the Trident replacement programme will add up to another £900 million and other expenditure a further £2 billion, leading to a total expenditure on nuclear weapons of £5.8 billion in the next three years, excluding present running costs. Those are phenomenal amounts of money.

On 30 October, after I asked a question about additional funding and what it meant, the Secretary of State for Defence confirmed the figures that I just mentioned for additional funding from 2008 to 2011. The strategic defence review stated that AWE running costs in 1997-98 were £302 million. We are seeing a large increase in expenditure at AWE Aldermaston, and the intention in forthcoming years is to spend even more on it. The total spend on new investment from the main Ministry of Defence budget will be £1.35 billion. There are many other figures that I could quote, but I wanted to give those as examples of the huge expenditure on AWE Aldermaston and the development of nuclear weapons.

A number of issues have been raised by people who live in the area, environmental campaigners and others about the environmental impact of nuclear weapons, particularly the issue of Aldermaston and related facilities at Burghfield in Berkshire and the transport of weapons after development to the Clyde naval base, which is, obviously, a long way away. According to an MOD assessment dated 15 December 2004 and released to the then Green MSP Mark Ruskell in 2005, there was a risk of an "inadvertent yield" from a nuclear warhead, resulting in lethal doses of radiation. It said that "multiple failures" triggered by a vehicle pile-up or aircraft crash could mean that

"the nuclear weapon may not retain its single point safety nature".

That is the main barrier to an accidental nuclear explosion. The MOD said that the risk was extremely low, and therefore acceptable

"when balanced against the strategic imperative to move nuclear weapons."

The risk of an inadvertent yield, or a small nuclear explosion, was confirmed in a second MOD assessment obtained under freedom of information law and published in *New Scientist* in July 2006. The assessment again related to the danger of an explosion caused by an accident. A response to an FOI request by an anti-nuclear group confirmed that there was serious risk of a terrorist attack on the nuclear bomb convoy. David Wray, the MOD director of information, said on 4 May 2006:

"Such an attack…has the potential to lead to damage or destruction of a nuclear weapon within the UK and the consequences of such an incident are likely to be considerable loss of life and severe disruption both to the British people's way of life and to the UK's ability to function effectively as a sovereign state."

That is pretty chilling stuff.

Another report, published in July this year, revealed that bomb convoys have suffered 67 safety incidents during the past seven years, including mechanical faults and equipment failures. The safety of nuclear bomb convoys is not,

"as far as I am aware,…subject to any independent regulation. The MOD will tell you that the convoys are regulated by their own internal regulators. In 'Fact Sheet 6' on nuclear safety provided by the MOD"

for a meeting,

"it states: 'Where the Ministry of Defence is exempt, or the law does not apply, the Defence Nuclear Safety Regulator…provides independent internal regulation of the nuclear propulsion and weapons programmes, using near-identical processes and standards.'"

At the very least, we should be asking for independent external assessment of the risks involved and the dangers to the community. The report from which I am reading

[Jeremy Corbyn]

also raises many questions about the safety of Coulport and Faslane, but that is not part of today's debate, although it is clearly linked to what we are discussing.

Moving on to the future of AWE Aldermaston, a great deal of money is being spent to develop that bomb-making facility. The warheads are transferred to Clyde and fitted to British nuclear submarines, which are then sent out on patrol. They form part of our ill-named independent nuclear deterrent. I have two huge concerns: first, about the development of the Aldermaston site, about safety at that site and the one in Burghfield and, in particular, about the danger from polluted waste from the building leaching into ground water and other bodies of water. The second concern is about the clear dangers involved in moving nuclear explosives along ordinary roads around the country—from Aldermaston several hundred miles to Scotland. We need to consider the huge safety issues involved.

What is it all for? This country is a signatory to the treaty on the non-proliferation of nuclear weapons, signed in 1970, which requires signatory states that are not nuclear powers or holders of nuclear weapons not to own or develop them, or cause them to be developed. In many cases, it has been fairly successful in achieving that aim. Those countries that are declared nuclear weapon states—China, Russia, France, Britain and the United States—are required to take steps towards eventual disarmament and to promote disarmament. I would argue, therefore—this argument has much legal back-up—that the development of a new generation of nuclear weapons, the expansion of the bomb-making facility at Aldermaston and the huge costs involved are in breach of the principles behind the non-proliferation treaty, because it requires us to move in the opposite direction. We are not moving in the opposite direction, but in the direction of developing a new generation of nuclear weapons.

Last year, when the House debated the replacement of the Trident nuclear submarine fleet, we were assured that Britain adhered to the non-proliferation treaty and that there would be a further vote in the House on the development of a new generation of nuclear weapons. The figures that I just quoted indicate that we are spending several hundred million pounds every year on AWE Aldermaston, where a huge capital programme is going on that appears to be making way for the development of a new generation of nuclear weapons. None of that was subject to a debate in this House, other than in the debate on the Trident fleet. However, as I understand it, there has been no specific debate on the levels of expenditure at AWE Aldermaston. I hope that the Minister can throw some light on that and on the associated safety considerations.

We are talking about a facility that has grown like Topsy since the early 1950s, when it was opened as a research establishment before passing over entirely to AWE. There is now a large degree of public sector involvement in its development and running, hence the murkiness and secrecy surrounding it. Many brilliant people work there. When pressed, the Government often say, "Yes, we adhere to NPT; yes, we are in favour of nuclear disarmament; yes, we are in favour of peace negotiations; and yes, we would like a decommissioning laboratory to be developed." What plans are there to use that skill, brilliance and intelligence at Aldermaston and elsewhere to provide a facility for nuclear decommissioning, rather than nuclear construction? Clearly, the skills are there to achieve that.

It seems to me, as it seemed to many others at Aldermaston on Monday, that we live in a world deeply divided between rich and poor that faces enormous environmental consequences from climate change and other massive problems. Does the fantastic level of expenditure on the development of atomic weapons at Aldermaston actually do anything to make the world a safer or more secure place, or does it merely feed huge sums of public money into the arms industry to create nuclear weapons? I hope that the Minister will say that we will never use them, but if that is the case, why have we got them in the first place? I remain committed to nuclear disarmament, because I do not believe that such weapons make us safe or secure. In fact, they make life more dangerous for the entire planet.

Harry Cohen (Leyton and Wanstead) (Lab): My hon. Friend is making an excellent speech. Will he give us his opinion on nuclear power? Some, including myself, suspect that the new efforts to develop nuclear power are not about energy—that is not the best way to deal with the global energy challenge—but about producing fuel for a new generation of nuclear weapons? That might not be true, but it is my suspicion.

Jeremy Corbyn: That is slightly wide of the question of AWE Aldermaston, but as my hon. Friend points out, there is a question about the weapons grade plutonium required for nuclear weapons, which can come only from reactors used in the civil nuclear power programme. I have always been very suspicious of the way in which we promote the development of nuclear power in this country, of our overt and covert subsidies of the nuclear power industry and of the fact that, however it is dressed up and presented, nuclear waste remains dangerous, live and lethal for at least a millennium. Exactly the same argument applies, therefore, to the waste produced in developing nuclear bombs, and to the whole manufacturing process. We cannot un-invent nuclear power and weapons and nor can we wish away the waste that we already have, but we can stop producing more of it, which I believe would be an important way forward.

In two years' time, the non-proliferation treaty review conference takes place in Switzerland, and the preparatory committee, which meets every year, will meet at the end of April and beginning of May this year. When the British Government present their case to the preparatory committee, I hope that they will indicate that we will curtail the development and expansion of AWE Aldermaston and not develop a new generation of nuclear weapons, and that instead, we will offer the facilities for a decommissioning programme for other countries that also want to divest themselves of nuclear weaponry. That is not pie in the sky—it was hinted at in a speech made by the then Foreign Secretary, my right hon. Friend the Member for Derby, South (Margaret Beckett), and in recent remarks by the Secretary of State for Defence.

I look forward to hearing what the Minister has to say, and I hope that he will recognise that the debate about the development of nuclear weapons is important,

given the levels of public money involved and the environmental impact. However, it is particularly important when one considers what we are actually doing at AWE Aldermaston: developing weapons of mass destruction. They do not make for a safer or more secure world but, I believe, for an infinitely more dangerous one.

2.48 pm

Mr. Richard Benyon (Newbury) (Con): It is very nice to serve under your watchful eye, Mr. Jones, for the second time today. I congratulate the hon. Member for Islington, North (Jeremy Corbyn) on securing the debate. Although he and I come at the issue from very different directions, I, like him, must declare an interest.

Last year, when we debated the replacement of Trident, the right hon. Member for Banff and Buchan (Mr. Salmond), now the First Minister of Scotland, in response to an intervention from the Conservative Benches, asked how we would like to have a facility like Faslane on our doorsteps in the Thames valley. If I remember rightly, I invited him into my bedroom—not something that I expected to do when I entered the House—because from there one can see, just across the valley, the rooftops of AWE Aldermaston. I own land in that part of the world, close to the AWE and extending right up to the fence of the Royal Ordnance factory in Burghfield. In that part of the Thames valley—Kennet valley—we have become very used to such facilities over the past half century. Not only do we have Aldermaston and Burghfield, but Greenham Common, where American cruise missiles were so memorably based back in the 1980s, is just up the road. I may refer to that later in the context of Aldermaston.

The AWE facility is in my constituency, and I suspect that shortly it will overtake Vodafone to become my constituency's largest employer. I am a great supporter both of the centre of excellence that it has become, and of many of the wonderful people who work there and live locally. I am delighted that the hon. Member for Islington, North went to my constituency; I hope that next time he visits, he will let me know and we can have a debate with local people about that important facility in their area.

What first strikes people when they visit the AWE is the great emphasis on safety. Almost the first thing that I did when I was elected was to request a visit, with the assistance of the Minister's predecessor; its purpose was to see the safety procedures for myself and be reassured, as best I could as a layman, that the site was as safe as possible for local people.

I was also shown around the museum, which is a horrific catalogue of weapons of mass destruction. Let us not forget that is what we are talking about. Whatever our views on nuclear weapons, they are horrific weapons of destruction, but in fact the man who showed me around was enthusiastic. When he showed me a small device that an aircraft could deliver in a battlefield scenario, I asked, "What would happen if the plane that was training with them crashed?" His reply was one of the best euphemisms I have ever heard; he said, "Don't worry about that, sir. The casing on this device is designed to withstand a multi-penetration insult." I have never come across a more fantastic euphemism than that, so I wrote it down in my book when I got home.

Nevertheless, we must remember what we are talking about: probably the most important issue that can affect the future of mankind, alongside climate change. The Atomic Weapons Establishment at Aldermaston, as I have already said, is a centre of excellence for science and engineering. Although I wish it did not need to exist, let us look at that positive fact, because an enormous amount of the skills from the work at Aldermaston have gone on to assist in the civil areas of science, plasma physics, engineering and many other civilian developments. Many of those advances would not have come about but for the dedication and professionalism of the work force at Aldermaston. The new Orion centre, which is possibly one of the new buildings to which the hon. Member for Islington, North referred, offers fantastic opportunities for non-nuclear weapons-type development of science and engineering, and I understand that there are great plans to involve a range of civil organisations in the work that takes place there.

As I said earlier, I wish that the Atomic Weapons Establishment at Aldermaston did not need to exist, but let us consider what is going on in the world in which we live. Let us talk about proliferation. We see the development of nuclear weapons in countries such as India and Pakistan, and in other areas such as Iran and North Korea. Who are we to say what kind of world we will be living in over the next 20, 30, 40 or 50 years, which is the time scale for the replacement of the Trident submarine fleet? No one in this place or beyond can second-guess exactly what kind of world we will be living in, and I cannot identify a single state or group of states that, as we sit here today, we would wish to threaten with our nuclear weapons. However, there may come a time when the deterrent effect of nuclear weapons might just secure the future for our children or their children.

Jeremy Corbyn: May I gently remind the hon. Gentleman that all of Africa, all of Latin America and most of central Asia have already declared themselves nuclear weapon-free zones and have no plans whatever to develop such weapons or to invite people in to develop them? They see that as their contribution to peace in the world. Does he not agree that we should think about doing the same?

Mr. Benyon: The hon. Gentleman has a problem with the whole concept of nuclear weapons, and we must disagree. I believe that the deterrent effect of nuclear weapons was one reason why we were able to face down the Soviet threat and to win what many people refer to as the cold war. I shall come on to the benefits of that in terms of Greenham Common, but it is simply not good enough to say that there are regions of the world which have stated, as we sit here today in 2008, that they have no intention of developing nuclear weapons. It is perfectly possible to acquire from other countries the ability to deliver some sort of nuclear device some time in the future, and I do not want to second-guess or gamble with our future interests or those of future generations, as members of CND seem able to do on a whim.

Harry Cohen: I do not want to interrupt the hon. Gentleman's speech, but will he explore a little more the so-called deterrent effect? I think it has been massively

[Harry Cohen]

overstated, but if it is so important, surely Iran should have nuclear weapons to deter other people from attacking it.

Mr. Benyon: The hon. Gentleman is entirely wrong. We do not want potential rogue states developing nuclear weapons.

Harry Cohen: As a deterrent.

Mr. Benyon: I am talking about a deterrent in terms of how we managed up until the 1980s.

Let us look—*[Interruption.]* I shall discuss why I believe that deterrents work. If the hon. Gentleman wants a living, breathing example of the peace dividend and the success of the policies of—he will not like me saying this, but I believe it is true—President Reagan and Margaret Thatcher in facing down the SS20 threat from the Soviet forces in eastern Europe and the Soviet Union, he should go to Greenham Common. On the site, he will see a decommissioned base, the longest runway in Europe, which has been ripped up to form the basis for the Newbury bypass, more jobs in peacetime industries, small businesses, and high-tech industries. That is no thanks to the peace women who stood at the door—

Harry Cohen: It is thanks to President Gorbachev.

Mr. Benyon:—or to the muddled thinking of CND, but with great thanks both to visionary leaders of the west and, I concede to the hon. Gentleman, to President Gorbachev.

Jeremy Corbyn: *rose*

Mr. Benyon: We are moving off the point and I shall be ticked off in a minute, but I shall give way a final time.

Jeremy Corbyn: Since the hon. Gentleman mentions Greenham Common, he should remember, as he acknowledges, that the long-running Greenham women's peace camp was a beacon for peace campaigners throughout the world; it changed atmospheres and attitudes, and attracted people from throughout the world. Surely, it is in part a tribute to them that Greenham Common is no longer a nuclear base but mainly a park.

Mr. Martyn Jones (in the Chair): Order. I am sure that the hon. Member for Newbury will not be drawn along that path.

Mr. Benyon: I link the demonstrations at Greenham Common with what took place at Aldermaston because they often took place on the same day, so it is relevant. However, I maintain that they bore no relation to the time scale of SS20 missile dismantling and the reduction of the threat from the Soviet Union. In fact, if anything, they delayed it because it gave some comfort to the Soviet leadership that there were people in the west who wanted us to disarm unilaterally. The hon. Member for Islington, North can turn to no better adviser on the subject than Nye Bevan, who said, "Do not send me naked into the negotiating chamber." That is the best condemnation of the unilateralist approach that I could ever quote.

Despite the billions of pounds that we funnel into intelligence services and organisations throughout the world, most of the wars that have taken place since 1945 have caught us on the hop and taken us entirely by surprise. They include Yom Kippur, the six-day war—arguably—and certainly the invasion of the Falklands, as well as the invasion of Kuwait and a number of other conflicts in which both sides used large amounts of resources and suffered large numbers of casualties, with appalling consequences.

Those conflicts caught our intelligence organisations completely unaware, and I have no faith that our intelligence services can give us a guarantee that they now have greater ability to foresee aggression by rogue states or groups of rogue states. I would love to live in a world where Aldermaston could be decommissioned because there was no conceivable threat, but we must remember that the time scale for the maintenance of our nuclear deterrent requires us to start developing platforms such as the submarine fleet, which will come into service in 2022 and remain in service until 2050, and that is the period during which we will have to second-guess events.

I have spoken about Greenham Common. I would like to see Aldermaston decommissioned and real jobs replace the growing number of posts that are needed to maintain our nuclear deterrent. However, we must ask ourselves whether we want to second-guess the state of the world in several decades' time. Can we be sure of our relationships with any other country over that time? Have those who supported CND in the 1980s not learned that unilateralism did not work then and that it will not work now or in the future?

On the point that the hon. Member for Islington, North made about the non-proliferation treaty, I respond that we are going in the right direction. We are perhaps not going as fast as any of us would like, but we will see the number of missile warheads reduced from 200 to 160. I grant that it is still a devastating amount of ordnance, but we are certainly going in the right direction. I have looked as closely at the issue as I can as a layman—I have received advice from the House of Commons Library, the Department and a host of organisations—and I believe that we are very much within the terms of the nuclear non-proliferation treaty. I look with interest to see how the Government will approach the next round of talks on it.

I finish by paying great tribute to the people who have worked at Aldermaston over the past 50 years. They have done a difficult job in surroundings that are not at all glamorous. The dedication that they have shown has gone unthanked in many ways, so I was delighted when, at my behest, the previous Prime Minister, Tony Blair, paid tribute to their work in the House. The future of Aldermaston must be linked to our long-term appreciation of the threats faced by Britain and the world. Given that those threats are so uncertain, the excellent work that continues to be done quietly in that part of west Berkshire will remain a beacon for the rest of the world.

3.3 pm

Willie Rennie (Dunfermline and West Fife) (LD): I congratulate the hon. Member for Islington, North (Jeremy Corbyn) on the excellent prosecution of his

case. I also thank the hon. Member for Newbury (Mr. Benyon) for his extensive inside knowledge of Aldermaston.

We must commend and congratulate the peace campaigners on the past 50 years of protest at Aldermaston. Without doubt, they managed to put the nuclear issue at the centre of political debate in the past five decades. They had their first protest meeting in London in February 1958 and their first march at Aldermaston that Easter. They managed to ensure that the whole world sat up and listened to the call for nuclear disarmament, which, in those days, meant unilateral nuclear disarmament. They attracted people from across the political spectrum, including Quakers, church leaders, trade unionists, members of the Labour party and some members of the Liberal party.

That changed the atmosphere in the world, and it changed the debate about nuclear disarmament and the need for nuclear weapons. It was not so long before that the bomb had been dropped on Nagasaki, in Japan, so that was fresh in many people's minds and fear about the threat of nuclear weapons gripped the world. It is therefore important to recognise that people must be allowed to continue to protest at establishments such as Aldermaston. They must have their free speech protected and their right to protest maintained, and any thought that those rights should be restricted in any way should be sent packing.

As I have said, the debate at that time was all about unilateral nuclear disarmament. In the 1980s, debates split my party, as it was then, and the alliance between those who were in favour of multilateral disarmament and those who were in favour of unilateral disarmament. The debate has moved on considerably since then and seems to be between those who are in favour of putting nuclear disarmament on the agenda and those who would rather brush it under the carpet. That is where the divide seems to be now.

This week, I had a look at the CND website and many of its publications, and the word "unilateral" does not appear that often these days. The debate now is about trying to get disarmament up the agenda and to build as broad a consensus as possible. That is where the hon. Member for Islington, North and my party have common cause. We believe that nuclear disarmament should be at the top of the agenda, particularly leading up to the 2010 talks. In that respect, I have been particularly impressed by Kate Hudson of CND, who takes an inclusive approach to nuclear disarmament. She includes as many people as possible in the debate, in contrast to the exclusive debates of the 1980s, when we had the unilateral tactic, rather than the strategy of trying to achieve disarmament.

The 2010 talks are coming up very soon, and the preparatory talks are being organised. Those talks will give us an important opportunity to consider the work that goes on at Aldermaston. We had quite a successful round of nuclear non-proliferation talks in 2000, and I commend the excellent work that Robin Cook did in that respect. However, 2005 was considered a major failure, and I hope that we grasp the opportunity that 2010 presents to run down nuclear weapons over time.

Last week, the Prime Minister's security statement included a large section on nuclear disarmament, and he had some fine words to say about the issue. He called for the "control and reduction" of nuclear weapons and talked about

"ultimately freeing the world from nuclear weapons".

He also said that we in Britain

"are ready to play our part in further disarmament." [*Official Report*, 19 March 2008; Vol. 473, c. 927.]

Those are great, fine words, but actions speak louder than words. Last year's decision to renew Trident was premature, because we all know that it did not need to be made until 2014, when the main gate comes. That is all tied in with Aldermaston, because the new investment there is connected to the renewal of the nuclear deterrent. Obviously, we need to upgrade the facilities at Aldermaston, if we are to have an effective facility there, but there is no doubt that extra investment will tide us well now that we have decided to renew Trident.

At this point, I want to make the Liberal Democrat position clear. We are in favour of nuclear weapons and a nuclear deterrent, but we want to be in a position to negotiate those weapons away over time and, indeed, to be in the best possible position to negotiate them away in time. We regard them as a necessary evil at present, but we should negotiate them away over time. We accept that Aldermaston is part and parcel of the nuclear weapons system, and transportation to Coulport is something that we must accept. However, many questions must be asked about the transportation of the warheads to Coulport and the naval base on the Clyde, and I hope that the Minister will address some of the issues raised by the hon. Member for Islington, North.

It is vital to give everyone in this country absolute confidence that safety is the paramount concern. We need to make sure that the proper systems are in place, and I hope that the Minister will consider some form of independent external assessment for the regime. Obviously, security considerations need to be attended to so that no information can leak about when warheads are to be transported to Coulport, but I am sure that a system could be devised to give people such as the hon. Member for Islington, North and myself the confidence that safety is paramount.

The hon. Member for Islington, North raised the question of the amount of investment going into Aldermaston. It amounts to considerable sums—the figure of £5 billion has been mentioned. That is going on the new ORION laser, which replaces the HELEN laser and the hydrodynamic tester. I was in the fortunate position last year of being able to visit Aldermaston with the Select Committee on Defence. It was a very informative visit, in which top-class researchers showed us around the facilities. It did not mean an awful lot to me as a biologist. It seemed like an awful lot of expensive technical equipment in big caverns. However, there was in reality a lot happening on the site, and it attracts many top-class scientists. Part of the battle is making sure that Aldermaston, which is an essential part of the nuclear weapons system, is not deskilled, and that we attract the brightest and best to that facility, especially when we are, unfortunately, developing civil nuclear facilities in power stations. There will be huge competition for such scientists, and we need to ensure that proper investment is made in the establishment, so that safety standards are maintained and there is absolute confidence in the system.

[Willie Rennie]

I want to mention the sell-off of the British Nuclear Fuels Ltd part of AWE plc. That relates to the partnership between BNFL, Serco and Lockheed Martin. I understand that Serco, which is part of the Babcock Group, in which I have a constituency interest, and Lockheed Martin have been excluded from buying the BNFL part of the partnership. Is that so? Why was it necessary to exclude a well established British company from obtaining a greater stake in Aldermaston?

What plans do the Government have for a new warhead? I have seen written answers that state categorically that there are no plans for a new warhead, but the new facilities at Aldermaston will come in handy when a new nuclear warhead is developed. I want the Minister to explain a bit more about the process of extending the life of the current warheads, whether there are any problems in doing that, and what consideration has been given to any potential new warhead. Will we go down the route of having tactical rather than strategic weapons, which would be a retrograde step because they are more likely to be used?

We accept that Aldermaston is part and parcel of a nuclear deterrent system. I should like to see the day when the facility is run down, because we no longer have nuclear weapons. However, as long as we have them, it is part of the system.

I referred earlier to the premature decision on renewing Trident submarines, and the fact that the main gate decision did not need to be made until about 2012 or 2014. I understand the issues.

Mr. Benyon: I note that the hon. Gentleman has said that we do not need to take the decision until 2014. I do not want to revisit the debate of a year ago, but is he saying that the Navy and everyone who advises on the replacement of those submarines are wrong, and that the Liberal Democrats somehow know better about when we need to start worrying about replacement submarines for the Trident fleet?

Willie Rennie: As I have said, I am a simple biologist and now a simple politician, but it is clear—I am using Government facts—that the main gate decision will be made in 2012-14. That is what the industrialists have told us. To make all the decisions last year was completely unnecessary. We could even have phased the decisions, rather than committing this country to a new round of nuclear weapons and an upgrade of the nuclear submarines, which is not required until 2012-14. The facts clearly show that. It is a question of the point at which decisions are made—whether they are all made now, or whether some can be made later. I am sure that the Minister accepts that the main gate decision will be made in 2012-14.

I raised the premature decision, because it has a significant effect on the 2010 non-proliferation treaty talks. If we go to those talks already committed to a new submarine and having invested considerable sums in Aldermaston, we shall not have much credibility in the talks. By rushing the decision last year, we showed that we do not have much regard for nuclear disarmament. The hon. Member for Newbury said earlier that in an unpredictable world we do not know what is round the corner. The logical conclusion from that is that we must always have nuclear weapons, because we can never predict the future. In that case, the Conservative position is Trident for ever. We shall always have nuclear weapons, if we take the view that we can never protect the future.

It is a very sad state of affairs if that is the Conservative party's position. It is certainly the Labour Government's position. The Government also claim that they cannot predict the future, so therefore we shall always have a requirement for nuclear weapons. Thus the Prime Minister's powerful words last week about ridding the world of nuclear weapons are rather hollow. I cannot see a day, if those two parties have their way, when we will have no nuclear weapons in this country, because we shall be unable to predict the future. That is extremely sad. It will be very difficult to go to the NPT talks when we have already made a commitment to spend an extra £4 billion on replacing the nuclear submarines, seven years prematurely.

It is bizarre that leading American politicians lead the way in the debate now, such as former Democrat Senator Sam Nunn, who said recently:

"Reducing the risk posed by weapons of mass destruction is not the agenda of one political party. It is a deeply held desire by leaders of vision and courage of every political stripe. We hope that others who are concerned about these issues will work with us on the large area of common ground that exists to find ways to reduce risks associated with these weapons."

Even Republicans are on board as well. Senator Richard Lugar said:

"The proliferation of weapons of mass destruction is the number one national security threat facing the United States and its allies".

and Republican Senator Pete Domenici said:

"We have a very simple choice: we can either spend money now to reduce the threat or spend more money in the future to defend ourselves after proliferation has occurred."

Those people recognise that the issue should be at the top of the agenda. If we are to get to the stage where we no longer need Aldermaston, we shall have to pay attention to those guys in America and put the issue at the top of the political agenda rather than hiding it away in the Prime Minister's statement on security last week. When was the last time the Prime Minister made a keynote speech on nuclear disarmament? He may have something up his sleeve, but I doubt it. I should like the Minister to respond to my concern and that of my party that the Government do not really regard nuclear disarmament as a top priority. I believe that they should change their mind very quickly.

3.19 pm

Dr. Julian Lewis (New Forest, East) (Con): I shall directly address the point made by the Liberal Democrat spokesman, the hon. Member for Dunfermline and West Fife (Willie Rennie), about the long-term future. When he asks of the Conservative party, "Will we always have nuclear weapons?", the answer is, "Yes, as long as other countries have nuclear weapons too". That is not a controversial viewpoint; that is the key point about unilateral nuclear disarmament that has resonated throughout the debate for the last half-century.

Twenty-five years ago, when I was working professionally in this sector and was arguing the case both for the replacement of Polaris by Trident and for the deployment of Cruise missiles at Greenham Common and Molesworth, I commissioned a series of opinion polls that asked that

very question: "Do you think that Britain should continue to possess nuclear weapons as long as other countries have them?" The answer that came in time and again throughout the 1980s, at the height of the second cold war, was as follows: two thirds of people asked said, "Yes, we should continue to have the nuclear deterrent as long as other countries have nuclear weapons"; about one quarter said, "No"; and usually less than 10 per cent. of those asked—it was usually a single figure number—were undecided, because it is indeed a very polarising issue.

A couple of years ago, I asked the right hon. Member for Airdrie and Shotts (John Reid), the then Secretary of State for Defence, what polling evidence the Government had on such questions. The interesting written answer came back, on 3 November 2005, that the Government had last conducted a poll a few years earlier, in December 2003, and that

> "Overall, some 66 per cent. agreed that the UK should retain nuclear weapons while other countries retain theirs, with 21 per cent. disagreeing". [*Official Report*, 3 November 2005; Vol. 438, c. 1261W.]

So we can see a pattern continuing throughout the decades showing that about two thirds of the British people think that, as long as other countries have nuclear weapons, we should continue to possess them, and I believe that they are absolutely right to think that.

Jeremy Corbyn: I just want to tease out the hon. Gentleman's logic on this issue. Does he think that all countries everywhere in the world should have nuclear weapons to protect themselves from all the other people that may have nuclear weapons at some point in the future, and does he think that we should conduct an opinion poll to assess the popularity of arming the whole world with nuclear weapons?

Dr. Lewis: I really thank the hon. Gentleman for entering into the spirit of the occasion. He and I have debated these points many times, so my response now will not come as anything of a surprise to him. I do not accept that there is an equality between stable democracies that have certain weapons systems, and lunatic dictatorships, which should not have them. I believe that there is no inconsistency in saying that it is perfectly acceptable for a democracy to be armed with a certain weapons system and a lunatic dictatorship to be denied it. I do not accept that there is an equality between dictatorships and democracies.

By way of example, I cite the attitude that we had towards Russia when it was a totalitarian Soviet state, and that we had when it ceased to be one. As soon as the dictatorial and aggressive element went out of the Russian political system—perhaps temporarily but hopefully permanently, despite recent adverse indications—we straight away stopped worrying about the Russian nuclear arsenal, except in one respect. Because we were no longer afraid that the Kremlin might use that arsenal aggressively, we began to worry instead that remnants or elements of that arsenal, including individual nuclear devices, would leach out and into the hands of other groups and regimes that would not hesitate to use such weapons aggressively if they could get their hands on them. So what matters is not the nature of the weapons themselves, but the nature of the regimes or groups that control them. It is perfectly acceptable for democracies to have these weapons while denying dictatorships the same right.

Stewart Hosie (Dundee, East) (SNP): I also want to tease out the hon. Gentleman's logic a bit further, because I presume that he will now go on to make the justification for Aldermaston and the nuclear weapons systems as a deterrent. However, if the democracy of the UK can have them but the mad dictator General Galtieri could not, can he explain why the deterrent factor did not work regarding the invasion of the Falklands?

Dr. Lewis: I am absolutely delighted to explain that point to the hon. Gentleman in the following terms; indeed, if he would like to investigate them in more detail, they are fully covered in an essay that I distributed at the time of the debate on Trident last year. I am only sorry that he did not read it on that occasion; had he done so, he would not have had to ask me this question. The answer is that nuclear weapons deter a certain kind of threat—they deter countries from menacing us with weapons of mass destruction. They may deter some countries from menacing us in other ways, too, but they cannot be relied upon to do so. There was never the slightest possibility—and General Galtieri knew it—that we would use nuclear weapons in response to such a level of aggression as the invasion of the Falklands.

However, that is not to say that, just because nuclear weapons could not deter a conventional invasion of the Falklands, they serve no purpose. What the hon. Member for Dundee, East (Stewart Hosie) should ask himself is this. Supposing that we had had no nuclear weapons and that General Galtieri had had even a small number of them, would we then have dared to respond conventionally to his conventional invasion of the Falklands? The answer to that question is almost certainly not.

Let us return, however, to the main subject of the debate, which is Aldermaston. I wanted to start off by addressing the question put squarely by the Liberal Democrat spokesman, the hon. Member for Dunfermline and West Fife, and tell him what he wanted to discover about Conservative party policy. I think that I have done that in no uncertain terms.

Therefore, let me say belatedly, Mr. Jones, what a pleasure it is to take part in this debate under your chairmanship. The last time that I served in Parliament under your chairmanship was on that memorable Welsh Affairs Select Committee from 1997 to 2001. You were a superb Chairman of that body, and I am sure that you will go on to establish an even more outstanding reputation as a Chairman on the Speaker's panel, as you evidently are intent on doing.

It is quite extraordinary that we should have embarked on the winding-up speeches in a debate on the future of nuclear weapons with something like 40 minutes still left to run, in a debate that was due to last one and a half hours. One could never have envisaged that happening in the past, and I must say that the hon. Member for Islington, North (Jeremy Corbyn) made a gallant attempt to explain this in advance—one might call it a sort of pre-emptive strike—by referring to the visit of President Sarkozy this afternoon. Dare I add that the visit of Madame Sarkozy this afternoon must be a huge draw away from Westminster Hall?

[Dr. Julian Lewis]

However, I think that the reality of the lack of interest in this debate on the part of the vast majority of Members lies somewhere else. It is that most people know that this argument is over. They know that the Labour party is not going to do what the right hon. Member for Manchester, Gorton (Sir Gerald Kaufman), one of its most prominent Back Benchers and a former shadow Foreign Secretary, said it would not do: it is not going to revisit the site of "the suicide". What he was referring to, as we all know, was

"the longest suicide note in history"

That is the manifesto of 1983, when the Labour party, under the leadership of Michael Foot, committed itself to getting rid of all our nuclear weapons while other countries continued to possess them. That commitment was a crucial factor in a landslide defeat for Labour in 1983, which was repeated in 1987.

The "suicide" to which the right hon. Member for Manchester, Gorton referred in the debate last year about nuclear weapons was the electoral suicide of the Labour party, and the Labour party is not going back there. The reason why it is not going back there is the figure that I quoted earlier, which has been so astonishingly consistent for so long in opinion poll after opinion poll, showing that two thirds of the British people think that it would be "suicide" to give up nuclear weapons while other countries continue to possess them.

Jeremy Corbyn: Since the hon. Gentleman is speaking for the Conservative party, perhaps I can bring him round to what its views might be on the non-proliferation treaty and the review conference coming up in 2010, because we are, after all, committed to long-term nuclear disarmament by our being a signatory to that treaty. All Governments have claimed adherence to that treaty.

Dr. Lewis: The hon. Gentleman and I ought to consider going on the stage as a professional double act, because he seamlessly carries me forward in my argument. He has referred to article 6 of the non-proliferation treaty, which I shall now read out, as I do in all debates on this issue. It states:

"Each of the Parties to the Treaty undertakes to pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament, and on a treaty on general and complete disarmament under strict and effective international control."

The last part about

"general and complete disarmament under strict and effective international control"

is always left out when CND supporters quote article 6, as it means worldwide conventional disarmament. Article 6 requires us to do three things, one of which is to end the nuclear arms race at an early date. Britain has never been involved in the nuclear arms race, and nor have France or China. Each of those three of the five recognised nuclear powers in the non-proliferation treaty regime has followed a policy of minimum strategic nuclear deterrence, which means that we are content to have a tiny proportion of nuclear devices, in comparison with the superpowers, because we know that having even that small number is enough for strategic nuclear deterrence purposes. Russia and the United States were involved in the nuclear arms race, not the UK.

Article 6 also requires us to try to negotiate a treaty for worldwide nuclear disarmament and for worldwide conventional disarmament. Nothing in the article requires us to give up all our nuclear weapons before other countries do the same or before achieving a world Government to prevent an outbreak of conventional war on a grand scale—and by God, it was on a grand scale before nuclear weapons came along. Many more people were killed by conventional weapons in world wars one and two than died in Japan in August 1945. I venture to suggest, although I shall never be able to prove it, that many more would have been killed in "world war three" by conventional weapons or other countries' nuclear weapons if the good people of Aldermaston, as well as the scientists, the people in the Royal Navy and the people in the Royal Air Force before them who constitute the strategic nuclear deterrent of the United Kingdom had not done their work so well. I appreciate the opportunity that the hon. Member for Islington, North has given me to pay tribute to the real peacekeepers of the cold war and, I trust, the post-cold war period—the men and women of Aldermaston and of the Royal Navy and Royal Air Force before them.

I shall conclude soon, but first I shall address a few of the points that the hon. Gentleman made. He talked about the cost of Aldermaston. I refer him to a written answer that I received in December 2006 when I asked the Secretary of State for Defence

"what the running costs have been of the strategic nuclear deterrent in each of the past 10 years"

The answer was that they had ranged between

"3 and 5.5 per cent. of the annual defence budget" [*Official Report*, 4 December 2006, Vol. 454, c. 87W.]

Of course, 3 per cent. or 5.5 per cent. of the annual defence budget is a large sum of money, but as a proportion of the defence budget, it is small. If there is a strategic justification for a weapons system, what more justification can one have than that it will deter others from using such a weapons system against one? Then, it is a small price to pay.

I commend my hon. Friend the Member for Newbury (Mr. Benyon) on his excellent speech and the way in which he focused on the fundamental point about the unpredictability of conflict. He was absolutely right to pick on the conflicts that he mentioned: super-sensitive Israel was taken by surprise in 1973, and we were taken by surprise by the invasion of the Falklands in 1982. He was right to say that everyone was taken by surprise in 1990 when Saddam attacked Kuwait. He could also have mentioned that the world's only superpower was taken by surprise by 9/11 in 2001. I could cite examples from further back in history to show that when warfare breaks out, more often than not, it has not been predicted. It is a big mistake to assume that because weapons can do terrible things, the good guys should get rid of them regardless of what the bad guys do.

Finally, I shall address the Liberal Democrat contribution. Of course, CND says little about unilateralism these days, and tries to blur it in a general point about nuclear disarmament; it has always done that. I remember Bruce Kent arguing that he was both a unilateralist and a multilateralist, but one cannot be both. Either we keep nuclear weapons as long as other countries have them, or we say that we are going to get rid of them

whether other countries have them or not. We cannot marry the two, and I know on which side of the argument my party and I stand on this life and death issue.

3.36 pm

The Minister for the Armed Forces (Mr. Bob Ainsworth): Thank you, for presiding over our debate, Mr. Jones.

I congratulate my hon. Friend the Member for Islington, North (Jeremy Corbyn) on securing the debate, and I am pleased to have the opportunity to speak on this issue. He will be aware that the atomic weapons establishment is not only about Aldermaston and Burghfield, but that important work is also conducted at the nearby Blacknest facility. Many people are unaware of the invaluable contribution that Blacknest makes to the verification of nuclear test bans in support of the comprehensive nuclear test ban treaty organisation.

I take this opportunity to pay tribute to the contribution that AWE's work force, suppliers and partners have made to its success over nearly 60 years of operation. It is a world-class centre of scientific and engineering excellence, staffed and supported by individuals who are dedicated to the delivery of vital outputs in a safe, secure and efficient manner.

Mr. Benyon: Just down the road from AWE, on an industrial estate in the town of Thatcham, is a centre of excellence that is also doing wonderful work to police the nuclear test ban treaty. The International Seismological Centre is close to Aldermaston, and I ask the Minister to add it to Blacknest while he is showing his appreciation for the work done there.

Mr. Ainsworth: I was not aware that there was a separate facility doing the seismological work; I thought that it was done at Blacknest. The hon. Gentleman obviously has much more local knowledge than me, so I bow to him in that regard.

My hon. Friend the Member for Islington, North will be aware of the recent speculation about the safety arrangements at AWE, and I assure him that safety is of paramount importance at all times. The AWE is subject to rigorous safety regulation and licensing by the nuclear installations inspectorate, and the Ministry of Defence has its own internal defence nuclear safety regulator. The AWE has an excellent safety record, which is underpinned by clear safety assurance arrangements within a highly regulated environment.

My hon. Friend and other hon. Members talked about the convoys, and all kinds of lurid stories have been told about the possibility of accidents and so on. However, my hon. Friend knows, and we must make it clear that, first, the convoys are essential; secondly, they are kept to a minimum and, thirdly, there is a separation of material to ensure that no armed material is moved. The risk of an explosion would thus be non-existent. The encasement of the material is such that it would take an awful impact to do any damage at all.

I am more than happy to consider outside verification of safety procedures, as the hon. Member for Dunfermline and West Fife (Willie Rennie) suggested, although he recognised that a lot of risks are involved. The convoys have been deliberately targeted and are the subject of ongoing attack. I will do nothing that reduces the safety of the convoys. Their security must be taken into account along with any desire for an additional layer of inspection.

Jeremy Corbyn: The point made by the Liberal Democrat spokesman and me is that there ought to be an independent inspection following any incident. We are all naturally suspicious of internal investigations in any field where the results remain internal. External independent examination is simply a matter of good practice. The Minister is aware that there have been incidents and safety concerns. None of us wants accidents or disasters, but we want some degree of transparency and independence in inspection.

Mr. Ainsworth: There have been incidents. My hon. Friend said that there have been 67, so the idea that this all takes place in secret and nobody can find out about it is put down by his knowledge that there have been 67 incidents. I would have thought that fact shows that a rigorous reporting regime is maintained to ensure that every single incident, no matter how minor, is reported and logged and the information made available through parliamentary procedures. It therefore finds its way into the public domain.

As I said, I would not be unhappy in principle to see outside verification. I accept what my hon. Friend says about the unease with internal investigative procedures. However, that must be balanced against the fact that convoys have been deliberately and consistently targeted over a period of time. The security of the convoys, the routes that they take, the time that they leave and the methods that they use are essential to their safety. That must be put on the other side of the balance.

The AWE takes its responsibilities to the environment seriously. It works closely with the Environment Agency, which monitors its environmental operations. More widely, AWE is committed to implementing measures that will make a real difference in a range of areas, such as energy efficiency, water usage, recycling and habitat protection.

In the strategic defence review of 1998, the Government made a clear commitment to maintaining the effectiveness and safety of the nuclear deterrent. That included making the necessary investment in facilities at AWE. In 2006, we outlined our commitment to continue the programme of investment at AWE to ensure that we maintain the existing warhead for as long as necessary and to enable us to develop a replacement warhead if that is required. That important investment will continue into the next decade and is expected, at its peak, to be the equivalent of about 3 per cent. of the current defence budget.

In compliance with the comprehensive nuclear test ban treaty, we are committed to maintaining the existing Trident warhead stockpile safely and effectively throughout its intended in-service life without recourse to nuclear testing. That commitment is supported by replacement facilities such as those necessary for handling high explosives, enriched uranium and non-nuclear warhead components. My hon. Friend complains about some of the expenditure at AWE, but in part it is used towards our commitments under the nuclear test ban treaty.

Notwithstanding its pivotal role, AWE is, as my hon. Friend is aware, one organisation among the many that contribute to maintaining the UK's nuclear deterrent. Our four Vanguard class submarines maintain the UK's posture of continuous at-sea deterrence with one submarine armed and on continuous patrol at all times.

I assure my hon. Friend that the Government recognise the democratic right of individuals to participate in lawful and peaceful protest. Such activities have taken

[Mr. Bob Ainsworth]

place at AWE and other defence establishments for many years, and I have no doubt that they will continue possibly with his participation in the years to come. However, any protester action that could compromise the safety or security of our establishments will always necessarily be dealt with appropriately.

On Easter Monday, approximately 1,400 protesters assembled and marched around the perimeter fence at AWE Aldermaston.

Jeremy Corbyn: There were 5,000.

Mr. Ainsworth: That is arguable. There were no reported offences and no arrests were made, although two people were arrested the previous day for breaching the establishment byelaws. The policing was a joint operation and an effective job was done. The protesters were allowed to protest in a peaceful and safe manner and operations at AWE were not impeded. I echo the acknowledgement of Thames Valley police in respect of the co-operation that they received from the organisers of the protest in maintaining a peaceful and lawful demonstration.

Jeremy Corbyn: There was good co-operation between Thames Valley police and the organisers. The demonstration went extremely well, but I dispute the numbers. There were 5,000 tickets sold for coaches to the protest and, as far as I am aware, they were pretty much full. The figure of 1,400 shows the usual optimism of the police. However, the day passed off extremely well and the protest was very effective.

Mr. Ainsworth: I have never known an occasion when the organisers of a demonstration and the police have agreed on the number of people who turned out. I do not think that will change in the future.

I assure my hon. Friend that we remain committed to working towards a safer world in which there is no need for nuclear weapons. However, we must ensure that we protect ourselves and future generations appropriately and effectively against possible future nuclear threats. The Government's commitment to meeting our obligations under the nuclear non-proliferation treaty has been reiterated many times, most recently by the Prime Minister when, last week, he announced the publication of the Government's national security strategy:

"Britain will be at the forefront of diplomatic action on nuclear weapons control and reduction". [*Official Report*, 19 March 2008, Vol. 473, c. 927.]

The hon. Member for Dunfermline and West Fife tries to say that the Government do not give commitments to multilateral nuclear disarmament. All politicians have crafted words around the issue and in a minute I will attempt to expose the hon. Gentleman's words. The hon. Member for New Forest, East (Dr. Lewis), speaking for the Conservatives, said that Britain should maintain its nuclear weapons until and unless every other country gets rid of theirs. The hon. Member for Dunfermline and West Fife, said that he would spell out the Liberal Democrat position: they want to negotiate the weapons away over time. Is there any difference between what has been said by the spokesmen for the Conservatives and the Liberal Democrats? There is no difference in substance, only in word-smithing and emphasis. There is an attempt to blind with words, but what on earth is the difference between saying that we will try to negotiate nuclear weapons away over time, and saying that we will maintain them as long as other countries have theirs?

Willie Rennie *rose*

Mr. Ainsworth: I will give way to the hon. Member for Dunfermline and West Fife so that he can explain that point.

Willie Rennie: As the Minister knows, this debate is about political priorities, and how much time, effort and political capital are put into certain issues. The Government and the Conservatives briefly mention disarmament, but their priority is to defend the nuclear weapons system and the need for it. I wish that they would spend a bit more time talking about disarmament and putting it at the top of their priorities and efforts, so that we could have a nuclear-free world rather than just talk about it.

Mr. Ainsworth: My emphasis is different from that of the hon. Member for New Forest, East when defending our position against that of other countries, but surely there is logic in looking at the world as it actually exists, not as we would want it to be, in considering the effects of any decision that we take. If that is not sensible, I do not know what is.

My hon. Friend the Member for Leyton and Wanstead (Harry Cohen) asked, "If there is a deterrent value to nuclear weapons, why not Iran?" I can only say that we must look and think seriously about the possible effect of an Iranian nuclear weapon. Would it make the world or the middle east safer places? Would it discourage proliferation? What would be the response of Saudi Arabia, Turkey and other countries in the middle east? There would be massive destabilisation.

What has been the reaction to the UK's significant reduction in our holding of nuclear weapons since the Labour Government came to power? Very little, because nobody has really felt threatened by our nuclear weapons. Yes, for good reasons, we have managed to encourage other people to look at their own responsibilities and we have managed to reduce our nuclear weapon capability to one system and to reduce hugely the size and power of the deterrent to the absolute minimum possible, but we have done so without having a huge effect elsewhere or a response from other nations, because other nations do not feel that we threaten them. That is why my right hon. Friend the Secretary of State recently made a speech in Geneva about some of the practicalities of making multilateral nuclear disarmament a reality. It is all right talking about it in some grand way, but developing systems and methods of verification in which all countries, irrespective of their capability, can have confidence is extremely important if we are to enable the reality of multilateral nuclear disarmament at any future point.

My hon. Friend the Member for Islington, North asked why we cannot get AWE people working on those aspects of the nuclear debate. They absolutely do—they are already there. The work that is being done in Blacknest, along with what was proposed by the Secretary of State and the work that we are doing with Norway, which is a non-nuclear power, to try to develop methods of verification

that will enable confidence in genuine multilateral disarmament are real contributions to taking the debate forward.

Jeremy Corbyn: What is the Minister's reaction to the problem that in the non-proliferation system that he says the Government support three nuclear weapon states—Israel, India and Pakistan—are not signatories to the non-proliferation treaty? Is it the Government's position to encourage all three to join the non-proliferation system? Also, does he think that the increase in nuclear warheads in Israel is a destabilising factor in the whole middle east region?

Mr. Ainsworth: My hon. Friend has probably spent more time on the matter than I have, but my understanding is that Israel does not acknowledge that it has nuclear weapons. Of course I will encourage all states to join the international system to try to develop confidence and capability in a framework in which we can tackle nuclear proliferation and, I hope, move towards a situation where we could, at some point, achieve a nuclear-free world, but that is an optimistic look at the future.

Meanwhile, as we said clearly in the discussion on the White Paper last year, we must be aware of the defence needs of the UK in an uncertain world. It takes time to develop nuclear weapon capabilities and delivery platforms such as submarines, yet if we look back 10, 15 or 20 years, we can see that there were completely and utterly unpredictable developments. We only have to look backwards to see that we cannot look forward. The climate is very uncertain, and the future is not clear. Unless we wish to deprive a future generation of the ability to protect itself with a nuclear deterrent, we have to take decisions well in advance. That is why I thought at the time that the Liberal Democrat motion to replace the submarines, but not yet, was so disingenuous.

Willie Rennie: Does the Minister accept that his own documentation on the issue clearly states that the main gate for the construction of nuclear submarines is between 2012 and 2014?

Mr. Ainsworth: We go through a process with all defence procurement, and main gate is part of it. An awful lot of work needs to be done before main gate, and I hope the hon. Gentleman does not think that work ought to go ahead without parliamentary approval. To suggest that we do not need to approve decisions until we come to main-gate decisions is not tenable.

Dr. Julian Lewis: The Liberal Democrat argument is appallingly disingenuous. Apart from anything else, the submarines have to be designed, and it was spelled out absolutely clearly why a process of 17 years from beginning to end was necessary. The only point the hon. Member for Dunfermline and West Fife could make that could possibly stand up would be, "Okay, Parliament will have a debate and vote to design the things, but then it has to have another debate and vote to decide whether to start building them"—in other words, the main gate that he keeps wittering on about.

Mr. Ainsworth: I thank the hon. Gentleman for that.

My hon. Friend the Member for Islington, North raised a point that I need to respond to—he would want me to put this on the record. The UK produced a new design of nuclear weapon to coincide with the introduction into service of the Trident system. The warhead was designed and manufactured in the UK by AWE, although it was decided on cost-effectiveness grounds to procure certain non-nuclear warhead components from the United States. The design is likely to last into the 2020s, although we do not yet have sufficient information to judge precisely how long it can be retained in service.

No decisions have yet been taken on whether, or how, we will need to refurbish or replace the warhead. Such decisions are likely to be necessary during the next Parliament. To inform them, we will undertake a detailed review of the optimum life of the existing warhead stockpile and analyse the range of replacement options that might be available.

The spending on AWE—I shall try to reassure my hon. Friend about this, if nothing else—does not pre-empt such decisions. They are yet to be taken, and will be taken in the manner that I have just explained. I thought that he would want me at least to put that on the record.

To sum up, I am pleased to have been able to respond to the debate on this important issue. We are focused on maintaining the right balance between a commitment to strive towards a world free of nuclear weapons, and the need to protect our citizens in an unsafe and uncertain world. Within that context, AWE has served our nation and our allies well, and I am sure that the skill and dedication of its work force, suppliers and partners will continue to serve us in the future.

[Mr. Iain Wright]

A significant amount of retail development is now planned for smaller and medium-sized centres, as well. To see the difference such a development can make, I suggest that people have a look at Corby. I was there recently and it has a fantastic, positive and optimistic future, which is largely thanks to my hon. Friend the Member for Corby (Phil Hope). Corby has ambitious plans regarding an Olympic swimming pool and other Olympic facilities, and a fantastic theatre. Other successes will build on the positive work of Willow Place, which is at the heart of the town. That is the model that we need to take forward.

The turnaround over the past decade that I have mentioned is the result of a number of factors. A favourable economic climate over the past 10 years has helped to provide confidence and has ensured that previously boarded-up properties in our town centres have become vibrant areas in which to shop, relax and work. The planning system has also been important in leading to a turnaround. We have maintained a strong planning policy over the past 10 years, and we have sought to promote the vitality and viability of town centres and to ensure that they meet the needs of the entire community in a good environment that is accessible to all.

Our planning policy statement 6, "Planning for Town Centres", asks local authorities to plan proactively for how they want their area to develop, and to take the lead in preparing a shared vision for town centres in partnership with business, retailers and the wider community. Good development plans can be immensely powerful. They can effectively target the range of specific challenges that different places face. If local people want to preserve the character of their high street, as in the case raised by my hon. Friend the Member for Battersea, development plans can seek to provide a mix of uses in high streets and limit the size of new shop units. If local people are worried about a dwindling number of local shops, and independent retail units have been converted to other uses—such as estate agents, takeaways, cafés and offices—without regard for the wider impact, development plans can oppose that trend.

If parts of a town centre need regeneration and investment—that does not necessarily apply to my hon. Friend's constituency—development plans can prioritise them. As he said, it is important that local authorities use their development plans to create development opportunities that are suitable for businesses of all sizes, large and small. In introducing the debate, he cited examples of places where local planners are doing exactly that. I am impressed by the way in which some places have used the wider range of tools at their disposal to translate plans into reality. I encourage all local authorities to consider that approach and to use the tools available. I shall outline some of the further tools that we have put in place and the methods that they can employ.

Where it is justified in local circumstances, planning authorities can use planning conditions, when granting planning permission, to control the size of shop units and the goods to be sold in them. They can seek financial contributions under new development proposals, where justified, to help regenerate secondary shopping areas where many smaller shops operate. Where it is necessary and appropriate, they can use conditions to prevent changes of use that would not otherwise need planning permission.

In some cases, local development orders and directions under article 4 of the Town and Country Planning (General Permitted Development) Order 1995, which remove permitted development rights for certain designated areas, may be helpful in managing development. Local authorities can also use compulsory purchase orders to help achieve their objectives—for example, to ensure that key sites within or on the edge of town centres are brought forward for development, in line with their vision and strategic ambition for those centres. They can work with businesses to create business improvement districts to spearhead the regeneration of shopping areas.

Our policies promote the use of those tools to enable local authorities to manage development more effectively and to maintain and promote a locally distinctive mix of uses. I therefore strongly suggest to my hon. Friend and to hon. Members more widely that local authorities already have a wide range of planning powers available to help them protect and promote diverse and vibrant town centres.

That said, I accept that, with 60 per cent. of retail development still outside town centres, there is still some way to go. That is why we intend to improve the effectiveness of our town centre planning policy, as we said in last year's White Paper, "Planning for a Sustainable Future". We will shortly publish for consultation limited revisions to PPS6. Those will maintain a strong "town centres first" approach and introduce a new impact test, which will replace the current need and impact tests and enable local authorities to assess more effectively the impact of out-of-town development proposals on town centres. We will strengthen the way in which policy is designed to promote competition and improve consumer choice and retail diversity. We propose to introduce additional guidance to help local planning authorities apply our policies and make more effective use of the planning tools available to them.

I would like to make it clear that small independent retailers remain at the heart of our vision for town centres. We do not want a greater number of larger stores being developed where they may not be appropriate and where their impacts are significant, at the expense of small businesses and traditional high streets. As my hon. Friend rightly said, successful high streets need to offer something diverse and distinctive, which includes independent stores and multiples. We want a productive retail sector, which gives consumers a real choice in obtaining the goods and services that they need and want. On environmental and health grounds, I personally would like more local produce from independent retailers to be sold in our high streets.

We will therefore continue to work closely with our stakeholders, including organisations such as the Association of Convenience Stores and the Federation of Small Businesses, to ensure that we strike the right balance in the policy changes that we make. We look forward to hearing everyone's views in response to our forthcoming consultation—I encourage my hon. Friend to contribute to that—and to continuing the helpful dialogue that we have had so far with stakeholders.

We are preparing a new planning policy statement on planning for economic development—PPS4—which sets out a policy framework for how planning authorities should positively and proactively plan for sustainable economic development, including retail, that is responsive to the needs of businesses both small and large.

We will publish very shortly our proposals for taking forward the review of sub-national economic development and regeneration. That includes proposals for a stronger local authority role in economic development, including a new statutory duty to assess local economic conditions. That would improve the evidence base to inform the sustainable community strategies, local planning policies and local area agreements. It would also improve the understanding of how economic development can better support regeneration priorities in a given area and the conditions required for businesses, including retail businesses, to flourish.

I cannot respond to a debate on high streets and town centres without referring to the concern about the potential implications of the recommendations arising from the current Competition Commission inquiry into the groceries market. As my hon. Friend will be aware, the commission has provisionally recommended that a "competition test" should be introduced within the planning system when local planning authorities are assessing planning applications for new large grocery stores and supermarkets. It is important to place the commission's suggestions in context. Its provisional decision, made last year, stated that it was not intending to make any further changes to planning affecting grocery retailing, as the Government have already set out revisions, to which I have referred. The commission's proposals are provisional. I stress that we need to see what the commission recommends when it publishes its final report on 8 May.

If the commission recommends that a supermarket competition test should be introduced, that would require significant changes to the planning system in England, and we would need to consider carefully what that would mean for business, local authorities, consumers and communities before we could accept such a recommendation and make further changes to the planning system. I reiterate that we await publication of the report on 8 May.

My hon. Friend has raised important issues. I hope that I have demonstrated that the Government recognise that small shops make an important contribution to the character, diversity and vitality of our high streets. Planning can play a key role in promoting retail diversity in our high streets and fostering the conditions that enable small shops to thrive. Local planning authorities have a wide range of planning tools available to help them plan proactively for the needs of their high streets, large and small. Robust, locally specific and proactive local planning policies that are based on a clear evidence-based local vision are an essential part of that toolkit. It is critical that local authorities and others use those tools effectively.

We have put in place a range of planning policies and statutory instruments that help to ensure diverse and vibrant town centres. We are introducing further proposals to help local authorities still further in achieving that aim. I am keen to do what I can to assist my hon. Friend and others to ensure that we have vibrant and thriving town centres and high streets.

Recycling (Plastics)

4.27 pm

Dr. John Pugh (Southport) (LD): I fear that the debate that we are about to have will be slightly overshadowed by President Sarkozy's address to the joint Chambers of Parliament. I must apologise to the Minister, because I am sure that she has a marginal preference for listening to President Sarkozy rather than me—in fact, I think I have a marginal preference for listening to President Sarkozy rather than me—but the fact is that plastics are fundamental to modern social life. I find myself sounding rather like the character of Dustin Hoffman's future father-in-law in "The Graduate", who, when discussing his future son-in-law's prospects, looks at him very earnestly and says, "Plastics, my son, that's the future." I have great empathy with the Dustin Hoffman character, because my father has been very involved, as a chief executive, in the plastics industry and that message has certainly been pointed out to me from time to time.

The reality is that plastics are crucial to our lives. They are light, versatile and extremely durable, and they take many and various forms. They are also chemically inert, which is good for medical uses, culinary uses—we have all used plastic utensils for eating food—food packaging and other things. The electrical industry and the construction industry make very heavy use of plastics. We could have a full half-hour session just listing the various things, including the microphone in front of me, that involve plastic in one way or another, but I will hurry on.

Chemical inertness is one reason why people take against plastic or dislike it, but it is not the only reason. Fundamentally, people dislike things made of plastic for cosmetic reasons; they do not like the look of them. I have a plastic glass in front of me, but people often prefer to drink out of glass glass, particularly if they are drinking beer—I have been told that beer tastes completely different out of a proper glass rather than out of a plastic cup. It is mainly the chemical inertness that generates the problem and the animosity to plastic. It is the reason why it lingers around and the reason why, when it is disposed of, it gets in the way.

In the *Daily Mail* a few weeks ago, we saw some graphic photos of bits of plastic in strange foreign seas that had started off in British supermarkets. If we sit in the countryside for any length of time and look around, it is not unusual to notice a plastic container that has been left by a picnicker. It will remain there until someone clears it up.

The city is littered with plastic in one form or another. In landfill sites, there is always an element that does not disappear. It is not bulky, however, and does not take up a massive amount of space. In one sense, therefore, it is not all bad. Something that is not biodegradable, that hangs around and is chemically inert, does not react and does not leak methane and other gases, even if it is left in landfill, is a positive thing in favour of the plastic industry. The plastic industry is not slow to point out that benefit in its products. Plastic does not generate the same amount of greenhouse gas in landfill as other materials.

The industry also points out that plastic is an eminently reusable and recyclable material. It will add to that the entirely fair argument that the carbon footprint for

[Dr. John Pugh]

plastic containers is relatively low. For example, plastic packaging reduces the weight of packaging in general. I am told that the amount of plastic used to package any one utensil is being reduced all the time. Although we have all heard arguments about little electrical gadgets such as USB sticks being wrapped up in enormous quantities of plastic, by and large, the weight of plastic used to package goods across the piece is genuinely reducing.

The production of plastic involves a less high-energy process than the creation of other materials that are a substitute for plastic. For example, an intense amount of energy is used to generate glass products as opposed to plastic products. The plastic industry also points out the clear environmental benefits of plastic, particularly plastic packaging. It points to the fact that we waste far less food than we used to. Food is biodegradable and produces gases that are hazardous to the environment. Plastic not only makes the food last, but it protects goods from breakage and ensures that they do not get damaged on their way to sale, which is a good thing in itself.

The down side of plastic is that it enables people to move food that much further, increases the amount of food miles, and ensures that products that we would not ordinarily eat travel from places such as Africa and South America and get to our shops. While that is a culinary benefit, it is not necessarily an environmental benefit because of the CO_2 emissions involved. I do not know how we can assess the overall carbon footprint of plastic, but we have no reason to think that it is any more damaging than some of the alternative products that we might use for the same purposes. That said, we must note that plastic—the use and disposal of it—features very heavily in the environmental debate, even if that debate appears to be centred on issues such as global warming. It features very prominently in environmental policies of various parties and Governments. All are keen to do something about plastic bags, whether prompted by the press or by the consumer.

There are reasons for that focus on the industry at this particular time. One reason that I can identify with, and which I have observed within my local council area, is the fact that if there is a drive on recycling and if people are encouraged to waste less and reprocess what they can, refuse collections can be altered to enable them to do that and to encourage and incentivise them. One refuse system that is well used by councils is the alternate weekly collection, which often excludes plastic as a recycled material. When looking at their residual waste stream, householders will look at plastic and say, "This forms a very large and substantial part of that." They will urge their councils to do something about it and include it in the items that are recycled. However, there are obstacles to that, and I will enlarge on them in a minute.

The second reason for the particular concentration on this material as an environmental hazard is the fact that plastic waste is more visually intrusive. It is certainly more highly coloured and more easily noticed than most other forms of waste. Therefore, there is a general demand to reduce waste plastic. Clearly, recycling plastic must come after avoiding unnecessary use of plastic and plastic containers in the first place.

When I was queuing up to buy a newspaper in WH Smith the other day, I was horrified to see people who were not buying much more than a newspaper—perhaps a newspaper and a pencil or a packet of cigarettes—habitually being offered a bag. In times gone by, they would have put their goods in a bag that they had with them, stuffed them in their pocket, or just carried them out. The habitual reminder that they did not have a bag to carry their goods in was there and was slightly disturbing.

I have quizzed the Minister at the Dispatch Box about Sunday newspapers. Such papers bang on a lot about how desirable plastic recycling is, but they are delivered in a non-reusable plastic bag—the broadsheets in particular. They often omit that fact. The first stage, therefore, is to avoid unnecessary use. The second stage is to encourage reuse, and clearly the supermarkets are doing that. Most hon. Members will have been invited to their local branch of Asda and been asked to pose with various plastic bags that are being put to second, third and fourth use. That is totally desirable and quite the thing to do.

Much of the drive and discussion concerning plastic bag taxes and many of the campaigns against unnecessary packaging are designed either to deter unnecessary use or to encourage reuse, both of which must stand ahead of recycling. Those are well worked-up themes and ones that we all applaud and have no problem with. I do not see any particular problem in developing those types of initiatives. We would all be hypocrites or capable of self-deception if we thought that we could easily dispense with plastic. When I am handing out political literature, as I do from time to time, to people who are eager to distribute it on my behalf, I find a reusable plastic bag extraordinarily useful. I do not know how I would manage leaving bundles of "Focus" on people's doorstep without using a plastic bag. It would be dishonest and hypocritical of me to visualise a day when we could totally manage without them, because managing without them might mean that we have to use substitute materials that create other environmental problems.

There will therefore always be demand for recycling—it will not go away. That demand is quite legitimate, whether from the public—society in general—or the Government. The debate is about the fact that the demand is hard to satisfy, and I am looking for and expect a positive response from the Minister in that respect. It seems that there is a triad of problems—collection, processing and a lack of mature markets for the recycling product—all of which require some sort of attention.

Of the three, I am most familiar with and informed about the first, namely collection problems. Plastic is light and needs crushing, but there is not much weight in a lorry full of plastic bottles. To collect plastic, one might need several lorries to make several trips, which adds to the cost. We are all familiar with the overflowing plastic bottle banks in supermarket car parks and how difficult it is to educate the public to crush the bottles to make more room in the containers. We have also seen how people indiscriminately, despite notices, put any plastic in the banks, any how, thereby contaminating the waste stream. Many lorry journeys are involved in the removal of plastic from people's doorsteps, and there is much corruption of the waste stream. Clearly, one obstacle, which I am not sure we can easily get over, is to educate the public about different kinds of plastic, how to deal with them and how to put them into the appropriate waste stream.

This shows the level of public ignorance—and my own. I learned only the other day that every plastic is in fact identified by a particular number within a certain type of triangle. I did not believe it at first, but I found that it was true when I looked at different plastics. Apparently, the European Union, in its wisdom, decided at some point in time that if plastics were to be produced, it would be good to put markers on them so that we would know which is which. I am debating plastic recycling in the House of Commons, and I learned that only the other day—the public's learning curve will be that much sharper and steeper if recycling in general had a well informed public effort behind it.

Secondly, on the processing problem, often, when we have collected stuff, we need to separate, crush and bale it, which requires equipment. Some local authorities have got the situation well organised. For example, pretty well every district council in the Hampshire area can collect plastics, because the waste disposal authority there is ready to use and process it effectively. The same situation does not prevail in my area. We are dependent on Merseyside waste disposal authority. I have asked several times what it is doing to help the collection authorities better to recycle plastic, but I have not been given a clear answer. However, it has an extensive private finance initiative investment programme ahead. Processing needs critical investment, and there is a substantial difference between Merseyside, which does not get that, and Hampshire, which does.

The third problem is markets for end products. There are many burgeoning and innovative recycling industries growing up at the moment in the UK. I came across one of them in the Wirral the other day, which deals with the CDs and DVDs that newspapers and other organisations send us ad nauseum, for which we have no place. I have no doubt, Mr. Jones, that you put every single one that you receive on and look at it carefully before disposing of it, but many of us do not have the time to do that, and we simply dispose of them. There are huge quantities of such items hanging around in the world, and a firm in the Wirral recycles what I believe are called polycarbons. However, it is not obvious that there is a ready pipeline for such items—perhaps charity shops could be used.

I tend to agree with Peter Smith of the British Plastic Federation. He summed up what I am trying to say. He has stated that recycling rates depend on the collection, sorting, recycling infrastructure and the economies of scale of strategic waste management, but we do not have those things in the UK. He added, charitably, that the federation welcomes the recent announcement by the Department for Environment, Food and Rural Affairs that it will consider joint waste authorities to ensure more joined-up thinking on those aspects of waste management. If that were to happen, it would be applauded.

I am not saying that the situation is negative. There have been appreciable successes, and the Minister would be right to refer to them. Only 2.6 per cent. of polyethylene terephthalate bottles were recycled in 2005, but now 21 per cent. are. Some 22 per cent. of plastics are said to be recycled—I am not sure whether that is 22 per cent. of all plastics or 22 per cent. of plastics that the public throw out, or whether that involves the break down of commercial and private waste. There has certainly been an increase in the use of plastics whether in fuel or fillings. Sadly, there is much work to be done. We seem to be engaging in the unnecessary process of collecting plastic for recycling and sending it to China, where something is done so that it can be sent back to us as bin liners. That does not strike me as the sound thing to do, if we are seriously concerned about global warming.

I am told that 100 per cent. of Ribena bottles are made of recycled material, that 40,000 tonnes of post-construction polyvinyl chloride have been recycled, and that a great deal is being done, but we need more than a tokenistic approach to plastic bags. As the industry says, the plastic bag tax in Ireland has had mixed results. The actual quantity of imported plastic has increased, bin liners have been substituted for other kinds of plastic bag and non-reusable materials have proved to be heavier to shift around, which has added to the carbon footprint of goods. The chief executive of WRAP has said that a simple levy on plastic bags in Ireland only made matters worse. She said that people underestimate how many plastic bags are used to put out for recycling that are substituted by plastic bin bags, and that we must remember that taxes and levies can have perverse effects, such as making people use more plastic.

There is much more to do, but it requires—I think the Minister will be sympathetic to this plea—a strategic role for the leadership in DEFRA and not a simple, knee-jerk reaction from the Chancellor of the Exchequer.

4.47 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Joan Ruddock): I congratulate the hon. Member for Southport (Dr. Pugh) on his wide-ranging speech on the nature of plastics, their uses and the opportunities that they provide for us, but also on the problems associated with them.

The hon. Gentleman said that he is not sure how to calculate their overall carbon footprint. The Department is now very much engaged in such work, because it is clear that we must prioritise climate change and make judgments about all sorts of materials in that light. He said that he thought that political parties, Government and consumers focused on such matters and that people very much want to do something with the plastics that they handle, and he referred to alternative weekly collections. I should like to put on the record that it is important that people understand that there are weekly collections in alternative weekly collection areas. It is weekly dry recyclates—one week with the normal practice, and residual waste the next. People are not being denied the free collection of their materials. Those collections have apparently increased our recycling rates—the top recycling authorities have such arrangements.

The hon. Gentleman spoke about his local difficulties. I understand that Sefton will have a trial in August of plastics collection, which the Government appreciate. He referred to people in WH Smith—I do not want to name only that shop, because so many other retailers offer people free plastic bags. He will know that we are now committed to ending the free give-away of carrier bags of any kind. We hope that retailers will do it by voluntary agreement, having already pledged to make significant changes on the matter by the end of the year, but if they do not, we will legislate. The Irish experience has not been properly analysed. We know that the number of bags given away has been reduced by 90 per

[Joan Ruddock]

cent. It is not tokenistic; it is an important symbol of our throwaway society. The hon. Gentleman discussed litter, and Ireland originally acted because of its litter problem. It has had some success, and we want to emulate it. We also want to respond to what consumers are telling us: they want to see an end to bags.

The total amount of plastic waste arising in the UK is estimated at about 5.9 million tonnes per annum. Non-packaging plastics account for 64 per cent. of the overall plastics arising in the waste stream, originating mainly from the construction, electrical, transport, furniture and agriculture sectors, to which the hon. Gentleman has referred. Plastic packaging waste forms a minority of the waste stream, but it is undoubtedly of greatest concern to consumers.

The Department for Environment, Food and Rural Affairs funds the Waste and Resources Action Programme, which does a great deal of work to increase recycling and to find markets for recycled products. WRAP is working with a contractor to demonstrate recycling of waste electrical and electronic equipment plastic back into new WEEE products, and will report later in 2008. A project in the automotive industry that we consider important is the reprocessing plant announced by MBA Polymers. It will be capable of handling 60,000 tonnes of plastics from the motor industry. As the hon. Gentleman has said, there is also a plant that processes DVDs and CDs. There are many initiatives.

Mr. Chris Mullin (Sunderland, South) (Lab): Has there been any discussion with the plastic industry about reducing the number of different types of plastic? They all have a little triangle on the back, but there are about 10 different types. That must make recycling difficult.

Joan Ruddock: Indeed. Many discussions have been held on many issues, and my hon. Friend is right to point to that one. It would be much easier to deal with collection and reprocessing if there were fewer types of plastic. Then we could look for more obvious markets and ways to make new products from recyclates. The Government are not in a position—no Government would be—to force people to use only a limited number of plastics, but it is highly desirable, and we have had discussions along those lines.

The hon. Gentleman said rightly that demand is hard to satisfy, but I can tell him that there has been a substantial improvement in local authorities. More than 90 per cent. of UK local authorities now offer some sort of plastics recycling service, and more than 50 per cent. of UK households can now put plastic bottles in their kerbside recycling box. Some 25 per cent. of plastic bottles used in the UK are now recycled, compared with 2001, when the collection rate was only 5 per cent. The UK recovered about 22 per cent. of all plastic packaging in 2006, and the Government are committed to doing more. About 2 million tonnes of plastic packaging are produced every year, and most of it is still not recycled. We need to find ways to do much more.

The targets for recovery and recycling of plastic packaging have recently been increased, and we expect the plastic target to rise from 24.5 to 26 per cent. this year with further improvement. I am aware of the confusion that consumers can experience when trying to decide whether plastics can be recycled, and we know that we need to make it simpler for them. We want more convergence between local authorities on what materials they will collect for recycling, including plastics, but we recognise that there are still gaps and variations in what is collected at the kerbside.

I have also asked the Advisory Committee on Packaging and WRAP to work with the Local Government Association, the packaging industry and retailers to develop practical proposals to increase collection rates for plastics. The hon. Gentleman referred to the lightweighting of plastics. He is absolutely right that that is one of the successes of the European directive and the transposing regulations, which require producers to minimise packaging. It is important progress, but we would like to see more of it. WRAP is undertaking a number of trials to see what scope there is for further recycling. They are wide-ranging and aim to understand the best ways to handle plastics from the environmental, economic and technological perspectives. The programme is investigating three main areas—collection, reprocessing, and end markets.

I shall give a few examples. Last year, as a result of funding from WRAP, the London Development Agency and the private sector, the first UK plant to recycle PET into plastics suitable for food packaging opened. The plant has the capacity to recycle 35,000 tonnes of waste plastic. Another project looking at trays used for chicken led to a 17.5 per cent. reduction in the use of polypropylene in that product. A large-scale trial of HDPE milk bottles with Dairy Crest, Nampak and Marks and Spencer found that it was possible to make bottles with 30 per cent. recycled content that performed to the same standard as bottles made from virgin plastic.

The hon. Gentleman referred to sending recyclates to China. Because the ships bringing manufactures to this country tend to return to China empty, it is not wasteful to send plastic recyclates to China, as they enable China to use recycled material, with great savings over raw materials. WRAP also recently started a project to undertake trials using a number of technologies with the aim of understanding the best ways to handle mixed plastics. Different recycling and recovery options are being considered as part of that work, including reprocessing mixed plastics into new plastics, incineration, chemical treatment and even turning mixed plastics into a form of diesel. WRAP has just completed the first 10 trials and will hold a conference in June to disseminate the results and discuss the way forward. The next steps from those projects are to scale up one or more of the best technologies to a commercial scale and work with local authorities and householders to raise awareness of the best ways to collect waste plastics for effective and high-value treatment.

Whatever progress I describe today, and whatever innovations the hon. Gentleman and I refer to, there is no doubt that we need to do a great deal more. DEFRA has at least the aim to develop a strategy. We now have projects within all the major waste streams, including a plastics project that will consider all aspects of plastic waste and how to advance reuse, recovery, minimisation and recycling of that important material. We need greater public awareness that plastic bottles include cleaning bottles, shampoo and conditioner bottles, trigger sprays and a raft of household goods. We need more

kerbside collection, more bring back provision, more careful bottle design to ensure recyclability and increased recycling and reprocessing capacity in the UK.

Consumers can also play their part, and we urge them to do so by refusing products, reducing and reusing, and by acting appropriately according to their local recycling provisions. Much can be done. Not enough has been done, but I assure the hon. Gentleman that we, as a Government, and the Department are determined to do much better on plastics in this country.

Question put and agreed to.

Adjourned accordingly at one minute to Five o'clock.

Westminster Hall

Thursday 27 March 2008

[HYWEL WILLIAMS *in the Chair*]

Strategic Export Controls

[Relevant documents: First Joint Report from the Defence, Foreign and Commonwealth Affairs, International Development and Trade and Industry Committees, Session 2006-07, HC 117, and the Government's response, Cm 7260; the Minutes of Evidence taken before the Business, Enterprise and Regulatory Reform, Defence, Foreign Affairs and International Development Committees on 17th January 2008, HC 254-i, and 20th March 2008, HC 254-ii.]

Motion made, and Question proposed, That the sitting be now adjourned. — *[Ms Diana R. Johnson.]*

2.30 pm

Roger Berry (Kingswood) (Lab): It is a pleasure to introduce the latest report of the Committees on arms export controls and the Government response under your chairmanship, Mr. Williams. I think that this is the first time that I have spoken when you have been in the Chair. I hope that it will happen on many more occasions. The Committees on arms export controls used to be known as the Quadripartite Committee or, more familiarly, the Quad, but we have rebranded in an effort to be more transparent. At least when we say that we are the Committees on arms export controls, the public, the media and perhaps even hon. Members have a clearer idea of what we are about than was the case when we were called the Quad. Obviously, we are four Select Committees—hence the Quad—which come together to consider arms export policy.

May I start with a few thanks? First, I thank my colleagues on the Committees for yet again securing a unanimous report. I thank the staff of the Committees for all their efforts. I give particular thanks to our Clerk, Glenn McKee, for his excellent service to the Committees. Finally, I thank all those who gave written and oral evidence to the Committees, and the officials of Departments who had responsibility for preparing answers to our many extremely interesting questions. I am grateful to them all.

In the course of the inquiry for the report, we held evidence sessions with the UK Working Group on Arms—a coalition of non-governmental organisations, including Amnesty International UK, Oxfam GB and Saferworld—the Export Group for Aerospace and Defence, which rejoices in the acronym EGAD and is often known as the defence manufacturers; officials from Her Majesty's Revenue and Customs and the Revenue and Customs Prosecution Office for their expertise on the enforcement of export controls; the then Secretary of State for Foreign and Commonwealth Affairs, my right hon. Friend the Member for Derby, South (Margaret Beckett); and last, but certainly not least, my hon. Friend the Minister, who was at the time an Under-Secretary of State for International Development. I think that he has now been rebranded and is the Under-Secretary of State for trade and development. I hope that I have got that right. I am delighted that he will respond to the debate today. I thank all those who gave evidence to the Committee in one form or another. Self-evidently, our work would have been impossible without their efforts.

The Export Control Act 2002 in effect came into force in 2004 and, in accordance with best practice, the Government announced that they would review the legislation last year. That review is under way. There has been the public consultation process. The Government have published their initial response to that consultation, and the debate continues. Inevitably, given the time at which it was published, much of our report is concerned with reviewing the legislation and making proposals that we hope the Government will take up in relation to that review. As I said, we have had an initial response from the Government. I would be grateful if the Minister told us when the Government's final response will be published and when drafts of any secondary legislation will be made available to the NGOs, EGAD and the Committees.

There is good news. Let me start with torture equipment. It might sound odd to say that there is good news in that respect, but for the past 10 years, since 1997, there has been a ban on the export and transhipment from the UK of certain equipment designed for the purposes of torture—for example, electric shock batons, stun guns, leg irons, gang chains and electric shock belts.

In our previous report, as a result of evidence supplied by Mark Thomas and Amnesty International UK, we called for the immediate banning of additional instruments of torture, including sting sticks. For those who have not seen them, sting sticks are metal rods about 2 to 3 ft in length with barbs sticking out of them. There is not much that a person can do with one of those things other than hit somebody. I am delighted that the Government have announced that they intend to add sting sticks to the list of restricted goods. The Export Control (Security and Para-military Goods) Order 2008 was laid on 10 March and comes into effect on 6 April—I will probably for ever regard it as the Mark Thomas order. Introducing that order is a good thing to do. Sting sticks are another instrument of torture on the restricted list.

As the Government say in paragraph 2.2 of their initial response to the consultation:

> "Sting sticks are not a general purpose item that could be used in acts of torture. They are designed for the purposes of torture or similar inhumane acts and have no other legitimate use."

I am not sure about the choice of the word "legitimate" there, but I think that we all know what the Government mean. I commend them, as do my colleagues on the Committees, for taking that decision.

I also congratulate the Government on their decision to introduce an end-use control on torture equipment. Again, the Committees had been pressing for that. It will enable the UK to license, and therefore refuse, the export of any goods from the UK designed for use in torture or similar acts. For the first time, those who knowingly trade in torture equipment, whether or not it is on the specific list of controlled items, will be covered by the law. The Government need to be congratulated on that. It is a very welcome development in our system of arms export controls.

I understand and welcome the Government's intention to introduce that control at EU level. The arms trade, like business generally, is global, and political institutions

[Roger Berry]

struggle to catch up with that. One reason why I have a strong interest in international affairs is that I think that, increasingly, countries have to co-operate to arrive at sensible solutions. I therefore welcome the fact that the Government are seeking to introduce the control at EU level, but I would like to make the obvious point about what would happen if by any chance the UK were to be rebuffed by our colleagues in the European Union, and that safe, sensible and long-overdue proposal were not to be agreed by other member states—admittedly, today is not a day to be talking of disagreements in the EU. Will the Minister commit the Government to introducing such a control unilaterally, as they have done in other areas, because that is the right thing to do and would set a good example? I hope that we do not have to do it, but we have to address the need for a general end-use control on torture equipment.

Arms brokering and extraterritoriality is another issue that the Committees have been exercised about for many years. We welcomed the extraterritorial controls introduced in the 2002 Act, but we have consistently argued that they should be extended to cover all items on the military list, not just some. Today, UK persons abroad are subject to control only if they trade in long-range missiles—missiles with a range of more than 300 km—or torture equipment, or if they trade to an embargoed destination. It seems to us that any UK person who seeks to avoid UK arms export controls by the simple device of leaving the country should be subject to extraterritorial controls. I am delighted to see that the hon. Member for Cotswold (Mr. Clifton-Brown) is nodding vigorously. He is right.

Labour's 2001 manifesto said:

"We will legislate to modernise the regulation of arms exports, with a licensing system to control the activities of arms brokers and traffickers wherever they are located."

It does not say control "some" activities and it does not exclude some of the most damaging activities. What were excluded, until the Government's recent announcement, and what are excluded until this provision is introduced through secondary legislation, are small arms, light weapons and man-portable air defence systems. Small arms and light weapons kill a person every minute in the world today; 500,000 people—men, women and children—are killed by small arms. Small arms are the current weapons of mass destruction. As of today, they are excluded from our extraterritorial controls. I am delighted—as are the Committees—that the Government have now proposed that UK persons who broker small arms, light weapons and MANPADS are to be controlled no matter where they are operating. That is absolutely right. I have to confess that I cannot understand why all conventional weapons are not controlled in that way. The Committees have consistently pressed for that.

May I ask the Minister why all items on the military list are not to be listed under the new category 2 and subject to extraterritorial controls? Also, will components, small arms, long-range missiles and MANPADS be included in the category 2 controls?

Sarah Teather (Brent, East) (LD): I am listening to the hon. Gentleman with great interest. Does he agree with me that the consequence of not putting conventional weapons into category 2 might be that someone may trade in helicopters to a country such as Chad and then find that they are being used on the border with Sudan? Whether or not we introduce re-export clauses would be irrelevant because we would not need a licence for the trade in those particular weapons.

Roger Berry: The hon. Lady makes a significant point, and I will come to re-exports in a moment. On why we should not include other conventional arms, I offer her the Government's comment. In paragraph 1.7 of their initial response to the public consultation on the review, they said that action was being taken on light weapons

"to ensure that unscrupulous traders cannot pursue deals that concern the UK simply by carrying out the business from another country."

That is precisely the point that we are both making.

An obvious way for unscrupulous traders and business people to avoid UK domestic export controls is simply to carry out the business elsewhere. That argument is as valid for other conventional weapons as it is for small arms and light weapons. That is precisely why there should be full extraterritoriality in relation to policy towards brokers. This is the same reason, moreover, why we are concerned about licensed production overseas, why we want to ensure effective end-use monitoring and why we want to tighten up on re-export deals. What is that reason? As I said, it is

"to ensure that unscrupulous traders cannot pursue deals that concern the UK simply by carrying out the business from another country"

the Government's own words. I welcome and do not wish to diminish the importance of their proposals in relation to small arms. The decision has been welcomed by Amnesty International as a major victory for arms control campaigners. I like to think that our Committees deserve a small bit of credit, as well. However, we need to consider extending those controls to all conventional weapons.

On the basis of the evidence that the Committees have received, we have concluded that controls over licensed production overseas are inadequate and need to be extended. We believe that there are advantages in pursuing the third option that the Government proposed in their consultation document, namely that they make export licences for supplies to licensed production facilities or subsidiaries subject to conditions relating to the relevant commercial contracts. For example, permission should be secured before making any onward supplies.

Will the Minister tell us when the Government will reach their final conclusions on the options that they identified for controlling licensed production overseas, and will there be an opportunity for comment before the conclusions are finalised? In the past, those of us who argued that this was a major issue have had a response from Government that suggested, "We understand the point that you are making, but it is all very difficult." I see movement here, but I would like to know when we are likely to get some final thoughts from Government and whether there will be an opportunity to pass comment before those thoughts are finalised.

One of the concerns about licensed production overseas is the lack of control over ultimate end use. That takes me to end-use monitoring. The Committees have, for a long time, argued that we need appropriate end-use monitoring. In the past, we have recommended that the

Government establish a pilot programme of end-use monitoring, focusing on cases in which some degree of risk has been identified. The Government's standard response has been to say that end-use monitoring is no substitute for a rigorous assessment of a proposed export at the time of application. Therefore, it is all about investigating applications on a case-by-case basis. They indicate that that is the key thing and that there is not a lot we can do about end-use monitoring thereafter. Again, I detect some progress. This time last year, I drew attention to the case of Land Rover Defender military vehicles, which were used by Uzbek troops during the Andijan massacre in May 2005. The Committees raised the matter with the Government, who confirmed that Land Rover had sold flatpack civilian Land Rover Defenders to the Turkish company Otokar. Otokar then assembled them and added its own components to produce a military vehicle. We understand that the vehicles were given to Uzbekistan by Turkey and were used against civilians in the Andijan massacre in 2005.

The Government informed the Committees at the time that the UK had no power to control the export of civilian specification Land Rovers, which is entirely true. However, in light of the concerns that have been expressed, the Foreign and Commonwealth Office sent us a memo, which is the last memo in our evidence, page 159. It said:

"In respect of Land Rover ... in the light of concerns about supplies to Otokar in Turkey, which were later used in Uzbekistan, special arrangements were agreed with Land Rover UK to more closely monitor supplies made by them to Otokar."

Evidently, the Government accept the importance, in certain circumstances, of end-use controls and, evidently, they have introduced them. It may have been a voluntary arrangement with Land Rover, but the only conceivable reason for persuading Land Rover into a nice arrangement with the Government was that if it exported any more flatpacks to Otokar there would be some dialogue about where what might turn out to be military vehicles would end up. If that is not about end use, or an attempt at end-use control, I do not know what is. Do the Government accept that, in certain circumstances, there is a case for end-use monitoring, not unlike that which we have discovered the Government have been practising, and for which I praise them?

I tend to think that the only thing that matters with the arms trade is end use. The only thing that matters when we talk about controlling trade in weapons is who gets the weapons at the end of the day, and what they do with them. End use is all that matters; everything else is an attempt to control that end use. I accept the Government's logic on Otokar and Land Rover. I agree with the Government that we should not ignore end use if it is felt that a UK company is responsible for only the first part of the manufacture of a vehicle in a civilian context. If there are doubts, or if there is evidence to suggest that a UK company might—inadvertently or otherwise—be involved in providing a major component for a military vehicle that might, for example, end up in an embargoed country, the Government should be concerned. I hope that the Minister will confirm that there are circumstances in which end-use monitoring is essential.

The hon. Member for Brent, East (Sarah Teather) raised the question of re-exports. The example that springs to mind from the last 12 months arose from media reports that maritime patrol aircraft that had been exported from the UK to India were to be sold by the Indian Government to Burma. There was a lot of media coverage of that and right hon. and hon. Members may recall the case. We suggested to the then Foreign Secretary, my right hon. Friend the Member for Derby, South, that the export licence for sending the aircraft to India should require a restriction on resale. I shall come to the general argument about re-exports later, but we made that point in light of the fact that the Indian Government were said to be planning to re-export to Burma. In her evidence to the Committee, the then Secretary of State responded to question 232 by saying:

"With the benefit of handsight I suppose one could say it might have been desirable."

I think, with the benefit of hindsight, that it was desirable. We all learn from experience, so I suggest, and the Committees agree, that it would be desirable for a standard requirement of licensing whereby export contracts for goods on the military list contain a clause to prevent re-export to any destination that is subject to a UN or EU embargo, and for all export contracts to make provision to allow for end-use inspections. I would be grateful if the Minister could advise right hon. and hon. Members what conclusions the Government have reached on those recommendations.

There is not much point having laws if they are not enforced so the question of whether it is worth while breaking the law and paying the fine in the UK environment arises. Penalties for breaching export controls in the UK seem to be rather modest compared with other countries. We received an example in a written submission from the UK Working Group On Arms and, as far as I know, no one has challenged the facts of the case. In the US, for example, the ITT Corporation was convicted and fined $100 million for illegally sending classified night vision technology that is used in military operations to China and Singapore and setting up a front company to escape detection. I repeat: that company was fined $100 million. By contrast, last year, a UK company, Avocado Research Chemicals Ltd, was found—despite its attractive name—to have unlawfully exported two controlled chemicals. I shall not attempt to pronounce the name of the first of those, but it is a possible precursor to VX gas; the other was hafnium, which can be used in the production of nuclear fuel rods. They were exported to a broker in Egypt, which is not a signatory to the chemical weapons convention, yet the company was fined only £600 plus £100 costs.

It is not only members of our Committees who think that there might be companies out there that think that it is okay or more economical to break the rules and pay the fine. When EGAD gave evidence a week ago, it was asked about the contrast in the penalties between the US and the UK. EGAD replied that

"from a company's perspective...non-compliance with the UK system can make economic sense but non-compliance with the US system never makes economic sense".

I put it to the Minister that that is an indictment of the UK's enforcement regime. It is not a criticism of those who seek to enforce the law but of the nature of the penalties that are handed out. I would appreciate it if the Minister commented on the issue.

Criterion 8—sustainable development—is close to the Minister's heart but I shall make only a brief point on it to allow other Members to contribute. In response

[Roger Berry]

to the Committees' recommendation that the criterion 8 methodology—how precisely the Government seek compliance with it—should be published, the Government said that they would consider publishing the final version following a revision of the incomplete or preliminary version that we were given. The NGOs have raised the matter since then. Has the review of the criterion 8 methodology been completed and will the Department for International Development publish it? The Minister gave evidence about the criterion 8 methodology to the Committees and we welcomed its direction. However, to the best of my knowledge, we have not yet received the final version.

My final point is on cluster munitions. I do not want to require the right hon. Member for Tonbridge and Malling (Sir John Stanley) to contribute, but he showed an enormous and important interest in the issues of cluster munitions and extraterritoriality when the Committee considered them. The issue was raised during the debate last year, not least by the right hon. Gentleman, and by the Committee subsequently in questions to Ministers in light of the ongoing Oslo process. The report congratulates the Government on their support for a ban on so-called dumb cluster bombs and on their commitment to withdraw the UK stocks with immediate effect. The Government have said that they wish to retain so-called smart cluster munitions, but the Committees have argued that that would be justifiable only if the Government could demonstrate that there was no operational alternative.

I do not want to go into the details of which weapons I am talking about, but are the Government sticking to their position that, as of today, no acceptable operational alternative can be found to the smart cluster bombs that they have hitherto insisted on retaining? The issue is important not only because cluster munitions have caused enormous damage to men, women and children all over the planet, but because progress on an international ban on cluster munitions under the Oslo process is urgent. In May, which is very close, a treaty of some kind will be signed in Dublin. I welcome the Government's support for the Oslo process but—I am speaking personally—I am concerned that they seem to be pushing for exemptions that could weaken the treaty. I hope that I am wrong, and I hope that the Minister will tell me that the Government will not seek limitations in the treaty that will weaken it or create loopholes.

Sir John Stanley (Tonbridge and Malling) (Con): Does the hon. Gentleman agree in relation to smart cluster bombs that the military operational imperative must be balanced against their known failure rate, as failures represent the sowing of anti-personnel mines, which are banned under the Ottawa convention? After the Foreign Affairs Committee's visit to the minefields in southern Lebanon, which were sown by the Israelis during the war there, the senior UN mine clearance people, headed by the United Nations Mine Action Service, advised us:

"We have established that the M85 with self destruct (what you call 'smart') has a failure rate of…5-10 per cent."

Given the number of bomblets that are detonated, or rather meant to be detonated, a failure rate of even 5 to 10 per cent. represents a very large number of lethal bomblets lying around on which men, women and children can blow themselves up.

Roger Berry: I agree. My views on cluster munitions go beyond those of the Committees. Although the right hon. Gentleman must speak for himself, I suspect that what he just said goes beyond what the Committees have said, but he is absolutely right. In a personal capacity, I have met the Secretary of State for Defence and other Ministers to discuss the issue. I remain unconvinced that there is a case for the Government to retain their so-called smart cluster munitions. I do not think that a good military case has been made at all, and the implications in terms of civilian casualties are so great that I strongly support the tightest possible international ban on cluster munitions.

I am also aware that thus far the text will allow for the introduction of exemptions. I am simply passing on to the Minister my personal view. I suspect that it is shared by other Members—that we do not want exemptions; we want a complete ban on the use of cluster munitions. The ban on anti-personnel land mines involved a similar argument, as the right hon. Gentleman said. The Government led the way on that issue, and I hope that they will do the same on this one.

Mr. David Drew (Stroud) (Lab/Co-op): I commend my hon. Friend on yet another good report. It is an annual event, and he performs admirably. If he does not mind, I shall talk through him to the Minister. Surely my hon. Friend agrees that we cannot afford to repeat what happened at Oslo, where the British representative was left—to put it mildly, as anyone will know who has read the text—effectively trying to perform what could only be described as the last-ditch defence of the Alamo. It did not do Britain's reputation on the matter any good. More than anything, because there is clearly a split among Ministries, the least that the British Government could do is to come up with a cohesive and defensible line. One hopes, as my hon. Friend says, that we would go for a wholesale ban, as it is completely contradictory to do otherwise.

Roger Berry: I agree with my hon. Friend. The Government deserve credit not just for what they have done but what they are doing. They are playing a significant role in seeking to secure an effective international arms trade treaty. Again, I praise them for that—one of the reasons why we need an international treaty is to deal with the arms trade—but I do not believe that their efforts will be enhanced if they are seen to backslide on the Oslo process in relation to cluster munitions. I could not possibly speculate whether one Department has a different view from other Departments; that is an internal Government matter. I would be astonished if there were not one message. Seriously, though, I believe that the Government should sing a consistent song on cluster munitions and on other international measures to control the arms trade.

We must never forget that arms export controls are all about end use, nor that the arms trade is a global business requiring global political responses. The more we can agree responses and controls at the European and international levels, the better. This is not an era in which individual countries can sort out such problems on their own any more than they can sort out problems arising from globalisation, or indeed reap its benefits. They can, however, set examples, so an international agreement should be sought, but failing that, there is a duty to act unilaterally to make progress where possible.

The Government deserve credit for the progress that has been made. Let us be perfectly frank: the position on arms export control policy and its transparency and accountability are light years ahead of what they were 11 years ago at the time of the Scott report on arms to Iraq—and to Iran, as we discovered. This country has made enormous progress in bringing the arms trade under some kind of effective control and scrutiny, and the Government deserve credit for that, but there are still concerns.

It is important that we try to secure full extraterritorial control of brokers. It is important that we take licensed production overseas seriously and introduce the kind of measures now being considered. It is important that we engage in end use monitoring where that is clearly necessary. It is important that enforcement should mean enforcement. There should be no incentives for anyone to say, "It's more economical for my business to break the law and pay the fine." That cannot be right, and it cannot be right to allow the plethora of cluster munitions around the world to increase. I hope that the Government's final response to the welcome review of the 2002 Act will enable those and other serious loopholes to be plugged as quickly as possible. It is not melodramatic to say that lives depend on it.

3.7 pm

Sir John Stanley (Tonbridge and Malling) (Con): It is a pleasure to follow again in the wake of the hon. Member for Kingswood (Roger Berry). Once again, with much efficiency and great capability, he has taken the Committees on strategic export controls through another year of scrutiny of this complex but extremely important policy area.

I shall deal with just two policy areas, one of which the hon. Gentleman referred to and the other of which he no doubt did not have time to include in his remarks. I shall start by putting the issue of extraterritoriality into simple terms. It is the key issue of how far the UK criminal law should be extended overseas to ensure that British traffickers and brokers of arms transactions do not escape British criminal law by carrying on overseas transactions that would be criminal offences, if they were carried out within the UK.

The principle of extraterritoriality is no longer contentious. While we were working to produce the latest report, the Library kindly researched the issue, and the fruits of that research are published in the annexe to our report. Hon. Members will see that there are 25 separate items of existing legislation that extend extraterritoriality in one sphere or another. Interestingly, that legislation goes back some 150 years. Our distinguished Victorian predecessors, when they passed the Offences Against the Person Act 1861, apparently became the first Parliament to extend extraterritoriality to bigamy, which I am sure hon. Members will endorse as an excellent decision. That has continued through 24 other separate pieces of legislation, right up to the Terrorism Act 2006.

The difference between the Committees and the Government is therefore no longer one of principle; indeed, the former Secretary of State for Trade and Industry, the right hon. Member for Leicester, West (Ms Hewitt) conceded the principle of extending extraterritoriality to the trafficking and brokering of arms five years ago. Sadly, although she conceded the principle when she introduced her legislation, she did not concede about 99.9 per cent. recurring of the substance. At one end of the scale, she extended extraterritoriality to instruments of torture, while at the other end—certainly in terms of range—she extended it to long-range ground-to-ground missiles with a range of more than 300 km. As we all know, however, virtually all trafficking and brokering of arms takes place in other categories of weapons and munitions, all of which escaped the initial provisions that the Government laid down five years ago.

I acknowledge that the Government have made some significant progress, and I applaud them for that, but we have not gone as far as the Committees would wish. We made our consistent position quite clear in a previous report, when we said:

> "We conclude that the Government should bring forward proposals to extend the extra-territorial provisions of the export control legislation to encompass trade in all items on the Military List."

In the document that they published in February, entitled "Review of Export Control Legislation (2007): Government's Initial Response to the Public Consultation" the Government extended extraterritoriality to small arms, light weapons, man-portable weapons—MANPADS—some but not all cluster munitions and unmanned air vehicles or UAVs. Given that the Government have made those concessions, the Minister may feel that it is somewhat churlish to press for more, but I have no hesitation at all about doing so. As I see it, the Government have ended the anomaly of conceding the principle without offering anything of substance, but they have ended up with an even more glaring set of anomalies, given the weapons that have now been brought within the ambit of extraterritoriality and those that have been left outside.

I have combed through the initial decision document, and I want to highlight some of those anomalies. Extraterritoriality will, for example, be extended to man-portable weapons, but it will be excluded from vehicle-portable weapons. Extraterritoriality will be extended to dumb cluster bombs, but it will be excluded from smart cluster bombs. Extraterritoriality will be extended to mortars up to 75 mm in calibre, but it will be excluded from mortars over 75 mm in calibre. Extraterritoriality will be extended to unmanned military aircraft, but it will be excluded from manned military aircraft, both helicopters and fixed-wing aircraft. Extraterritoriality will be extended to surface-to-air missiles, which are primarily defensive, but it will be excluded from air-to-surface missiles, which are primarily offensive. Extraterritoriality will be extended to surface-to-surface missiles of more than 300 km in range, but it will be excluded from surface-to-surface missiles of less than 300 km in range. I will not take up more of hon. Members' time by going through the anomalies, but hon. Members will understand—certainly if they go through the document—that it is not difficult to compile a list of scores more of the anomalies that are being created by the Government's position.

Like the hon. Member for Kingswood, I ask the Minister why the Government have not accepted the Committees' recommendation. What is the case for not doing so? The Government have got themselves hooked on a most appallingly difficult series of anomalies by

[Mr. Liddell-Grainger]

The unitary plan was driven by one dangerous but very determined individual. His name is Alan Jones and he is the chief executive of Somerset county council. Rather like Joseph Stalin, he does not give a fig about democracy. He is, in his dreams at least, a ruthless business man—a pint-sized Alan Sugar. If his unitary plan had succeeded, the core business of Southwest One would have been ready made, and those involved would have been laughing all the way to the bank.

However, the Government's civil servants took one look at Somerset's proposals and rejected them out of hand. They made no sense economically or democratically. Suddenly, the rug was pulled from underneath and the new joint venture company was left struggling for clients and credibility. A desperate bid for extra business was launched. Devon county council was approached, and Cornwall too—let us spread our wings; let us march to the periphery. Both, as I understand it, gave Southwest One an instant, and correct, thumbs-down: goodbye, you are the weakest link.

We all knew that Southwest One could not survive, let alone prosper, with the work of a single county council and a tiddly little borough council. It needed richer, fatter clients and, what is more, it needed them fast. Last Thursday, Avon and Somerset police finally signed up to a contract to become the latest member of this strange secret society. Soon it will hand over to Southwest One much of the boring back-room work, such as financial services, human resources, information technology, facilities management, procurement and even inquiry offices.

The police do not like to be seen cracking open the Bollinger; it tends to give criminals the wrong idea. The thin blue line had fixed grins last Thursday, and no wonder. The forces of law and order had paid rock-bottom, bargain-basement prices to join Southwest One. Perhaps they were the sprat designed to catch the mackerel. It is said that IBM wanted to bag as much back-room police work as it could from all over the UK, but no one will get this "buy one, get one free" deal in the future. Somerset county council and Taunton Deane council will have to cough up £40 million a year to transfer 800 people to the Southwest One payroll. Avon and Somerset police has 600 back-room staff, but they are all coming in at half the price. The police contribution is so small that it amounts to a bribe. If the police were not already in it up to their necks, I would be demanding a police investigation.

How did it all start? We are assured that it was from the purest of motives. Somerset county council wanted to save money, so a few years back, it invented a project called "Improving services in Somerset" (ISIS). It was a lofty ideal that no one could disagree with. However, if one examined the small print, one would find that most of it was missing. ISIS appointed a project director on a two-year consultancy to help get things going. The appointment was made under what is known as the "urgency procedure", so the individual was given the job without going through the council's normal strict selection process. Only two people were involved, one of whom was the county council chief executive—Stalin himself—Mr. Alan "Sugar" Jones. "You are hired," he said.

The new project director was Sue Barnes, who had excellent qualifications and substantial experience in local government. Sue Barnes is a constituent of mine, and she happens to be married to Mr. Colin Port, the chief constable of Avon and Somerset police. At best, that is an uncomfortable coincidence. Although Sue Barnes was not an officer in the council, she was given unusual delegated powers to conduct commercial negotiations.

According to Somerset county council's auditors, Grant Thornton, there was no "conflict of interest" in the odd relationship. Let the phrase "conflict of interest" echo for a second or two, while I continue to be struck by the irony of Grant Thornton's language. At the same time as auditing Somerset county council's books, that well-known accountancy firm was also responsible for vetting the books of the Avon and Somerset police force. Furthermore, I think that Grant Thornton was working on behalf of the Audit Commission when Somerset county council was awarded its four stars. Do we think that is odd or what?

It is strange how times change. Grant Thornton is no longer hired by the Audit Commission. All current investigations into Somerset are being handled by the commission's own experts. I am told that this time, they are going through the books of Somerset county with a fine-tooth comb. Yesterday's four-star council could be presiding over a five-star scandal.

I received a letter today from the Secretary of State for Communities and Local Government in which she raises the connection with Southwest One partnership. She said:

> "The arrangements that Somerset County Council and Taunton and Deane Borough Council have made in entering into the joint venture partnership are primarily a matter for them; you should certainly direct any concerns you may have about the procurement process followed to the councils concerned, or to the District Auditor."

That sums it up. Even the Government see that something is not right. I do not blame the police authority for signing the deal with Southwest One. Given the deal that the police were offered, they would have been absolute twits to turn it down, but I remain deeply suspicious about Southwest One itself. For example, how did IBM become the preferred partner in the first place?

Originally, British Telecom and Capita produced detailed pictures. At least, they are home-grown companies. Capita has more hands-on experience of local government work than almost any other organisation. What was the competitive tendering process? We do not know the precise ifs and buts because of the extraordinary degree of confidentiality surrounding the whole affair, but we know that after any competitive tendering, there has to be an evaluation—the safeguard whereby local government officials can assure themselves that everything they have done is hunky-dory. I know that the Minister understands what I am talking about.

There is a specialist team in Government which does nothing else but evaluate councils. It is known as the "four Ps", which stands for public-private partnership programmes. As the Government know, those guys are the experts and, more to the point, their service is free.

In the early stages of ISIS, the four Ps were called in, but when it came to vetting IBM, the Government

boffins got an extremely cold shoulder: they were fired. Instead, the project director, Mrs. Colin Port—remember who she is?—recommended an entirely different evaluation process so, at an undisclosed cost to every taxpayer in Somerset, a private consultancy firm was hired. The consultancy company is called Maana, which is a Polynesian word that means "mature wisdom, with a hint of magic"—in other words, expensive eyewash.

The men from Maana previously worked for Suffolk county council. Guess what? Mrs. Port used to work there. It is always so much easier dealing with people we know, is it not? However, this time Maana was asked some searching questions about IBM's business plans. The consultancy completed unedited reports that have never been made public, despite repeated requests made under the Freedom of Information Act 2000. Like so much of this appalling story, secrecy, underhandedness and deviousness rule.

However, there are some things that we know. We know that IBM was hired by the colleagues of the Secretary of State for Environment, Food and Rural Affairs to run the computer agency at the Rural Payments Agency. I know farmers who still have slight concerns about that. I know that the IT system used by the Rural Payments Agency is similar to the one that IBM wants to use at Southwest One. We also know that it is a hugely costly system with a track record of going wonky and not working. Are the vast consultancy bills a cock-up? Every time one asks, one is told something different. The system is embarrassingly German. There again, what is a few million Deutschmarks here and there? As a matter of fact, there is nothing wrong with the main IT system currently used by Somerset county council, and there never has been. It has been saving money. It could easily be expanded. More important, however, it is 100 per cent. British.

As of now, a team of geeks are working their hearts out to make the software work. The software was originally written to serve the city of Bradford. Now it is being converted to the functions of Somerset. We were promised that ISIS and Southwest One would provide an improved service and real jobs. The House will be interested to know that the important work of producing a new computer system for the two councils and one for the police authority is being undertaken, not in Taunton, Bridgwater or Wales, but in India. That is also a secret—like all the details of the contract that were signed at 5 o'clock on a weekend morning between Somerset county council, Taunton Deane and IBM. We are not allowed to see the small print, or even the big print.

We are obliged to take a few face-value promises and guarantees of savings. We are expected to believe the unbelievable, swallow the lies, and to turn a blind eye to the growing suspicion of dodgy dealing and underhanded deals. My purpose is to open up this issue so that the Government can do something before it is too late. We appear to be lumbered with an arrangement that ties the hands of politicians and people for 10 years, but the details are totally secret. That is inequitable. I do not think that any of us would disagree that the Minister and his officials have a duty to ensure absolute probity in the spending of public money.

The Minister could demand to see the detailed arrangements for all partners in Southwest One. Such partnerships are high-risk for the public purse unless there is a robust evaluation, monitoring and control system. Excessive secrecy inevitably erodes public confidence and inadequate democratic control washes it away altogether, which is why I want the Minister to consider this simple remedy: in future, such partnership arrangements should be subject to mandatory review by impartial organisations that represent, or report directly to, the Audit Commission and Parliament.

Southwest One is currently being investigated by the Audit Commission. I am respectfully seeking firm assurances that the recommendations of the audit will be fully implemented. The 10-year deal, which was pushed through by Stalinesque methods, is hazardous. The Lib Dems on the county council pathetically allowed it to happen—they did not even try to control the deal, and it could now tie the hands of all subsequent elected politicians regardless of their party.

I invite the Minister to investigate how one non-elected chief executive, Alan Jones, forced through such a mad, corrupt, barking scheme. Even Joseph Stalin did not go beyond five-year plans.

11.20 am

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Parmjit Dhanda): It is a pleasure to serve under your chairmanship, Mr. Jones. I should have said Mr. Martyn Jones—I am sure that you have nothing to do with the Alan Jones whom the hon. Member for Bridgwater (Mr. Liddell-Grainger) has mentioned. I congratulate the hon. Gentleman on securing the debate, and the right hon. Member for Wells (Mr. Heathcoat-Amory) on his contribution.

As hon. Members are aware, the issue concerns effective partnership working to deliver services in Somerset, as the hon. Member for Bridgwater has made clear. He has not minced his words in the debate—he is well known for saying what he thinks, and he has certainly done so today. He agrees—it is important to stress this from the start—that local authorities are independent bodies that are accountable first and foremost to their local communities and residents. They must ensure that they act in a professional and responsible manner. In particular, they are responsible for the proper administration of their financial affairs within the framework set by legislation, which includes the duty of best value and public procurement law, and codes of practice that are issued by professional bodies such as the Chartered Institute of Public Finance and Accountancy.

The hon. Gentleman has raised concerns about governance, employment rights, resources, money—he has mentioned a sum of £400 million—savings, his local constabulary and its involvement in the project, and the process of tendering. He has managed to fit quite a lot into a short Adjournment debate. Central Government cannot be involved in every action that councils undertake, and nor should they be. Rightly, Ministers and officials have not been involved in the development of the Southwest One partnership that has caused the hon. Gentleman so much concern. Therefore, the specific matters that he has mentioned can be answered only by Southwest One, Somerset county council and Taunton Deane borough council. If he has specific evidence—he has alluded to it—of financial irregularities or of a failure to follow due process in the development of the Southwest One

High Street Shops (Planning)

4 pm

Martin Linton (Battersea) (Lab): It is a pleasure to speak in this debate under your chairmanship, Mr. Jones. I am grateful for the chance to raise the issue of high street shops in my constituency.

Battersea has a long high street, only the first part of which is called Battersea High street, which ends in a market. The second part is called Falcon road, and the third is the main shopping street in Clapham Junction, which is probably the biggest shopping centre in south-west London. I am concerned only with the last half mile of the high street, which is known as Northcote road, a popular, traditional high street with a market and a lot of small independently owned traditional food shops, including bakers, butchers, fishmongers, a cheese shop, an Italian deli and patisseries, as well as a lot of wine bars, restaurants and coffee shops. It also has a bookshop, a music shop, a toy shop, a kitchen shop and even a honey shop. Nowadays, there are a lot of expensive clothes shops, including children's clothes shops, as might be expected in an area that has been known for the past 15 years, at least, as "Nappy Valley". As long as people have the money to shop there, I do not think that I am exaggerating when I say that it is one of the nicest shopping streets in London.

There is a problem, because the national chains want to move in and cash in on the street's popularity. Landlords are responding by raising rents, with the result that they are threatening the very food shops that make the street popular in the first place—in other words, they are in danger of killing the goose that lays the golden eggs. We have already lost some popular food shops, after their leases came to an end or the rents were doubled and, in some cases, trebled, and those that remain are feeling the squeeze. They either have to pass on the cost of their higher rents to customers, if they can, or move; those are the only options.

The street has already lost a post office because of the high rents. The last postmaster retired in 2006 and although the Post Office advertised the vacancy several times, it could not find an applicant who could afford to take on the franchise. That post office has now been written off as part of the current consultation.

Over the 18 months to two years since the campaign started, we are seeing ever more upmarket clothes shops, which may be fun for some people to shop in but are in danger of squeezing out the food shops that give the street its character. That is not at all what people want. The Northcote road action group was set up in 2006, and 250 people, both shopkeepers and residents—more residents, of course, than shopkeepers—attended its inaugural meeting. Some 7,000 people signed a petition presented to the council by Prunella Scales, a local resident.

Wandsworth council has called in a consultant to report on what it can do through existing planning powers. It already has a strict planning regime on the street. The first 50 shops or so are in a protected secondary frontage and the council can refuse non-retail use, if the proportion of retail falls below 60 per cent. The next 50 shops have slightly less protection. Then there is a middle section of the street. The far end of the street is classed as an important local parade. So the council uses the current planning powers to try to support the character of the street.

The planning system allows the council to prioritise retail over wine bars and estate agents, at least in most of the street, and if it is possible to do that more effectively by re-zoning the street or changing the zoning, we should do so. There may be some leeway for giving greater protection to retail shops by extending the protected secondary frontage further down the street, but planning law will never allow the council to favour independent shops over chain stores or small shops over bigger shops.

I am more concerned about what cannot be done through existing powers. We would need a change in planning laws or regulations, because the council and local councils are pursuing everything that can be done through existing powers. It is my job to pursue those things that cannot be done. I hope that the Minister will apply his mind to what changes can be made in the law to give councils the powers that they need to protect food shops in popular shopping streets.

The problem is by no means unique to Northcote road. Other streets, such as Portobello road and Marylebone High street, face similar problems. There may be many more, for all I know, in other parts of London or in other cities, but these are the only streets that I know about which are victims of their own success. The popularity of such a street becomes a problem, because it brings in so many national chains or other shops that squeeze out the shops that were there originally.

Marylebone High street has found a solution to this problem; it has retained that old villagey high street character, with its own butchers, bakers, chemist and all the shops that people would expect to find in a traditional high street, despite being close to Oxford street. Some of those shops might be quite expensive, but at least when people walk down Marylebone high street they feel that they are in a traditional high street with a good range of food shops. What is unique about Marylebone High street is that all the shops are owned by one man—Lord Howard de Walden—who knows that it is not only in the residents' interest, but in his interest as the landlord to keep a butchers and a bakers in the high street, so that people can continue to do all their shopping in the same street. That solution is not available in Northcote road, where no landlord owns more than a dozen shops and most are individually owned, so no one person has an interest in keeping a good mix of shops in the high street. Left to their individual devices, all the landlords naturally rent their shops to the highest bidder, without any consideration of how that affects the balance of shops in the street.

Portobello road is, of course, famous and draws people from all over London and probably from outside. Kensington and Chelsea borough council set up an inquiry involving people such as Terence Conran to see what can be done to protect its character. It came up with 54 recommendations, which were mainly things for the council to do or for shopkeepers to do themselves, but about a dozen were recommendations for Government action, and some of those are worthy of the Minister's consideration.

The first thing is to protect small food shops by putting them in a special planning category. One could then stop chains from buying up shop fronts and creating big shops by requiring planning permission to knock

two shops into one. That would require a definition of a small shop to be in place—the inquiry group suggested 80 sq m—and any plan to increase a shop's size above that limit would require planning permission. One could also prioritise food shops over coffee shops and internet cafes, which has been a particular problem in some high streets, as they take over sites from food shops.

Behind such measures, councils need to be enabled to make diversity of shops one of the reasons why they can turn down a planning application. Otherwise, they will be powerless to do anything other than stand by and watch as a much-loved high street turns into a row of wine bars, with all the problems that creates for the neighbours, or into a row of expensive fashion boutiques, which, although they are not objectionable in themselves, are not helpful because people cannot eat clothes.

If there is nothing but boutiques or rows of estate agents—as in Lavender Hill—it is no longer a high street. That is what has started to happen on Northcote road. As much as I would like the council to use its existing powers to the utmost—there are still ways in which it can do more—it does not have the power to stop those trends, once they take hold.

I shall mention a couple of suggestions that have been made. Wandsworth council is keen for more powers for retail conservation areas, which could be used more effectively to protect existing high streets. A number of organisations have suggested expanding the small business rate rebate scheme, which would favour smaller shops, regardless of their ownership. That would help to correct the balance, which can get out of kilter when large chains try to move in. I have nothing against large chains, and I appreciate that in planning law it is impossible to have a satisfactory definition of what a chain is. A small individually owned shop may set up a branch in a neighbouring high street and become a chain, but it should not be thrown out of the original high street simply because it is part of a chain. It would be a penalty of success if belonging to a group of more than one shop was a reason to refuse planning permission.

We must find other ways—proxies—to provide a distinction to enable planning authorities to control the tendency for large chains to take over shopping centres, push out individually owned or characterful shops and create a high street identical to one somewhere in the London suburbs. One can walk down several high streets, see exactly the same shops and wonder which particular high street one is in. Northcote road is nothing like that yet; it is a characterful shopping parade. People love it for its character, and they want to preserve that. I fear that the fundamental problem is that the planning system leaves too much to the whim of the market and gives too few powers to the local community to defend its own high street.

Of course, I fully accept that shops come and go—they always will. I am not making an argument for or against town centre shopping. I am not an opponent of supermarkets; on the contrary, I like to shop in them myself. However, I am saying that we must be alive to new trends such as those in places such as Northcote road. Many people there want to be able to shop for everything on their own high street. Such people are not particularly price sensitive. They do not mind if the small individually owned butchers that they go to charges a little more for a leg of lamb, because they value knowing the butcher and being able to discuss with him how he has treated the meat, how he cuts it and what his cooking recommendations are. People know that they and the butcher are part of a community.

That is the high street many of us know from our childhoods, and it is how the traditional English high street is described in history books. It is ironic that there was a time when the only people who did not shop in the high street were wealthy people, who shopped in Harrods food hall. Now, those at the lower end of the income scale shop at Asda, and those at the higher end prefer to shop on a traditional high street. However, this is not solely a matter for one income group, because the high street is one of our traditions. Although I do not wish to detract from the need for supermarkets, we ought to be alive to fact that many people want to preserve their local high street. In relation to this example, huge numbers of people have signed petitions, campaigned, and attended protests to defend their high street. What people do not have, and what I hope the Minister will point us towards, are the planning powers that would enable them to defend those high streets.

4.14 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): It is a pleasure to serve under your chairmanship, Mr. Jones, and it is a long time—about five hours—since I last saw you. I thank my hon. Friend the Member for Battersea (Martin Linton) for his thoughtful contribution to the important issue of the future of our high streets.

It is difficult to overestimate the importance of our high streets and town centres—whether they are larger cities, market towns or small villages. The places that provide goods, services and amenities for our day-to-day needs are much more than just places to shop or work, to which my hon. Friend alluded. They also provide the focus for our civic and cultural life and are at the heart of our communities. When I or other Ministers talk about the importance of place-shaping, a vibrant high street and town centre is at the heart of what we mean.

That is why the Government are committed to providing a suitable and appropriate framework to help develop and maintain thriving high streets and town centres. I hope that my hon. Friend and others would agree that the past decade has seen a welcome renaissance for thriving town centres. I grew up in the 1970s and early 1980s and I remember the ghost towns that were caused by economic depression. In the late 1980s and early 1990s, there was a tendency for planners to concentrate on out-of-town development. Independent retailers in towns and cities struggled because of the emergence of retail parks. Town centres virtually shut down at 5pm and became cultural deserts and havens for crime.

In the past decade that situation has been turned around. The proportion of new retail development in and around town centres has increased from less than 25 per cent. in 1994 to around 40 per cent. in 2005. Most of the top 50 retail centres have received a new major town centre retail scheme. I was in Birmingham recently, for the Labour party spring conference, where there is the exciting and vibrant Bullring. Manchester is a fantastic northern city that has smart new shops and high-quality public spaces. Other areas, such as Reading, have new developments in the pipeline to maintain their competitiveness.

[Dr. Phyllis Starkey]

because they release rockets against Israeli territory from areas where civilians live. I make no justification for the behaviour of Hezbollah or Hamas, but I strenuously reject the notion that because rockets are fired from civilian areas the Israeli Government are absolved of their responsibility to act within international law in all circumstances.

During military action in Iraq, the British Government took care to have lawyers present at every military action advising on whether it was legal and took sufficient account under international law of the need to avoid damage to civilians. Our Government know that it is the responsibility of the Government using weapons to assure themselves that the probability of civilian damage is extremely low and that they are taking all possible care to avoid civilian casualties. On the other hand, the Israelis have used bunker-buster bombs in southern Lebanon and other high-tech weapons in Gaza, supposedly to assassinate "targets" known militants. They are aware of the level of tolerance in the accuracy of their weapons and they know that they are using them in densely populated areas so they cannot possibly be reasonably assured that they do not present a huge risk of innocent civilian deaths. Figures from Gaza clearly demonstrate a very high number of innocent civilians being killed using those methods.

I urge the British Government, therefore, to be extremely vigilant in scrutinising future export licence applications relating to Israel, and to bear in mind the Israeli Government's record and their apparent complete disregard for international law.

The second country that I am concerned about is Sri Lanka. My interest in the matter arises from the fact that a number of my constituents are of Sri Lankan-Tamil origin. Several of them have been active for a great many years in a charity that supports orphans and schools in Sri Lanka—mainly, but not exclusively, in the Tamil areas. One of those constituents has only just returned from a visit to Sri Lanka.

There is no absolutely no dispute about sovereignty in Sri Lanka, because the Sri Lankan Government have sovereignty over the whole island, but there has been a long-running insurrection in the Tamil areas. I do not seek in the slightest to justify the violent actions of the Tamil Tigers, including their pioneering of the use of suicide bombing, but as well as the violent action, there is in the Tamil communities in Sri Lanka perfectly legitimate non-violent and political agitation to gain autonomy and respect for their community rights.

Although the previous Sri Lankan Government, with a great deal of international help and support, seemed to be moving towards a negotiated settlement with the Tamil Tigers and other groups in the Tamil community in Sri Lanka, I am deeply concerned that the current Sri Lankan Government appear to have instituted a sharp change in policy. They now eschew negotiation and seem to believe that they can achieve a military solution. Not only do they use military action against the armed groups in a way that shows blatant disregard for collateral civilian damage, but they involve themselves—either directly or by turning a blind eye to what other groups do—in the wholesale repression of, and discrimination against, the Tamil population at large. Some of the more egregious examples of that were several assassinations, including those of two Tamil-elected Members of the Sri Lankan Parliament in extremely suspicious circumstances, which suggests at the very least that the Sri Lankan Government turned a blind eye to what was going on—and perhaps something worse.

In those circumstances, it is important that the British Government and the European Union examine carefully any arms sales to Sri Lanka. The country faces relatively few external threats, but for a country of its nature, its spending on defence is large and growing. As I mentioned, it has also used high-tech weapons—fighter jets in particular—disproportionately and caused a significant number of civilian deaths and injuries. One of my constituents drew my attention in particular to one of their schools where the fighter jets were used, presumably against an armed group, but hit and damaged the school and injured a number of children.

I ask the Government to look urgently at any arms sales being proposed to Sri Lanka, to talk with their European Union allies to ensure that they, too, are aware of the situation, and to ensure that there are up-to-date briefings from Sri Lanka about the way in which the current Sri Lankan Government seem to be using weapons against their own population—whether armed or not—in a systematic attempt to expunge not only separatist claims by Tamil Sri Lankans, but even perfectly reasonably and legitimate claims for autonomy and the recognition of their minority rights.

3.44 pm

Mike Gapes (Ilford, South) (Lab/Co-op): I agree very much with the tributes paid to the Chairman of the Committees on strategic export controls, my hon. Friend the Member for Kingswood (Roger Berry), for the report that he has played a major role in producing. I also agree with the tributes paid to the staff of the Committees on strategic export controls—I still use the term the Quadripartite Committee; after years of speaking about something in one way, it is hard to change to a new form of language, but I shall try.

We are a strange committee because of our structures and the way in which we have to make decisions, but if the Chairman is not aware yet, I am pleased to be able to tell him that the Liaison Committee this morning agreed to support the proposals to change our procedure and to make it easier for our committee to work. We have to produce our reports unanimously, and with four component parts, it is not always easy. However, it is relatively easy because of the good will shown by all members of the committee, which means that when we produce reports and recommendations, they are far more effective. I am pleased to say that in general, the Government have moved towards some of the recommendations from our reports over the years, but not sufficiently—before the Minister and his officials become too relaxed.

In that context, I shall refer to another Government report, the Foreign and Commonwealth Office human rights annual report 2007, which was published on Tuesday. One of the interesting features of that report is page 5, where it lists major countries of concern on human rights. Some, such as Burma and China, have already been mentioned in the debate, but Sri Lanka is not on the list, which is an interesting omission. Israel and the occupied Palestinian territories are also on the list.

The full list includes a number of countries where the Government do not and have not sold arms at all, but it also includes a number of countries where we do. For the record, the full list is Afghanistan, Belarus, Burma, the People's Republic of China, Colombia, Cuba, Democratic Republic of the Congo, Democratic People's Republic of Korea, Iran, Iraq, Israel and the occupied Palestinian territories, Nepal, Pakistan, Russia, Saudi Arabia, Sudan, Syria, Turkmenistan, Uzbekistan, Vietnam and Zimbabwe.

The report says, however, that that is only a selection, and there are other countries—they are mentioned in the report—where there are human rights concerns. I am lobbied regularly about the situation in Colombia, and the human rights annual report specifically says:

"Colombia is a dangerous place to be a trade unionist."

It also says that it is a country where many human rights issues need to be addressed, although it claims that the situation is improving. I should be grateful if the Minister in his reply at least clarified why there is still some level of arms exports, and military co-operation and co-operation with the authorities in Colombia. The Minister for the Middle East recently visited Colombia and was photographed with leading military figures in the country, so I should be grateful for clarification of the position of Her Majesty's Government on Colombia and the human rights issues there.

Reference has already been made to China and I do not want to repeat what the right hon. Member for Tonbridge and Malling (Sir John Stanley), my colleague on the Foreign Affairs Committee, has said. It was mentioned in an intervention earlier that Chinese arms exports to Sudan are a matter of some concern, as are its arms exports to Zimbabwe. Given that both Sudan and Zimbabwe are on the list of major countries of concern on human rights, there is an indirect consequence. Therefore, the human rights dialogue that Britain and the European Union have with the Chinese should also focus on China's arms exports policy, as well as the wider issues of concern.

I do not wish to make a long contribution today, although I am conscious that there are many points that we could address. The final country that I would like to flag up is one that the committee this year did not make any specific recommendations about. Nevertheless, it is on the list of countries of human rights concern. That country is Saudi Arabia.

Clearly, there are certain issues that are currently highly topical relating to arms sales to Saudi Arabia 15 or 20 years ago; perhaps the chickens are coming home to roost. However, I want to focus on the present situation and ask for clarification from the Minister when he replies about the Government's attitude both to current arms sales policy regarding Saudi Arabia and to the human rights situation in that country, including how we see that situation developing in the future.

This report and the Government response are very valuable. I must say, from discussions that I have had with parliamentarians in many other countries in the European Union and more widely, that there is a great deal of interest in the work that we have done in bringing about greater transparency and accountability in these areas. Indeed, some countries—my hon. Friend the Member for Kingswood knows this very well because he is involved in the discussions about it—are so impressed that they want members of our committee to visit them and give advice. I hope that we will be able to build on the work that we have done in recent years and consolidate it, so that we can become even more effective.

I believe that the way in which the committee has worked is a model, not only in terms of our cross-party and cross-Committee contributions and joint working but in terms of reconciling the different interests that exist. Clearly, the Business, Enterprise and Regulatory Reform Committee—that is another new name—and the International Development Committee might have members with slightly different interests with regard to issues relating to arms exports. Similarly, the Defence Committee might have a slightly different approach and perspective from those of the Foreign Affairs Committee. Nevertheless, we are able to unite to produce these reports and that is a great tribute to the members of the committee and to all those others who have made the committee's work possible.

3.53 pm

Sarah Teather (Brent, East) (LD): This has been a very good debate. There may be only a few speakers here, but they are all very knowledgeable and their contributions have been of high quality. I am conscious of that as I am rather new to this brief, but I have found it fascinating in the last hour or so to listen to speakers who clearly know their subject very well.

This is an excellent report. It seems to me that the committee is always careful to balance justified support for a legitimate and important business in the UK with the question of adequate control and ethics. There is no doubt that the arms industry is important to the UK economy and to Britain's influence abroad. However, our reputation is also dependent on the ethics and practice of those countries with which we trade, and on the transparency and probity of our relationships with those countries.

I will not attempt to deal with everything in the report today; rather, I just want to address a few specific issues that I hope the Minister can clarify. First, I want to say something about the power of the committee itself: it clearly works well. Everyone on it feels that it is an example of cross-departmental work that could be held up as a model for many other areas, where we could do with far more breaking up of silos and a different type of thinking. The committee's reports have all been very thoughtful and the conclusions have been reached through consensus.

Despite those obvious strengths, however, it remains true that the committee has the power to scrutinise licensing of arms exports only retrospectively. It recommends in the report before us that it should have the power to scrutinise particularly sensitive arms transfers. The Government have not dealt with that recommendation in their response, and I wonder whether the Minister might do so today. The committee suggests that a trial period could be established so that such scrutiny could be applied to countries that have previously been under embargo, or in cases where there have been particularly sensitive or precedent-setting licences. I hope that the Government will agree to pilot that use of a trial period, if nothing else.

I want to deal with three specific committee recommendations before making some wider points about enforcement and Government support for the

[Sarah Teather]

arms industry in general. The first recommendation is on re-export clauses, which other Members have already referred to. The committee recommended that

"it should become a standard requirement of licensing that export contracts for goods on the Military List contain a clause preventing re-export to a destination subject to UN or EU embargo."

In their response to the report, the Government said that they would deal with that recommendation as part of the review of the Export Control Act 2002, but in their initial report they made no mention of that. What is the Government's thinking on this subject, and are they intending to include re-export clauses when they produce their final response to the review of the 2002 Act?

The Chairman of the committee, the hon. Member for Kingswood (Roger Berry), mentioned the transfer of British-made maritime patrol aircraft from India to Burma. The thought of that transfer made us all feel deeply queasy, particularly if one thinks of last autumn, when we watched the oppression in Burma of monks, especially in Rangoon. It makes me very queasy to think that, whatever advances we may have made on control of arms transfers, we seem to have little influence beyond the initial arms transfer.

The second issue relates to extraterritorial jurisdiction. The committee made another very clear recommendation: that

"the Government should bring forward proposals to extend the extra-territorial provisions of the export control legislation to encompass trade in all items on the Military List."

The Government have made significant advances by including light weapons and small arms in the military list. I also acknowledge the point made by the hon. Member for Kingswood that small arms are the current weapons of mass destruction. I thought that that was a very good way of explaining the problem.

However, the right hon. Member for Tonbridge and Malling (Sir John Stanley) made an absolutely devastating critique of the anomalies concerning what is included in the military list at the moment and what is not. I cite the example of what might happen if aircraft and vehicles were sold to Chad. No licence would be required if that sale took place from abroad and those aircraft and vehicles could then be used on the border with Sudan. There is a separate point about whether they could then be re-exported into Sudan. Even if the Government were to adopt the re-export clauses that the committee has been calling for, it would make no difference in that situation, unless the arms or vehicles are already included under a licensing agreement.

The Government's new categories for extraterritorial trade control also raise a number of questions about cluster munitions. I welcome the fact that cluster munitions are now classified as category 1 arms and consequently banned in practice, and that the Government have said that they wish to see a worldwide ban on cluster bombs. However, I agree entirely with both the hon. Member for Kingswood and the right hon. Member for Tonbridge and Malling about the disingenuous distinction between smart cluster bombs and dumb cluster bombs. The right hon. Gentleman gave figures showing that the failure rate was as high as 10 per cent. for M85 cluster munitions in particular, which the Government continue to stockpile even though they say that they wish to see the end of stockpiling of such weapons. That shows the poor distinction between the two types of munitions. Will the Minister say what his intentions are for the forthcoming treaty? What definitions of cluster munitions do the Government intend to use as they seek, I hope, to move toward a worldwide ban later this year?

The third issue that I want to discuss, is end-use monitoring. I welcome the view of the Government and the committee that EU-wide end-use monitoring is vital, but the hon. Member for Kingswood made a good point about the need to move toward end-use monitoring of torture equipment from a UK perspective. The Government have already instituted end-use monitoring of some sensitive transfers, and I wonder why they have been so unwilling to introduce a system of end-use monitoring of particularly sensitive contracts. It clearly is not practical to introduce such monitoring on all transfers—that would be impossible—but having a system that dealt with obviously sensitive transfers would be a sensible way forward.

Since the report, there have been several changes to the Government's system of support for the arms industry. The abolition of the Defence Export Services Organisation was largely welcomed by everyone, but the full consequences of its move to UK Trade & Investment have yet to be seen. I hope that it will signal a shift such that the Government's support for the arms industry, which needs to be specialist because of the nature of the industry, will not be substantially greater in value than their support for other industries that are equally or even more important to the UK economy.

Continuing in that vein, the continued underwriting of risk through the export credits guarantee scheme must have had its day. Estimates of the scheme's cost to the UK taxpayer vary from £150 million a year to four times that level by some NGOs. The Government have always justified the ECG by claiming that companies often have to trade with countries that do not have developed insurance markets, but that is surely an outdated view in a well-developed derivatives market. It is difficult to see why the taxpayer should pick up the risk for such deals, given that private companies keep the profits. Similarly, the accounts of the Export Credits Guarantee Department remain somewhat opaque, and that lack of transparency leads to a widespread suspicion of bad practice. I think that the transparency issue was another reason why the committee made several recommendations on combating bribery and corruption.

There is a widespread view that the Government's decision to halt the inquiry into the al-Yamamah arms deal severely damaged the UK's reputation in the fight against corruption. That is certainly the view of the Foreign Affairs Committee; it also my view and that of my party. I shall not rehearse the entire debate at length, as this is not the appropriate time, but I note that this issue underscores the need for the Government to be clear and straightforward about their anti-corruption policies. They must be seen to make progress on that issue because of the impact of that decision on the UK's reputation abroad. The committee recommended that the Government should press for provisions to be included in the arms trade treaty to promote good governance and to combat bribery and corruption. I would strongly support such moves, but there is no reason why such provisions could not already be included

in licences. I reiterate the point made by the hon. Member for Kingswood about including criterion 8 as a means of assessment. He asked the Minister to update us regarding the review into that issue, and I, too, hope that the Minister will address that point.

Let me turn to issues of enforcement and practice rather than the need for new laws. According to parliamentary answers given in 2006, there were more than 500 breaches of arms export controls between 2000 and 2005, but just four successful prosecutions. Those cases included export seizures and unlicensed exports that were referred to Her Majesty's Revenue and Customs by compliance officers from the Department of Trade and Industry. In his initial remarks, the hon. Member for Kingswood said that the current, low penalties do not particularly influence or affect behaviour, and seem to be poor at preventing infringement of the law. Will the Minister tell me how many staff currently scrutinise licences in the export control department? There is no point in having great law if we do not have the resources to enforce it, or if we do not ensure that there are significant consequences for breaching it.

The arms industry is highly complex and five Departments are involved in monitoring it, while four Departments are involved in scrutinising it through the committee. There have been incidents of arms exports being approved in apparent breaches of the Government's own international policy priorities. An obvious example is the 2001 deal to sell a military air traffic control system to Tanzania for £28 million. That was an odd decision, given that Tanzania is one of the world's poorest countries. The World Bank described the deal as a waste of money. It is obvious that we need a more joined-up approach within government, and I hope that the Government will consider how to ensure that their internal policies, particularly on international affairs, are being fed through to the scrutiny of licences and, therefore, the transfer of arms. The sale of arms is not a morality-free zone; it differs from other industries in that regard. I acknowledge that the Government have made significant progress in the past 10 years, but significantly more needs to be done.

4.6 pm

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): It is a pleasure to have you in the Chair, Mr. Williams. Like other hon. Members, it is the first time I have had the pleasure of speaking when you are in the Chair.

Let me offer my sincere congratulations to the hon. Member for Kingswood (Roger Berry), who is the Chairman of the Committees. As other Members have said, but he could not say, he has done a huge job of work. Our process of scrutiny in this important field is envied by many Parliaments around the world. The hon. Gentleman is clearly holding the Government to account, and that accountability is clearly having an effect on them. Several Members have spoken today, although perhaps not quite enough for some. They have mentioned individual countries, but I shall try to avoid that because I want to keep to the generality of the report. It is a big report and I shall cover some areas that have already been covered, but others that have not.

This is an interesting day to be holding the debate, because in four days the Defence Export Services Organisation will move from its current position under the auspices of the Ministry of Defence to functioning under UK Trade & Investment. This country has a proud heritage of exporting arms, which is something that we depend on. Furthermore, we have been a lead player in promoting peace, human rights and decency within our borders and around the world, and our defence export industry contributes positively to the continuity of that profile. We need to uphold the highest standards in the world, so it is welcome that the Committees on strategic export controls were able to report, on page 20, that

"the Export Control Act 2002 has provided a sound legislative basis for controlling and regulating the UK's strategic exports".

On the whole, it is a good report.

In the face of rapid and growing globalisation, technological advances, the ever-changing nature of threats and the rise and rise of global terrorism, the challenges of legislating for and controlling exports can rarely have been greater. While remembering the positive changes that have been made since 2002, we must be all too aware of the "gaps and shortcomings" mentioned on page 20, on which I shall comment. I look forward to hearing the Minister's answers on that issue. The report is detailed and constructive, and I hope that the Government are able to use its recommendations.

I want to touch on the important subject of compliance, because, whatever system one has, its effect is completely weakened if compliance is not good enough. The report states on evidence page 155, in the memorandum from David Hayes:

"More OGELs"

open general export licences

"exist for military exports than exist for dual-use. Can it really be accepted that an industry with 2 per cent. of GDP accounts for 66 per cent. of export licences and there is not an export control compliance problem with the industries accounting for the remaining 98 per cent. of GDP?"

Of course, that is deeply troubling given the rise of dual-use export products for use in torture, which has been referred to frequently in this debate, and violent displays of internal repression. In the transcript of oral evidence from 20 March, Mr. Oliver Sprague from Amnesty International UK suggests that the situation with OGELs is not that

"all they do is allow non-sensitive equipment to non-sensitive destinations".

I have received from the Defence Manufacturer's Association a note about a real situation of non-compliance, in which the exporter stated:

"Export control only catches arms, and is actually nothing to do with my key component for a nuclear intercontinental ballistic missile."

If that is true—it comes from the DMA, which allowed me to use the quote—it is deeply worrying.

We have a situation where only 35 per cent. of companies that should be applying for export licences actually do so. Obviously, we must not ignore military exports, but I feel that there is much greater need for discussion of compliance within the dual-use and academic sectors, as in general the defence sector has a commendable record of compliance. I am sure that all Members would be most interested in hearing the Minister's response to the report's severe criticisms of the licensing regime for dual-use categories.

[Mr. Geoffrey Clifton-Brown]

The Minister will note further that Mr. Sprague remarked that the misuse of OGELs stood at 5 per cent. in 2004, 8 per cent. in 2005 and 11 per cent. in 2006. That is a worrying upward trend.

It was further suggested by David Hayes in his evidence that non-compliance emerges

"for two reasons: ignorance of the controls coupled with a lack of consequences arising from non-compliance."

That is on evidence page 154. He further stated in his oral evidence that

"non-compliance with the UK system can make economic sense but non-compliance with the US system never makes economic sense."

That was a point that the Chairman of the Committees made amply in his excellent speech. He used the example of the ITT Corporation in the United States, which was fined $100 million for non-compliance, whereas Avocado Research Chemicals was fined only £100 plus costs. It must surely never be the case in any compliance system that it makes economic sense to pay the fine and ignore the regulations. That cannot be right, and I ask the Minister what he proposes to do about it.

The issue of non-compliance with the regulations does not cease with domestic importers. The report suggests on page 91 that

"the Export Control Act 2002 does not impose an excessive burden on those organising arms fairs and exhibitions in the UK, provided that the legislation is actively enforced by the authorities and the organisers of arms fairs and similar exhibitions."

Unfortunately, one has to look no further than the next sentence, which tells us that the committee has "serious concerns about enforcement".

As the case is mentioned in the report, the committee will no doubt be aware of the discovery by Mr. Mark Thomas at the UK Police and Security Fair—the so-called IFSEC—that a representative of Echo Industrial Company from China had three electroshock devices on public display. It is reassuring to note that Mr. Sam Shar of the company was subsequently convicted of possession, but he was regarded as small fry—too small for the Crown Prosecution Service to warrant continuing the investigation into his dealing activities.

What was troubling about the case was that when the prosecution branch of Her Majesty's Revenue and Customs was asked to investigate what was a prima facie breach—instruments of torture were on display—somebody from the organisation had to be summoned from the nearest airport in Birmingham. It seems to me that the very least one would expect is that enforcement officers would be on site at a major arms fair, available to deal with possible breaches and inquiries relating to breaches. That situation needs to be looked into.

I shall comment on the international system. Although the actual enforcement of the legislation and its inference for those who should have it has been demonstrated as lacking both through the committee's words and through examples of actual failure, the UK currently has one of the most effective and broadly-based strategic export control systems in the world, but, as has been stated by several Members, there are great concerns about extraterritoriality. Members have given the example of maritime surveillance aircraft being exported to India and then re-exported to Burma. Members on both sides of the House have said that there should be a standard paragraph in every contract to prevent such re-exporting.

I turn to another subject that is mentioned in the report: defence attachés. One of the ways that the regime can be affected is by the gathering of effective intelligence. I am fully aware of the evidence of the Secretary of State for Defence to the committee. He stated:

"The principal role of the defence attache in the 21st century is to help strengthen international peace and stability ...help boost peace support operations and to reduce the risks of terrorism."

He went on to say that he estimated that only about 5 per cent. of a defence attaché's time is involved in dealing with strategic licensing issues, but that is not the point. The point is that one never knows when that 5 per cent. might come into operation. The attaché spends 100 per cent. of his time looking for opportunities and intelligence, and one never knows when the 5 per cent. might come into operation.

We need to look carefully at the number of defence attachés we have around the world. Wherever I have met them, I found that they perform an admirable role and that they bed in well with other Foreign Office officials.

In paragraph 272, the committee raised an important subject: electronic transfers. They will become increasingly important. After all, at the touch of a button it is possible nowadays to send any form of technological specification and, indeed, detailed plans and maps electronically around the world. That will become increasingly difficult to detect. The committee referred to e-mail

"as a means to transfer entire software packages or detailed technical manuals"

I welcome the words on page 24 of the Government's response to the committee that they

"will continue to keep under review the need for legislative or operational changes to reflect technological or other developments in this field."

That is a welcome response. I ask the Minister to pay particular attention to that important subject.

In conclusion, I would like to say something about the role of the Defence Export Services Organisation and UK Trade and Investment. Defence is an important industry for the country, bringing some £5 billion-worth of exports. I would like to think that the Minister will be satisfying himself that UKTI is at least building on progress, now that responsibility has been transferred to that organisation. We in the Opposition have severe doubts about that and, like other Members, we will watch carefully how UKTI performs in the role.

As I have made clear throughout my speech, this report is an important element in the scrutiny of the Government's functioning in this field. There are gaps and shortcomings in the current legislation and, inevitably, the task of dealing with such a complex area will present numerous challenges. It is fair to say that you cannot please all the people all the time, but we should never be led into complacency. There is always room for improvements. The British Government have one of the highest records in upholding human rights. Let us make sure that we have such a record in respect of our arms trade as well.

4.20 pm

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): I welcome the opportunity to serve under your chairmanship for

the first time, Mr. Williams. I join other hon. Members in taking this opportunity to celebrate the work of the Committees on strategic export controls. I commend committee members generally and my hon. Friend the Member for Kingswood (Roger Berry) in particular for chairing the committee. No Minister who has had the privilege of appearing before the committee has dared take such an appearance lightly. I am sure that hon. Members think that that is entirely appropriate.

I am responding to this debate in the absence of my colleague the Minister for Energy, who has immediate responsibility for this issue but who is unable to attend today. I hope to do justice to the many questions asked and comments made by hon. Members.

Let me begin with some context. The Government are committed to maintaining a strong defence industry as part of our industrial base. The industry is important not only because of the jobs that it directly creates, but because of the many jobs that are reliant on it and because of the spin-offs to other parts of the economy generated by a strong defence industry. We have a world-class defence sector. We are the second largest exporter of defence equipment in the world, with exports close to £10 billion last year.

As all hon. Members have rightly mentioned, there are occasions when the industry is particularly controversial. In a debate such as this, however, we should also celebrate the fact that, actually, the defence industry—particularly the UK defence industry—can be a significant force for good. The key is ensuring that export controls in this country strike the right balance. Defence exports can contribute to international stability, help strengthen collective defence relationships and contribute to important humanitarian work, which is why last year we approved some 15 licences for exports to equip and support, for example, United Nations peacekeepers operating in a number of difficult settings around the world. We need to get that balance right in terms of the way in which our defence sector operates. That is why we refused a series of licences because of human rights concerns in a number of countries. I will return to the specific countries that hon. Members have mentioned.

As hon. Members have acknowledged, we have one of the best-regulated defence industries. Our controls are acknowledged as being among the most rigorous in the world. However, not content with the improved regulation of our defence sector, we are taking the lead on the introduction of an international arms trade treaty. There is now wide support for the principle of an arms trade treaty, but there is still substantial work to be done on agreeing what should be in such a treaty. Given the expertise in the Chamber today, I am sure that all hon. Members will recognise the considerable complexity of the discussions that are under way about what such a treaty should contain. We want an arms trade treaty to help set global standards for the arms trade to ensure respect for human rights, international humanitarian law, sustainable development and good governance, at the same time as allowing states to participate in the arms trade.

It is worth mentioning that our country has been an important supporter of the UN programme of action on small arms and light weapons. My hon. Friend the Member for Kingswood has rightly pointed out that the trade in small arms and light weapons is the part of the arms trade that does most damage in facilitating the abuse of human rights, causing instability and preventing development. That programme of action commits all UN member states to controlling small arms through better export control, improving the way in which stockpiles of weapons are managed and taking measures to take weapons out of circulation. That programme of action is particularly important in countries affected by conflict and violence.

The UK has provided more than £31 million to help states implement those commitments under the UN programme of action. For example, we have funded the Nairobi-based Regional Center on Small Arms, which has helped to strengthen controls in east Africa. We have also supported Viva Rio, a non-governmental organisation that has helped collect and destroy some 600,000 weapons in Brazil and that provides young gang members with alternatives to violence. The UN programme of action is scheduled for review again this summer. We will encourage UN member states to use the opportunity of that review to step up efforts to help those states most seriously affected by gun violence.

Throughout last year, we took steps to improve further how we operate the licensing arrangements. Hon. Members, particularly members of the Committees, will be aware that we introduced a new IT system last September that allows applications to be issued and processed online. Perhaps most importantly, in terms of today's debate and the points raised by hon. Members, we also began the review of export control legislation.

On that review, we need to ensure that export controls are having the intended effect and that there are not disproportionate burdens on business. We need to recognise, in terms of how trade is conducted, that we live in a rapidly changing world. That is why the public consultation document included a wide range of options on further change and sought evidence and views from respondents generally and, in particular, from experts in the sector. We received 23 substantive submissions from a range of groups, including NGOs and industry, and more than 5,000 letters and e-mails touching on a range of individual points.

As my hon. Friend has set out, the Government's initial response to that consultation was published on 6 February, and in it we committed to introducing change in areas of concern to the committee. Notably, as the Prime Minister announced in November, we committed to extending export laws to control brokering and trafficking of small arms by UK persons anywhere in the world and extending the controls on man-portable air defence systems and certain cluster munitions to UK persons anywhere in the world. As my hon. Friend has said, that commitment will add sting sticks to UK-listed torture equipment. We will also seek to start European Union negotiations to introduce a new torture end-use control. That is a significant package, as my hon. Friend has acknowledged, and it will lead to significant enhancements in our controls in areas where there have been concerns in the past.

My hon. Friend asked specifically when we would publish our conclusive response to the consultation. I understand why he asked that, but I hope he understands that I cannot give him a definite date. We are still working through various responses and thinking through a number of highly complex issues, but clearly we want to make progress as soon as we can.

[Mr. Gareth Thomas]

My hon. Friend asked specifically whether, if we are unable to secure a European Union ban, we would consider a national control. Of course, we would consider a national control but, as he acknowledged, an EU-wide measure would be by far the most preferable outcome, which is why we will have serious negotiations with fellow member states. Nevertheless, we will keep in reserve the question whether we must introduce our own national measure. It would not be as good as an EU-wide measure, but we would consider it.

My hon. Friend asked specifically about criterion 8, and we will send the final version to the committee. He also asked about publication more generally of criterion 8. He will remember our discussion, when I appeared before the committee and indicated a number of our concerns about publication. Nevertheless, we are considering whether publication of criterion 8 would be appropriate. I cannot give a definite date by which cross-Government internal discussions will be concluded, but we are seeking to reach a decision shortly.

Other points that Members raised about further controls that may or may not be incorporated into export control legislation are more complex.

Roger Berry: Given that the overwhelming majority of the Government's proposed legislative changes were put forward by the committee and others when the Export Control Act 2002 was drafted, will the Minister speculate on why the arguments then that things could not be done have been able to be dispensed with so easily?

Mr. Thomas: My hon. Friend asks a challenging question, not least because I was not in the Government when the 2002 Act came into force. He is a persuasive and effective advocate for the committee, and I suspect that his influence has worn Ministers down.

We genuinely take the committee's comments seriously. I know that its members put in a substantial amount of work thinking through the complexities of suggestions that are put to them. I do not always agree with my hon. Friend, and I am sure that on one level he is reassured by that, but when the committee makes a recommendation, we consider it seriously.

We still need to determine precisely which activities to control involving UK persons overseas in relation to small arms, MANPADS and cluster munitions. For example, we must think through issues concerning transport, finance, insurance and reinsurance and renegotiation of contracts. We are considering those issues, and I hope that deals with the concerns of the right hon. Member for Tonbridge and Malling (Sir John Stanley), who highlighted what he called "anomalies". I would not use that word, but we are considering what further controls there should be.

We are considering the case for tighter controls on export of non-controlled goods for military end use, and whether we should introduce a pre-licensing registration system for arms traders. We are working with a series of stakeholders and, as I have said, we aim to publish a further response later this year.

We have already introduced legislation to control the export and trading of sting sticks, and it will come into effect on 6 April 2008. We aim to introduce legislation to extend controls on small arms, MANPADS and cluster munitions by 1 October this year and to make any further changes to matters under discussion by 6 April 2009. That is our aim, but I would not want the House to hold us rigidly to those target dates. The issues are highly complex, but those are the dates for which we are aiming.

Sarah Teather: I asked about smart cluster munitions, as it was not clear whether they were included in category 2. Do the Government intend to include them in category 2? Why have they decided not to include such munitions in category 1?

Mr. Thomas: The hon. Lady gives me the opportunity to move on to cluster munitions, which I intended to do. A number of hon. Members have referred to the negotiations on the Oslo process, and whether there is clarity on alternatives to cluster munitions. The right hon. Member for Tonbridge and Malling asked specifically what alternatives there are. We have taken all the steps that we can so far, including taking so-called dumb cluster munitions out of service. We want to ensure that taking all cluster munitions out of service would not put our forces in harm's way. Although we are not currently using cluster munitions in Iraq or Afghanistan, such use may be necessary in other scenarios, but we are committed to trying to make progress.

The negotiations on the Oslo process are serious; its purpose is to secure a ban on weapons that cause unacceptable harm to civilians. We want a good agreement that will make a genuine and lasting difference, which means an agreement that major cluster munitions users and producers will sign. We are playing a key role in those negotiations. We are seeking not loopholes, but agreement on definitions that will genuinely make what comes out of the Oslo process workable and effective.

A number of Members asked whether enforcement of export controls is effective enough. The hon. Member for Cotswold (Mr. Clifton-Brown) referred to recent successful prosecutions. Last year, there was a prosecution for an offence of trading sub-machine-guns between Iran and Kuwait, and another for the illegal export of missile technology to Iran. One case resulted in a four-year prison sentence and the other resulted in an 18-month sentence and a fine of £430,000, which were by no means insignificant sanctions. We are considering whether we need to alter the balance in terms of fines, penalties, and other sanctions for breaches of the law in that area.

The introduction of the new IT system has freed up some additional resources that we are using to strengthen awareness of the controls and compliance work. We continue to seek to enhance the annual and quarterly reports that we publish. This year, we aim to introduce a public, searchable database of licensing decisions. There has been an increase in usage of the electronic self-help checker tools that we provide to assist exporters in their licence applications. As the Chairman of the committee, my hon. Friend the Member for Kingswood knows, we have been reviewing the methodology for criterion 8 assessments. In terms of our country programmes, we have launched new guidance for DFID staff on how to use those criterion assessments. That will enable us to continue to develop the effectiveness of our staff in those areas.

I turn now to some of the specific country issues that have been raised by hon. Members. The right hon. Member for Tonbridge and Malling mentioned the current arms embargo on China. We have no plans to support an immediate lifting of the embargo. He is right to note that there is no consensus in the European Union at the moment on the issue of embargo lifting. I suspect the right hon. Gentleman is aware of it, but I draw his attention to the code of conduct as well as to the embargo. The code of conduct is as important, if not more important, in terms of the effect it has on exports to China. It is an effective means of controlling those exports, particularly because it covers the high-tech defence equipment that the modern Chinese military want to acquire. I draw hon. Members' attention to the fact that some 33 applications for arms sales to China were refused last year, which is an indication of the continuing seriousness with which we take and review each individual application that comes before the export control organisation.

Sir John Stanley: Will the Minister answer the question asked by me and the hon. Member for Ilford, South (Mike Gapes) and tell hon. Members—or undertake to do so by letter—what conditions the Government believe must be satisfied by the Chinese Government before they judge it right to lift the EU-China arms embargo?

Mr. Thomas: In the end, a political judgment will have to be made. Our view of whether the correct situation exists to lift the ban will be affected by a series of questions, issues of human rights and how we think such military equipment would be used. I will reflect on whether I can give him further information and clarity by way of correspondence, but I say to hon. Members that in the end a political judgment will have to be made. I suspect that the right hon. Gentleman and other members of the committee will already have a sense of the different issues that will help to inform the decision on whether arms embargoes can be lifted.

On the issue raised by my hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey), as she will recognise, Israel like all other countries has a right to self-defence. Nevertheless, there are clearly cases where some defence exports are of more concern than others. All applications to Israel are rigorously assessed against the criteria that the export control organisation uses. If issuing a licence is considered to be inconsistent with that criteria, it will be refused. My hon. Friend may be aware that in 2002, the Government refused some 84 individual licences to Israel. Since then, the annual figure for refusals has fluctuated between nine and 26. In 2007, for example, some 24 standard individual licences were refused. I reassure my hon. Friend that we keep each individual application for arms sales to Israel under close review.

My hon. Friend also raised the issue of Sri Lanka, and I understand her concerns about human rights. She will be aware that Sri Lanka has been the subject of debate on a number of occasions in the House, which has involved discussion of not only the deteriorating human rights situation, but the increasing ethnic conflict, which is a source of considerable concern to many constituents and hon. Members. That is one of the reasons why the Government took the decision to suspend the debt relief that was granted in the wake of the tsunami last year. It is also one of the reasons why, again, applications for arms sales to Sri Lanka are reviewed carefully. In 2007, six standard individual licence applications for Sri Lanka were refused. We regularly consult the British high commission in Colombo about the possible impact of exports in terms of the arms trade to Sri Lanka. Given the situation in Sri Lanka, I do not envisage any significant change in that practice. We do not want any exports from the UK to facilitate further human rights abuses or inflame the conflict that is taking place.

My hon. Friend the Member for Ilford, South (Mike Gapes) raised the issue of exports to Colombia and Saudi Arabia. Let me confirm that licences are not granted where there are significant human rights concerns. Criteria 2, 4 and 7 are relevant to that issue. Again, we considered applications to Saudi Arabia and where there are concerns we will turn those applications down.

Mr. Clifton-Brown: Before the Minister sits down, will he say something about the issue of dual use not applying to licences, to which I referred in my speech? The report seems to state that that is a serious shortcoming. If it is as much as a shortcoming as the report states, what do the Government intend to do about it?

Mr. Thomas: As I have indicated to hon. Members, we are reviewing the legislation, and in our initial response we have set out where we are already committed to taking action. We are considering action in a series of other areas, and we will make a further response in due course to the House.

I should also mention the issue of corruption in defence procurement, which a number of hon. Members talked about. I draw hon. Members' attention to the White Paper, "Eliminating World Poverty: Making Governance Work for the Poor", which the then Secretary of State, now the Secretary of State for Environment, Food and Rural Affairs, published in July 2006. That committed the Government to a series of additional pieces of work on corruption—not least the establishment of a dedicated unit within the City of London police. We are also considering whether there is further action we can take to encourage transparency in defence procurement. That work is under way. The police unit has been established, and there are further steps that the Government are considering.

Question put and agreed to.

Adjourned accordingly at eleven minutes to Five o'clock.

Westminster Hall

Tuesday 1 April 2008

[MR. ERIC MARTLEW *in the Chair*]

Darfur

Motion made, and Question proposed, That the sitting be now adjourned. *[Mr. Roy.]*

9.30 am

James Duddridge (Rochford and Southend, East) (Con): Despite having worked in Africa for a number of years before entering Parliament and serving as vice-chairman of the parliamentary all-party group on Africa, I have not, to my embarrassment, done more on Sudan, and on Darfur specifically. Indeed, I only engaged in that country's affairs and those of the region two years ago.

On Holocaust memorial day, I went to sign the book of remembrance—or condolence; I am unsure exactly how to refer to it—and was surprised that I was expected to make a comment as well as signing my name. I wrote, "We must remember, lest we make the same mistakes again." I said "we" because all members of the human race are culpable in the problems around the world. When I returned to my office, my research assistant, Philippa Buckley, whom I respect very much, asked me what I had written. I told her, and she laughed in my face—not because it was funny, but because my comments were somewhat facile and simplistic. We face such problems around the world, and Darfur is just one of the places where they are happening. Never before in my three years as a Member of Parliament, and never since, have I felt so weak and so unable to make an impact on a situation that needs the world's attention.

The Aegis Trust recommended to MPs that now was a good time to build on the Westminster Hall debates secured by the hon. Member for Stroud (Mr. Drew) and the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke), particularly as we have just passed the five-year anniversary of what most people regard as the beginning of the conflict. We are also coming up to 13 April—the day for Darfur—so today is a good time to review the situation in Sudan.

Bob Spink (Castle Point) (Con): Before my hon. Friend moves too far from his point about facile comments, does he, like me, find it a little bit rich that President Sarkozy and other EU leaders talk about redoubling their efforts when they have failed to meet their promises to provide peacekeepers in Darfur? Perhaps they ought to address their protectionist EU trade policies, which add to instability in that region of Africa.

James Duddridge: I certainly agree that talk has been easy, and that there has been little delivery. I am critical not only of Sarkozy but of the Government, although not in a party political way. Given the mechanisms of British politics, it is the Government and the Minister of the day who are responsible, not Parliament as a whole. It is not a party political matter; the buck simply rests with the Minister in her current role.

I shall draw heavily on the work of the Aegis Trust and the International Crisis Group, as well as research provided by the all-party group on Sudan. I commend the hon. Member for Stroud, the chair of the all-party group, and his team on their excellent work. The Minister might agree that an hour and a half is not enough time to cover all the pertinent points. If the all-party group collates some of the remaining questions and research from the Aegis Trust, perhaps she could respond fully in something between a letter and a Select Committee reply—clearly, it would not be appropriate for her to go that far—and come back to the group in slightly more substantial detail. *[Interruption.]* The hon. Member for Stroud is nodding assent, so perhaps that is a sensible way forward on the points that are not covered.

Sudan is racked with conflict. In only 11 of the past 50 years or so has there been anything other than a state of civil war. One of the things that compelled me to face the enormity of the situation is the number of people who have died—not the absolute number, but the change in number. The figure of 200,000 was quoted time and again until Jan Egeland pointed out that as it applied two and a half years ago, it was probably out of date, and that 400,000 might be more appropriate. Overnight, everyone has suddenly started using the figure of 400,000, which is double what they were talking about only months ago. That brought home the horrendous nature of what has happened.

The Aegis Trust is good at bringing to the forefront the contemporary nature of the atrocities. I visited the trust in Rwanda as part of a visit with Christian Aid and Oxfam, and one of the things that concerned me was how normal the context is within which genocide and atrocities take place. It is far too easy to think of Sudan and Darfur as faraway places that are somehow different from the United Kingdom. I have not had the opportunity to visit Sudan, but from my extensive travels in other African countries I think that the similarities between our continents and countries are much greater than we realise.

I shall concentrate on five core areas and come on to make some action points. It is important that we consider action rather than words, as we have had far too many words without action. I shall concentrate on the no-fly zone, sanctions—particularly travel sanctions—the logistics of delivering aid within the area, the UN force and China's role. On the no-fly zone, will the Minister confirm what methods are being considered? Most of the documentation refers to helicopter cover of the no-fly zone, but the Prime Minister stated on 12 March that he had considered the no-fly zone, and that he

> "would like to move ahead, if it were at all possible; however, we have to accept that the area to be policed is the geographical size of France and large numbers of aeroplanes would be needed."—[*Official Report*, 12 March 2008; Vol. 473, c. 275.]

He was speaking of aeroplanes, not helicopters, which are more commonly considered.

I appreciate the constraints on our military, but if we accept that they exist to do anything more than simply protect the United Kingdom and defend the realm, surely it is for exactly such a situation, in which relatively little effort could have a massive impact. I realise that there are sensitivities, but I cannot help but think that, given some international focus, a small force—perhaps at the air base in Chad, which I understand is controlled or at least influenced by the French—could quickly

[James Duddridge]

clear the airspace. If one or two of its aircraft were shot down, the Sudanese army would not want to put further aircraft into the sky for fear of losing them.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): I congratulate the hon. Gentleman on obtaining this debate, and on quite properly and rightly keeping the focus on Sudan. On no-fly zones, I recall hearing at a meeting of the all-party group—my hon. Friend the Member for Stroud (Mr. Drew) is the main person responsible for keeping that group going—that we should not push the issue too far, because negotiations were under way and we should not upset the Sudanese Government. However, given that they have gone back on everything else that they have said, does the hon. Gentleman agree that that view is not sustainable?

James Duddridge: I totally agree that that view is not sustainable, and I shall come on to draw parallels with the Zimbabwe sanctions. As Back-Bench Members, we must speak up loudly and clearly on those issues and ask our Government to speak with a loud and clear voice, too. It is the only thing that seems to be heard and to work.

John Barrett (Edinburgh, West) (LD): Does the hon. Gentleman agree that in the face of constant denials from the Sudanese Government about their involvement from the air, it is absolutely clear that in the past, only they have had Antonov bombers and helicopter gunships, so a no-fly zone would take out of the game the only people with power from the air—the Sudanese Government?

James Duddridge: I completely agree. It is particularly distressing that the Sudanese Government sometime fly under a United Nations banner to disguise what they are doing. Even if we cannot go the whole way and secure a no-fly zone, the European Union, NATO and the United Kingdom should lead an observation mission to see what is happening with those aircraft and how they are being used. In a previous debate, one of my hon. Friends—I think it may have been my hon. Friend the Member for Banbury (Tony Baldry)—talked about seeing planes fly off on aid missions at the same time as attack aircraft were heading off to commit atrocities. Clearly, that is a ludicrous situation.

John Bercow (Buckingham) (Con): Pursuant to the points made by right hon. and hon. Members, may I say to my hon. Friend that first, absolutely no significance whatever is to be attached to the denials ritually issued by the Sudanese Government, because they are characterised by institutional mendacity? If they are not flying over and engaging in atrocities from the air, they have no reason to fear a no-fly zone. Secondly, is my hon. Friend conscious that the British Government committed to the notion of a no-fly zone as long ago as Dec.mber 2004? The idea is old news; it is a question of giving effect to it.

James Duddridge: I very much agree, and note the issue about the United Kingdom Government's position. Resources are stretched with our helicopters in Afghanistan and Iraq, but we can use our technical capability to provide pilots rather than aircraft. When other countries provide aircraft, we can use our engineers to keep those aircraft up and working, and we can also use international pressure and persuasion. I understand that as late as last month, Russia was prepared to offer helicopters to the zone, and Lord Malloch-Brown, who has ministerial responsibility for Africa, stated that he was following up that offer. In addition, we can back up our promise not with physical aircraft but with money to pay for aircraft, either via private companies—although I understand that there are concerns about private companies operating helicopters, and particularly about their capability—or by paying for helicopters, possibly from the Chinese and Indian armies, which are prepared to offer the physical resources but not to provide the financial backing.

Bob Spink: My hon. Friend, along with other hon. Members, has talked about attacks from the air by aircraft, but is he aware that there is ample evidence from the people in the refugee camps of the Sudanese army delivering troops to drive them out of their villages? Aircraft are delivering troops on the ground, not just attacking from the air.

James Duddridge: It is clear that there is a great deal of evidence of total complicity between the Sudanese Government and non-governmental organisations to the same end.

I shall turn to sanctions, because on that issue more than any other, the British Government's words do not match their actions. On 18 July 2007, the Prime Minister said that

"we are prepared to take further sanctions against the Government" [*Official Report*, 18 July 2007; Vol. 463, c. 273.]

On 20 July 2007, he talked about the

"toughening up of sanctions that will put pressure on the regime"

On 23 July 2007, he said that

"we are also prepared to impose further sanctions".

On 30 July 2007, speaking at a press conference with George W. Bush, the Prime Minister said that we will have

"further sanctions if this does not happen."

In a speech to the UN, he said that

"if any party blocks progress and the killings continue, I and others will redouble our efforts to impose further sanctions."

On 30 August, he said that

"we will work togetner for further sanctions".

There has been plenty of talk of the threat of sanctions. I could go on and on with such examples, but we have not seen any action. It is time for the British Government to act, not to talk tough.

In Zimbabwe, through the EU, we eventually imposed a number of travel sanctions. The UK was very timid about Zimbabwe, and I understand the reasons why, but accusations of our being a colonial power do not apply to Darfur and Sudan, so we encourage the Government to bring forward much more detailed sanctions and back up words with action. Having until recently been a member of the Select Committee on International Development, I am more familiar with the subject of aid logistics. There is simply not the peace or space in

which to operate a strong development programme effectively. In the past three months alone, according to figures from the United Nations Office for the Co-ordination of Humanitarian Affairs, there have been four attacks on convoys and 18 attacks and attempted invasions of premises; three personnel from international organisations have been arrested or detained without good reason; 84 humanitarian personnel have been kidnapped; nine personnel have been physically or sexually assaulted, and three aid workers have been killed. In order for us to help the people of Darfur, the Government of Sudan must do more to help the international community and the aid community gain free movement throughout the country.

Before I talk about the role of the UN force, I shall quote the secretariat of the all-party group on Sudan, which made a telling point:

"Having more troops and armoured vehicles and helicopters will help but it will not address the fundamental problem that…a ceasefire"

cannot be sustained when the parties are determined to violate it. The secretariat went on to say that that

"cannot provide overall security for a civilian population spread across such a large area."

We need to establish peace, but I shall leave it to other Members to discuss the internal politics of Sudan, because I do not have time to address that in my speech.

We need to do more to support the delivery of the UN force, and to stop the Sudanese Government blocking certain nations from entering the country and picking and choosing others. The force should be predominantly, but not entirely, African. Examples of basic equipment for the peacekeeping force being stuck in customs for eight to 10 weeks, and sometimes more, are wholly unacceptable. The Sudanese Government are simply trying to interfere and prevent the peacekeepers from arriving and discharging their responsibilities.

I should also like the Minister to address the issue of China. I am heartened that the Chinese have offered to provide helicopters. However, I am concerned about China's role in Sudan, particularly in the oil industry, and I have been unable to bottom out the degree and impact of that influence. I should like the Minister to deal with five areas in her reply. On the no-fly zone, what are we going to do? On travel sanctions, will we get actions that match words? On the arms embargo, will we enforce it and extend it from Darfur to Sudan more broadly? What are we going to do to put pressure on Sudan more generally? Finally, will the Minister agree to reply more fully to the points that Aegis and the all-party group on Sudan have made?

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Meg Munn) *indicated assent.*

James Duddridge: I shall not go through all the points that Aegis made, but some are worth putting on the record. They include recommendations on the humanitarian situation such as a proposal

"to convene a donor conference…to end the bureaucratic hurdles put in the way of humanitarian agencies and NGOs…and…to ensure that no further IDPs"

internally displaced peoples—

"are forcibly returned".

Aegis goes on to make recommendations about the security situation. It wants to ensure that there is a monitoring regime for the "air assets" of the Sudanese army, to which I referred earlier; it wants to extend the arms embargo—another issue that I touched on earlier—and finally it recommends putting an EU force in Chad to monitor cross-border movements, which is something to which I have not referred.

Regarding the UN, Aegis wants a stop to the bureaucratic delays that prevent troops from being allowed in to contribute towards the UN force. The British Government could examine whether they could underwrite some of the helicopter costs. Finally, we must ensure that the British Government have appropriate high-level contacts with their Russian and Ukrainian counterparts about helicopter funding. I am conscious that there is so very much more to say, but I wish to leave it at that, to allow other colleagues to contribute to this very important debate.

9.50 am

Mr. David Drew (Stroud) (Lab/Co-op): I would like to thank the hon. Member for Rochford and Southend, East (James Duddridge), who is my friend in this respect, for securing this debate, because it is obviously very important that we discuss Darfur at this time. It is good to see so many friends here in Westminster Hall.

I would like to thank Chris Milner, the co-ordinator of the all-party group on Sudan, who has briefed us very well, and it is good to see representatives from the joint unit from the Foreign Office and the Department for International Development. I will say, on behalf of the Government, that the joint unit continues to invest considerable time and money and I hope that the Minister will take that as a commendation. Michael O'Neill continues to shuffle around as the special representative to Sudan and we were also fortunate to get a confidential briefing from the Minister's friend, Lord Malloch-Brown, on some of the issues that continue to dominate any discussion of Darfur.

The background is all too awful. If anything, the current estimate of the number of people killed in Darfur is rising from the 200,000 that was talked about as a matter of course to somewhere between 200,000 and 400,000. So that is the context in which we are working.

I have two observations about general security issues. I would like to talk about the security situation and then talk about how we can hopefully pursue peace. The sad thing now is that the conflict in Darfur is increasingly a regional and proxy conflict. Certainly, we cannot talk about Darfur without including Chad as part of the conflict, so porous are the boundaries between them. We have clearly seen the antagonism between President al-Bashir and President Deby. Of course, we also have the increasingly internal complexities, which move from banditry through to localised and communal violence. That progression has made what was already an awful situation an even more difficult one to try to solve.

Unfortunately the international community has still not risen to the challenge; the hon. Gentleman made that point absolutely clear. Darfur is not Britain's responsibility; it is the world's responsibility. Sadly, we

[Sir John Stanley]

proceeding in the way in which they have. I cannot believe that they do not accept the desirability of the principle that we advocate of extending extraterritoriality so that the arm of the British criminal law can reach British traffickers and brokers overseas who are involved in transactions that would be criminal offences in the UK. Surely the Government believe that that is an immensely desirable principle, and I cannot believe that they do not understand the desirability of extending it in that way. I do not for one moment believe that they want to connive in British persons evading criminal jurisdiction, so why do they not accept the Committees' recommendation? The case is overwhelming. The Government have published what they say are their initial decisions, but they have not reached their final conclusions, even at this late moment. Again, I urge the Minister and his colleagues in the Government to accept in full the recommendations of the Committees on strategic export controls.

The second issue that I want to raise is the continuation of the EU-China arms embargo. The hon. Member for Kingswood said that this was not the day for controversy over anything relating to the EU, but there are slight differences within the EU on this issue, and I have no qualms about raising it even today. The Committees' position is extremely clear. In our report, we said:

"We reaffirm the recommendation we made in our last Report that the Government work within the EU to maintain the arms embargo on the People's Republic of China."

Those in the EU who campaigned with considerable vigour last year for the lifting of the EU-China arms embargo must be extremely relieved that their campaign has not been successful. If it had been—given what has happened in Tibet over the past two or three weeks—they would be subject to considerable criticism and derision, which would fully justified in the light of the events that have been reported to us.

Mr. Drew: I am sure that the right hon. Gentleman would also include the fact that there is now categorical evidence that Chinese arms are arriving in ever greater numbers in Darfur, which is obviously escalating the crisis there.

Sir John Stanley: Yes, I agree with the hon. Gentleman. Indeed, I shall refer in a few moments to that point, which he has rightly raised.

To return to the relationship between what has been going on in Tibet and the EU-China embargo, we all recognise that if any category of persons could be absolutely guaranteed to carry out a demonstration or protest peacefully, it is Buddhist monks. I am full of the deepest admiration and respect—I believe that hon. Members on both sides of the House share this feeling—for the Tibetan Buddhist monks who have come out to demonstrate entirely peacefully in Lhasa and elsewhere, in the past two or three weeks, in the certain knowledge that as a result they face the appalling features of the Chinese prison and torture system. I have the utmost, highest admiration for those monks and their moral courage and physical bravery.

I note that some of the monks who have now disappeared—including, it has been reported, teenagers as young as 15—visited the Sera monastery in Lhasa. Hon. Members may be interested to know that two years ago I had the good fortune to go with members of the Foreign Affairs Committee to the Sera monastery. I sat on the couch next to the abbot and looked across the room to the wall facing me. There, staring down at me, was a portrait of Chairman Mao in a Buddhist monastery. That spelled out everything about the way in which the Chinese, as a matter of deliberate and sustained policy, have done all that they can to eliminate, as far as possible, Tibetan identity, including language, culture and the sense of being Tibetan in religion. That policy, coupled both with what has been going on in the rest of China—its appalling rate of capital punishment, its prison system, the one-party state and the absence of freedom of expression—and with events overseas and Chinese Government support for regimes such as those of Burma and, as the hon. Member for Stroud (Mr. Drew) has mentioned, Sudan, make an overwhelming case for the maintenance of the EU-China arms embargo.

Mike Gapes (Ilford, South) (Lab/Co-op): The response to the Committees' report states:

"The Government believes that the embargo should stay in place until the conditions are right for it to be lifted."

Does the right hon. Gentleman have any idea—because I do not—what the Government mean by

"until the conditions are right",

in the light of the litany that he has just given?

Sir John Stanley: The hon. Gentleman is on to an acute point, and I shall come to that very question shortly.

I find the EU's position on the maintenance of the EU-China arms embargo worryingly woolly. The latest statement that I have on it is what was said at the end of the 10th China-EU summit last year in Beijing on 28 November. The relevant few sentences from the joint statement issued at the end of the summit read:

"Leaders also discussed the EU arms embargo. The Chinese side reiterated its view that lifting the arms embargo would be conducive to the sound development of the EU-China relations and urged the EU to lift the arms embargo at an early date. The EU side recognised the importance of this issue and confirmed its willingness to carry forward work towards lifting the embargo on the basis of the Joint Statement of the 2004 EU-China Summit and subsequent European Council Conclusions."

More worryingly still, some leading members of the EU have been even softer on the maintenance of the EU-China arms embargo. I noted that President Sarkozy was in China on a visit shortly after the summit concluded. On 5 December the Chinese Xinhua news agency reported that President Sarkozy had, during his visit, demanded the removal of the embargo. Happily, the President chose not to repeat that demand in the Royal Gallery yesterday.

The British Government position is somewhat opaque, but, as has already been stated, their response to the Committees' report reads:

"The Government believes that the embargo should stay in place until the conditions are right for it to be lifted."

I come to the point that the hon. Member for Ilford, South (Mike Gapes) anticipated: I do not think that that is a good enough statement of the Government's position. It is completely opaque. In policy terms it is meaningless, and the Government owe the Committees,

the House and the wider British public a clearer view of the circumstances in which they would feel it was right to lift the embargo.

The Minister may feel that he needs more time to reflect more carefully on what has been said, but I hope that he will respond to the debate by telling us what specific conditions—domestic human rights conditions and foreign policy requirements—the British Government believe the Chinese need to fulfil to get the EU-China arms embargo lifted. We are entitled to answers to those questions, and I hope that the Minister will, either at the end of the debate or subsequently in writing to the Chairman, give a fuller explanation of the Government's position.

In conclusion, I want to reinforce what the Chairman of the Committees has said about the invaluable contribution made by their staff and—if I am allowed to mention them—the officials of the four Departments involved. Of course, the members of the Committees take full and total responsibility for the report, as I am sure the Minister will take full responsibility for his annual report and the Government's response. Between us, we have established, by dint of a great deal of hard work and a high standard of professionalism, a degree of rigorous and transparent scrutiny of arms exports from this country, which is a credit to the British Government and to the British Parliament.

3.28 pm

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): I want first to express my pleasure at the Government's strategic export control system and the work done by the Committees on strategic export controls chaired by my hon. Friend the Member for Kingswood (Roger Berry). The system that has been instituted for strategic export controls is one of which the Government and the country can be proud, and although further improvements may still be required, it is important to make the point that the system, and parliamentary scrutiny of it, have provided all hon. Members with far greater means than they had previously of getting a handle, if I may put it that way, on arms exports from this country, and of raising issues of concern. I do not want that point to be lost in what I shall say subsequently, which will focus more on criticism.

I want to use the opportunity of the debate to focus on arms exports to two countries—Israel and Sri Lanka. Although they are very different countries, they raise similar issues. Both their Governments use arms disproportionately and without taking sufficient care or account of the need, under international law, to avoid collateral damage and harm to civilians where there is armed conflict.

Members might know that I raised the issue of arms to Israel long ago when I was a member of the former Quadripartite Committee, so I am pleased that, according to the tables on pages 133 and 134 of the Committees' report, it appears that the Government's more stringent policy in assessing arms export applications to Israel has been put into effect and has resulted in a significantly higher level of licence application refusals. I remind Members of the background to the Government's policy change, which was instituted thanks to the vigilance of our embassy employees based in Tel Aviv—I think—to whom it became obvious that the Israeli authorities had given wholly false assurances to the British Government over previous arms sales: they assured the Government that the equipment would not be used in the occupied territories. Thanks to the vigilance of our embassy employees, it was found that vehicles had been modified and used in the occupied territories, thus demonstrating that any future assurances given by the Israeli authorities were not trustworthy and could not be relied upon. I am pleased, therefore, about the evidence that the British Government are looking carefully at applications for arms exports to Israel.

Having said that, I was slightly disturbed by a quote from the previous Foreign Secretary, my right hon. Friend the Member for Derby, South (Margaret Beckett), in which she pointed out that only 0.1 per cent. of Israel's total arms exports comes from the United Kingdom. She appeared to be saying, therefore, not that what we do does not matter, but that it is not that important. However, I think that it is very important not simply because the UK Government should not be complicit in arms being used in a way contrary to international law, but because by exercising such controls we send a clear message to foreign Governments about the standards that the Government believe should be upheld. Israel has a strong arms industry of its own, which means that it can plug any gaps, but the fact that the level of our arms sales to Israel is so low sets an example and sends a strong message that we believe that international law should be adhered to in all circumstances and that we exercise such controls because we do not believe that the Israeli Government adhere to international law in all circumstances. It is right to send that strong and powerful message to the Israeli Government and public.

I shall make a slight digression. I have raised before the technical issue about which of our arms export criteria apply to the occupied territories. Clearly, there is no internal oppression by the Israeli Government, because it is clear under international law that the occupied territories are just that—occupied—and not part of Israel. Neither is Israel acting aggressively against another country, because there is not yet a recognised Palestinian state. I suppose that they could fall under the middle criteria about not provoking or prolonging armed conflict, or aggravating existing tensions or conflicts, in the country of final destination, but again the occupied territories are not a recognised country. I am not saying, "Well, therefore, it does not matter and we can export any old arms to Israel for use in the occupied territories, because they are not covered by the criteria". I simply point out that the criteria appear to leave a slight gap when one country using arms is occupying another territory that does not have statehood.

I want to reiterate the point that the Israeli Government have form in using high and low-tech weapons carelessly and without sufficient concern in areas where civilians will obviously be hit—I am not saying that they deliberately target civilians. I have seen the effect of those policies in Gaza, and particularly in southern Lebanon, which I visited immediately after the war. The consequences in southern Lebanon, and parts of Beirut, of the Israeli bombardment were appalling. The bombardment was clearly wholly disproportionate and demonstrated complete disregard for civilian casualties.

Commonly, the Israeli Government use the excuse that their opponents—Hezbollah in Lebanon and Hamas, and others, in Gaza—are responsible for civilian damage.

[Mr. Drew]

I am afraid that the situation is very gloomy, so I hope that the Minister will be honest in stating that we are no nearer a solution, and speak the truth so that we at least know what direction we are going in. We just have to persuade the world not to lose interest in Darfur and to get on and do what it has to do.

10.9 am

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): I shall be as quick as I can, because many other Members wish to speak. I was in Darfur at the beginning of December last year, and saw the displaced persons camp at El Fashir—there were 10,000 more people in that camp than there are in my constituency. The local governor, or walid, assured us that things were hunky dory and that there was no violence any more. He said that kidnappings were down, there were no more beatings on the ground and that everything was going in the right direction. The reality, of course, was quite different. We were told by innocent people in the camp that they were beaten up the night before by men wearing boots, which means they were Government militia.

John Bercow: Regarding the hon. Gentleman's comments about the walid, he will recall that in the old days, tractor production was up in the Soviet Union.

Mr. Llwyd: That is on a par with the kind of assurances that we were given. What we saw was an absolute abomination. Yes, there was clean water and food and there were limited medical supplies, but the situation there should not be tolerated for much longer by anyone in the Chamber or anywhere else.

When I was there, I had the pleasure of meeting a young Nigerian army colonel who headed up the African Union force. He was quite firm about what he required, and told me that he had inadequate troop numbers at under 6,000—he obviously needed far more. He talked about the 100 camps for displaced persons in Darfur, and the lack of heavy calibre weapons and helicopters, which we have discussed. Such equipment would enable the disruption of or interference with Government militia attacks.

I congratulate the hon. Member for Rochford and Southend, East (James Duddridge) on securing the debate. The point has been well made that there are only two or three roads in the whole of Darfur. Time and again, when people want to explain their inactivity, they say that Darfur is as large as France. That may be, but whether it is larger or smaller than France does not make the situation any easier on anyone's conscience; it simply makes the point that we need aerial intervention. The young colonel said that his work could be 10 times more effective with such intervention. He also said that water is a problem in some places, as is the delay in paying mission troops, which rather surprised me.

The colonel said that the killings—or genocide, as Colin Powell described it—had subsided, but that the situation is far from happy. He referred to the UN support, including the light support package, the heavy support package and the hybrid force, and said that the situation continues to be unpredictable. There is open conflict between signatories of the comprehensive peace agreement and non-signatories, and the Janjaweed continue to operate. He said that the Government of Sudan need to remove the 6 pm flying curfew so that medical and other emergencies can be tackled. People dealing with such emergencies need to fly at night, and the Sudanese Government need to facilitate the movement of equipment and personnel, and to fast-track visas for that purpose. I asked him how long ago he had made those requests, and he replied, with a great deal of sadness, "A very long time ago."

Following those interesting discussions in Darfur, we returned to Khartoum and met President al-Bashir who said, surprisingly, that everything is fine and that there are no real problems. We specifically asked about the air curfew and the continued beatings, but instead of answering our questions fully, he gave answers that could not be believed. It was a waste of time speaking to him. I should not say that about a person in power, but I could not care less; I believed nothing that he said. In the end, he turned on us, saying, "Who are you western politicians to interfere here? You are in favour of the escapades in Iraq and Afghanistan." I replied that I had voted against both of those, and said that we were there to ask him questions. The responses were abominable.

The next day, we went to the National Assembly, where we heard the same accusations of interference from the west. It seems to me that they are the only people who are content with the situation. The Sudanese Government are happy for this ghastly stand-off to continue, for those operations to happen covertly and for innocent people to continue to lose their lives simply because it suits them in Khartoum. The official line is that the comprehensive peace agreement was signed and that the west offered $4.5 billion. So far, 16 per cent. of that has been paid, but the west is concerned about the treatment of people in Darfur, so there is a chicken and egg situation. That point was put to them, but they said, "No, the donor powers are in breach of their agreement to pay that money." Why on earth should the west pay the money when the killing and displacement continues? Why should it pay those billions of dollars, and where would that money go? We were also told that non-governmental organisations were reporting far fewer car-jackings and acts of violence, but when we met the NGOs, we heard an entirely different story.

Although we need to secure a peace agreement at some point, the immediate problem that must be dealt with is that of air power and helicopters. We understand that Ukraine, Russia and even Brazil have helicopters ready. The hon. Gentleman said that if we did not provide hardware, we could provide expertise and back-up. We must urge our Government to do so, because it would save lives and ultimately make it less attractive for Khartoum to sit back and allow the ghastly and deadly stand-off to continue. As always, the ones who suffer are the innocent, and this situation is no exception.

I have kept my comments to a minimum, because much has been said already and I agree with everything that has been said. I hope that the Government will give us some assurances and will not roll out the excuse about Darfur being as big as France, which does not impress any of us. The no-fly zone in the north of Iraq was a damn sight bigger than France, but something

happened there. I urge the Government to speak to international partners who are able to donate the necessary equipment, and to put in what they can as soon as possible, so that we can avoid further atrocities in that troubled land.

Mr. Eric Martlew (in the Chair): I would like to start the wind-ups at about 10.30 am; there are two Back Benchers who wish to speak.

10.16 am

Tony Baldry (Banbury) (Con): Christian Aid used to have a poster that said, "We believe in life before death". I sometimes think that there could be a poster of Darfur that simply said, "There is hell on earth". I have four questions for the Minister, which are genuine requests for information rather than an attack on her.

First, when the conflict started, it was thought to be climate-inspired, because of the desert moving across and there being insufficient grassland. There was conflict between pastoralists, who are generally of Arab background, and farmers, who are generally of black African background, which was supported by Khartoum. The suggestion now seems to be that there is a broader, regional conflict between Sudan and Chad – between al-Bashir and Deby. Is that correct? What is the view of the Foreign Office? There have been about six regional peace agreements between Chad and Sudan in almost as many years – most recently, last month – but nothing seems to come of them. Are there various groups within Darfur that are proxy groups to Sudan and Chad, or are Sudan and Chad simply supporting their own teams within Darfur?

Secondly, I want to ask about the United Nations-African Union Mission in Darfur, which was set up in July 2007 under UN resolution 1769. I understand that of the 26,000 troops who were to be committed, UNAMID is still short of 15,000 African troops, primarily from the African Union. Why have they not been forthcoming? Is it simply because there is a lack of funds to pay for them, or because African countries are simply unwilling to commit those troops? There have been notable exceptions such as Nigeria, but why, in the view of the Foreign Office, is UNAMID so poorly resourced? Given that countries such as Ethiopia have offered helicopters, why has it not been possible to give UNAMID the airlift that is required? Until UNAMID is fully functional, there is no hope of having any peacekeeping mission at all, as those of us who have visited Darfur know only too well. All that one is doing is putting peacekeepers at considerable risk.

Thirdly, to what extent do we understand the agenda of groups such as the Justice and Equality Movement, and the Sudan Liberation Army? More and more actors and players are appearing on the stage, but there is increasing incoherence. To what extent do we know what they want to achieve? That takes me to my fourth question, which is about process. Clearly, two processes need to be pursued. One involves a ceasefire and peacekeeping, which is largely dependent on UNAMID, and requires peacekeepers on the ground and ensuring that there are no aerial attacks on villages and so on. The other process involves moving towards a peaceful solution. There has been some UN mediation, but it seems to have broken down, largely because people thought that there was no proper process or that they were being given unrealistic deadlines. There are a couple of mediators whom some factions do not particularly like, and it seems that there is now no process at all.

It would be helpful to hear from the Foreign Office what is being done under UN auspices in respect of a peace process that will help to resolve the issue and lock in all the various players. We all know that, sooner or later, that has to happen. It happened painfully in Somalia, where it took a long time to make any progress. The longer we go without any kind of peace process and without trying to oblige people to take part in it, the more the situation in Darfur and the surrounding area will fracture and become increasingly difficult. I would welcome the Foreign Office's views on those four points. This is one of those tragic conflicts that are progressively getting worse rather than better.

10.21 am

John Barrett (Edinburgh, West) (LD): I congratulate the hon. Member for Rochford and Southend, East (James Duddridge) on triggering this debate, because while there is much television coverage of what is happening in Tibet just now, it appears, sadly, that many television crews have left Darfur. There is not enough concentration on that conflict, so I congratulate him on raising it today. I shall return to the issue of Chinese involvement – I was glad that the hon. Gentleman raised it – because I believe that the Chinese Government have an important part to play in finding a solution to some of the problems in Darfur.

It has been a while since I was last in Darfur, but the images in my mind and the memories of the men, women and children who are suffering in that God-forsaken land are as clear as ever. I hope that they will stay with me until peace unfolds and the children who have never known peace are allowed to have a childhood of their own. As many Members have said, all the ingredients for disaster are present in Darfur: poverty, hunger, disease, corruption, conflict, too many guns, the impact of global warming on pastoralists and local farmers, outside interference, religious and ethnic disputes and much more.

However, in most countries where a disaster unfolds, the Government normally search for a solution. In this case, the Government are at the heart of the problem. I shall not repeat what has already been said by many Members, but the Sudanese Government must be brought into discussions, whether through a peace agreement or through countries continuing to push for sanctions and a strengthened force on the ground to deliver peace. As the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) said, the scale of refugee camps is absolutely stunning. When I visited Nyala, there were 120,000 people there – more people than are in my entire constituency. Villages are still being bombed from the air and abandoned, and people are being intimidated on the ground.

A solution to the problem has been debated on several occasions in this Hall and in the main Chamber, but I wish quickly to run through a few points in the time that I have. First, I ask the Minister for an update on progress towards full implementation of the ill-fated comprehensive peace agreement. No one here today

[John Barrett]

will be expecting particularly encouraging news, but it is important to ensure that an agreement remains a priority for the international community. Clearly, the deadline diplomacy that brokered the last agreement has not achieved as much as we would have liked, and it is important that we recognise why that is the case.

Neighbouring countries such as Chad are now part of the problem. It is a regional problem, not just a Darfur problem. We heard earlier about the peacekeeping force that is required, and I remember speaking to African Union peacekeepers who said that they needed extra forces on the ground, extra support and helicopters because, as has been said several times—it is no excuse—Darfur on its own, let alone whole of Sudan, is massive. As was mentioned by the hon. Member for Stroud (Mr. Drew), we see hot spots elsewhere in Sudan. The peace in areas such as the south, which has been calmed down in the past, is fragile, and we fear that similar problems will erupt in the east and in other regions of Sudan.

I alluded in my introductory remarks to the number of guns. This Government can play an important part in ensuring that we play no part in contributing to the volume of arms that find their way into Sudan, whether through arms deals or through neighbouring countries. There is real concern about the number of export licences that we grant in this country for small arms that are imported and re-exported. I remember raising a question with several Government Departments about that. We re-exported more than 2 million small arms in one year—in 2005-06. I asked several Government Departments where those small arms went, but nobody could give me an answer. I do not expect that the Minister will be able to give me an answer today, but I suggest that she look into the issue of small arms that are imported to the UK and then re-exported. They are not ending up, we hope, in the UK, so they are probably ending up in conflict zones around the world. If she could look into that and get more information, I would be glad to hear from her.

The humanitarian situation is an absolute disaster. Perhaps the most disturbing aspect is the one to which I alluded in my opening remarks; namely, the impact of the conflict on the children of Sudan. So far, 1.8 million children have been affected by the conflict, with 1 million displaced and 800 unaccounted for. Those who have been displaced are now spending their formative years in camps and, understandably, are traumatised by what they have seen. The threat of kidnapping and enforced servitude as child soldiers is never far away, and the dearth of educational opportunities is clearly jeopardising the future prospects of millions. A generation is growing up who will have known only war, and, unless we act now, it may prove a difficult habit to break.

I am sure the Minister will agree that one of the most keenly learned lessons from Sierra Leone is that any successful move towards post-conflict peace-building must have at its core the needs and aspirations of the next generation or risk being hamstrung from the start. I would welcome the Minister's thoughts on what we can do to help the children of Darfur and to give them hope for a brighter future. They should be given hope. Although they cannot live on hope alone, we should ensure that they do have hope for the future.

I look forward to hearing what the Minister has to say. Nothing has been said by any Member with which I disagree, but we cannot come back in six months, a year, two years or five years and say that we debated this matter in April 2008—tragically, on April fools' day. We would be fools if we were to come back in years to come but nothing had moved on. We must see progress on this matter.

10.28 am

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): I am delighted to follow my hon. Friend the Member for Edinburgh, West (John Barrett) in this important debate. It has been brief but passionate. I add my congratulations to the hon. Member for Rochford and Southend, East (James Duddridge) on securing this debate and on introducing it in a comprehensive fashion. We have had telling contributions and interventions from Members on both sides of the Chamber. We heard from the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) and the hon. Member for Buckingham (John Bercow), and we know that many in the House care passionately about the situation. Perhaps the Minister will suggest through the usual channels that the time has come once again for a debate in the main Chamber, where more Members would be able to participate, and where we could discuss a broader range of questions and issues.

Sometimes parliamentary format and the very architecture of this Room bring measured tones and the discipline of debate but strip out the passion and anguish. Today, we managed to rise above and beyond that.

I am conscious that we are five years into this terrible carnage. I have been struck by the references so far to the people who have been killed—the estimates have now doubled from those that we have been used to quoting for some years—and by the numbers of displaced people and those in camps. That should be related to the parts of the world that we represent to show the enormity of the catastrophe that has unfolded year after year in Sudan and particularly in Darfur.

It is important that the Minister has a full opportunity to answer the many questions that have been asked, so I will focus on two or three main points and allow the Conservative Opposition spokesman to speak before she does so.

We must never lose sight of the sheer scale of what is going on or of the efforts of the Sudanese Government to make it worse: it is not simply about their containing the situation or making it better; as others have observed, they are actually colluding or directly involved in making the situation worse. We have all been approached by the non-governmental organisations—the charities and aid agencies—stressing that their key workers are under attack when trying to deliver water and food and trying just to make their own lives secure. The compounds of those who are there to help are being attacked by militias and others.

There is a chronic shortage of essential equipment. The UN has to reach some 400,000 people by air, yet we read that its humanitarian air service has funding only for another month. I hope that the Minister can assure us about the long-term funding of that essential service, without which a huge number of displaced people and refugees will go hungry and be in an even worse condition than at present.

More broadly, we read in the *Financial Times* and elsewhere in recent days of the chronic problems facing the World Food Programme, which urgently needs another £250 million for its worldwide programme or else it will be forced to implement rationing. That is inconceivable. I hope that, in response to the undoubted problems with commodity and fuel prices and shipping costs, Britain and other European partners will be taking the lead in responding to the World Food Programme's concerns.

Colleagues have already mentioned the military situation in Sudan, particularly the lack of numbers and the slow handover from the African Union Mission in Sudan to the United Nations-African Union Mission in Darfur. Although we have a better mandate now – there is not just a monitoring process, but a duty to protect – the numbers are pathetic. Even if the full force were to get to 26,000 it would be barely credible, but we are dealing with less than half of that. Again, I appreciate that there are frustrating, difficult issues to get round in the world of diplomacy, but I hope that the Minister will demonstrate some sense of urgency in respect of how this matter is being tackled. In particular, she has been asked to respond to the issue of helicopters, which was raised at the Foreign Office questions last month by my hon. Friend the Member for Kingston and Surbiton (Mr. Davey) and many other hon. Members. I hope that she will be able to report some progress to us today.

The Sudanese wish to obstruct just about everything that we try to do. Surely, in response, we must tighten our grip on them and tighten the sanctions that are there. The United Nations adopted the duty to protect as part of its raison d'être – to use French where the hon. Member for Buckingham (John Bercow) avoided doing so earlier – and although we can see the most obvious example of our need to step up and do just that, we are failing. The recent reports from the Secretary-General to the Security Council were as depressing as anything else reported here today. A chapter 7 resolution was finally passed last summer. All necessary means can be used, but, my goodness, we are not defining that in very good terms at present. That is something of a sick joke.

The United Kingdom has an opportunity; it chairs the Security Council in May. I hope that we will see serious diplomatic initiatives to extend the asset freezes that are already in place, but which are limited, extend the travel bans and look hard at the arms embargo. My hon. Friend the Member for Edinburgh, West made an important point about Britain's role in small arms. Whether that issue is linked to Darfur, surely we should be looking a lot harder at what is going on.

John Bercow: To the list of crimes that fully justify the comprehensive sanctions against the Government of Sudan that the hon. Gentleman rightly seeks, might I add one other item? It is true that the numbers of people in the camps have ballooned in the three years since the hon. Member for Edinburgh, West, my hon. Friend the Member for Banbury (Tony Baldry) and I visited camps in Darfur. However, is there not another difficulty, which is that, in some cases, the Government of Sudan are organising forced, involuntary returns that are highly dangerous? The United Nations circulated a memo complaining about this last November. It is another example of a breach of human rights law by the Government of Sudan for which it should be indicted.

Mr. Moore: I agree. Since the hon. Gentleman has raised that issue, we might highlight the complete lack of progress in getting hold of the two individuals who should be before the International Criminal Court but are not – and there are surely others to whom that should be extended.

Hon. Members have properly drawn attention to China's role. We must give China credit for recognising that there are problems in the area: it has appointed an envoy for Africa, who has taken interest in this matter and its support was crucial in getting resolution 1769 passed last year. But, frankly, that is not enough. I hope that the Government will ensure that, in this year of the Olympics, when China is learning that it has to face out to the world and deal with the world not just in respect of Tibet, it learns that its role in Sudan and Darfur matters as well.

I hope that today we can learn something of European efforts to bolster the mediation led by the AU and the UN and about our role in what other hon. Members have rightly mentioned is in danger of being a regional conflict. Darfur might only be the start of something. That is too awful to contemplate. We must ensure that we are doing all that is necessary.

Famously or infamously, the former Prime Minister, Mr. Blair, said that Africa was a scar on the conscience of the world and in Darfur we see one of its bleakest realities. It is a horrible situation. The response so far has been feeble. There really is a requirement to act now.

10.37 am

Mr. Keith Simpson (Mid-Norfolk) (Con): I congratulate my hon. Friend the Member for Rochford and Southend, East (James Duddridge) on securing this debate. He spoke movingly about the situation in Darfur, but the most important thing that he said was that it was time for action rather than words.

All hon. Members have a great interest in this matter; many have been to Darfur and have spoken passionately about it, going back three or four years. There is a great welling up of frustration. As the hon. Member for Stroud (Mr. Drew) said, there is frustration that the international community has failed to come up with a coherent, sustainable response to a disaster on a vast scale in the immediate area that may be tipping over into a vast regional catastrophe, as the hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore), the Liberal Democrat spokesman, and others have said.

We should put on the record our praise for individuals and organisations, both at home and in the area, who have worked tirelessly. It must be incredibly frustrating to be an official, either in the Department for International Development or the Foreign Office, having to deal with this matter, let alone the individuals who bravely act on the ground. This is one of those disasters where the celebs come in, have a quick concert with some of the more up-market members of the media and move on to the next disaster. It is left to a lot of other people to sort it out.

John Barrett: In fairness, can I point out that some celebrities have had a long-term commitment to the region? I would not want the hon. Gentleman to think otherwise. Mia Farrow, for instance, has taken up this issue for many years.

Mr. Simpson: The hon. Gentleman makes a good point. There are also some people in the media with a long-term interest. But we all know that all too often the caravan moves on.

As far as the international community is concerned, whatever the sheer practicalities—I shall not go over them again, but we should not underestimate the difficulties—its efforts have been a monstrous failure. If such a situation had recurred in China, Russia or the EU it would not be tolerated.

As all hon. Members have pointed out, the main responsibility for the overall situation in Darfur lies with the Sudanese Government. I know that, as at least one hon. Member has pointed out, we are incredibly vulnerable in this country in pulling our punches with regard to the situation not only in Darfur, but in Zimbabwe because of a colonial guilt complex. It is easy for many obnoxious regimes to say that a situation is due to the activities of former colonial powers, or to tell us to look at what we are doing in Iraq and Afghanistan.

The time has come to ignore such comments and not to allow that attitude to get in the way of what I believe is a noble enterprise, not just by this country and our allies, but by many African countries. The hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) rightly pointed out the magnificent role of, for example, the Nigerian armed forces, and I do not think we should apologise.

The problem is what to do about a Sudanese Government that blocks the deployment of troops from Norway and Sweden, continues to withhold clearance for other contingents, has not yet fully approved the allocation of land and facilities for UN peacekeepers, and has impounded vital equipment, including armoured personnel carriers, for up to two months in customs. That action is not against individual countries; it is in direct defiance of the United Nations, which must do something about it.

I want to focus my comments on the role of the British Government and the Prime Minister. The Minister may think that I am trying to be partisan, but I happen to believe in an old fashioned thing called political leadership. I also happen to believe that such complex problems often take years to resolve. Jonathan Powell has written a book, "Great Hatred, Little Room", about making peace in Northern Ireland, and, going back to the time of John Major, I have been struck by the fact that it often takes years of very hard work to get some solution, and it takes time to keep that up at a high level of priority.

The Prime Minister, with much fanfare, launched with the French an action plan for Darfur, and last July he said that it was

"the greatest humanitarian disaster the world faces today."

He put forward an action plan of elements, which I shall go through quickly. The first is to secure a UN resolution mandating the deployment of a UN-African Union force. Yes, we have achieved that. The second is that once the UN resolution is passed we should be prepared together to go to Darfur to ensure that the peace process is moving forward. That has not yet happened. The third is to work for an immediate ceasefire on the ground and a cessation of violence. That has not yet been achieved. The fourth is to be prepared to contribute substantial sums of economic support as soon as a ceasefire makes it possible for us to achieve economic development in the area. That has not been achieved.

It is easy to for an Opposition spokesman to stand on the sidelines and play touchlinitis, but I would not play the ball that way. However, some of us in Opposition face the intriguing prospect that perhaps in 18 months we may have to deal with the matter for real. The fact is that if a Prime Minister makes a genuine commitment, he must be held to account for that, and we went through this three or four years ago. If the Prime Minister cannot deliver, he should not make such promises.

Finally, this is what my party believes must be achieved, and it pulls together the points made by a number of hon. Members. There should be further UN and EU sanctions if the Sudanese Government continue to restrict the full deployment of the UN force and the credible threat of sanctions now. There should be a major diplomatic drive to secure additional helicopters. I understand that at the NATO summit in Bucharest, the Prime Minister in the margins will have to try to get some helicopters from central and eastern European Members of NATO. There should be an arms embargo to cover the whole of Sudan. It is no good having an embargo just in the Darfur area; there must be a blanket embargo throughout Sudan. There should be a no-fly zone in Darfur. There should be support for the International Criminal Court in prosecuting Sudanese officials. Those ghastly people must understand that if they step outside Sudan they will be lifted in no uncertain terms.

The Prime Minister must to fulfil his pledge to put Darfur at the top of his foreign policy priorities. He believes passionately in that, so he must grip it and drive it through. At the end of the day, that is what leadership is all about, and his right hon. Friend the previous Prime Minister demonstrated that when he established the peace process in Northern Ireland.

10.46 am

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Meg Munn): I also congratulate the hon. Member for Rochford and Southend, East (James Duddridge) on securing this important debate, and on the way in which he introduced it. I have received the Aegis Trust's briefing, and I give a commitment that if I am unable to respond to any issues and questions in the time available, I will respond in writing to the hon. Gentleman and place a copy of my letter in the Library so that all hon. Members may see it.

The turnout for this relatively short debate demonstrates the real concern in all parties about the dreadful situation, and I know that many other hon. Members share those concerns.

James Duddridge: I thank the Minister for her courtesy in responding to the Aegis Trust's briefing. I am not sure whether she has received the briefing from the all-party group on Sudan, which also makes a series of recommendations. If she has, perhaps she would consider extending her courtesy to replying to the issues raised in that document?

Meg Munn: Indeed, I shall.

Before going into the details, may I assure all hon. Members that this matter is a priority for the Government? There is a great deal of activity, but I may not be able to report all of it this morning. My noble Friend, Lord Malloch-Brown, who is the Minister for Africa, gives great priority to the issue in everything that he does.

I shall set out the context to which some hon. Members have referred, and perhaps they will forgive me if I do not refer specifically to them. It is important that I answer questions as fully as I can.

For more than 20 years, north and south Sudan have fought a vicious civil war with an estimated 2 million people having been killed, and many having been injured with untold numbers of women being raped. Many hundreds of thousands of people have been forced from their homes and villages to flee to wherever they thought they would be safe. The international community has tried to build the necessary confidence to make peace. In 2005, a fragile peace was put in place with the signing of the comprehensive peace agreement. Although the peace has held, lack of political will and trust on both sides has caused the agreement to falter. We are pressing everyone to continue implementing the comprehensive peace agreement. We support the census, which is due later this month, and which should lead to national elections in 2009. Those elections could change the future of Sudan, but if the comprehensive peace agreement fails, there will be little hope for peace.

The UN has described the Darfur conflict as the greatest humanitarian crisis in the world, and we have seen the shocking pictures on our televisions. Thousands of people have been killed, raped or wounded; more than 2 million people have been forced from their homes and more than 4 million are dependent on international aid for food and basic needs. As we feared, the conflict has spilled over into Chad. There are 290,000 Darfuri refugees in Chad, and 180,000 Chadians have been forced to flee their homes. The recent fighting in west Darfur and the failed February coup in Chad graphically showed how the stability of the entire region is at risk.

Since the conflict first began, the UK has worked to end the tragedy. We are the second largest bilateral humanitarian donor to Sudan. Since April 2004, we have given £158 million to Darfur for humanitarian aid, and we have supported the implementation of an agreement between the Government of Sudan and the UN to allow full humanitarian access for non-governmental organisations in Darfur.

In addition, we have supported the African Union peacekeeping mission in Darfur by providing £73 million for airlift and equipment. When it became clear that that force was not enough, we secured a UN resolution mandating a new AU-UN peacekeeping force. UNAMID took authority on 31 December 2007. We have just given £4 million to support the training and the equipping of African troop-contributing countries and we are providing military, planning, expertise and staff officers. We have committed £5 million to the Darfur Community Peace and Stability Fund. That allows for recovery and reconciliation when local security permits and when local leaders are committed to a political dialogue.

We in the UK cannot resolve the issue, but we can help the international work and seek to build consensus. We have encouraged China to play a more positive role in Sudan. The Prime Minister raised the matter during his visit to China in January. Recently, China has made more critical comments. We want China to use its considerable influence in Khartoum to play a constructive role and to do more on the comprehensive peace agreement. In February, Ministers from the Department for International Development and the Foreign and Commonwealth Office agreed with the Chinese special envoy for Africa key objectives in Sudan to accelerate UNAMID deployment, re-energise the political process for Darfur and support the implementation of the comprehensive peace agreement. The Foreign Secretary reinforced those messages during his visit to China at the end of February. We have also repeatedly made it clear to China that given its reliance on Sudanese oil it is in its interest for Sudan to be peaceful.

Europe is also more focused on Sudan and Chad. The European peacekeeping force has started to deploy to Chad. We are working with the French Government; the Prime Minister and President Sarkozy agreed last week to step up efforts. We have worked in the Security Council to build consensus and to take tough action if the rebels and the Government of Sudan do not meet their commitments. As hon. Members well know, that has not been enough. Some hon. Members raised the issue of a no-fly zone, but we have real concerns that that would restrict UN and NGO operations and that there would be a real risk of their aircraft being hit and humanitarian aid not getting through. There are clear logistical problems and too few air assets to monitor air activity over Darfur.

John Bercow: I have heard what the Minister has just said. Nobody has ever suggested that the establishment of a no-fly zone would be absolutely simple, but the balance of argument previously was always in favour, and the Government themselves seemed to be in favour. I get the distinct sense that that position has now changed.

Meg Munn: We are concerned for the reasons that I have set out. The feasibility work that has been carried out indicates those particular problems. As regards the current situation, I am assured that significant problems exist, and that is what the Prime Minister himself said when he was asked about the matter recently.

We will continue to support the people of Darfur by helping the humanitarian agencies do their work. We will continue to help build an effective peacekeeping force. Although the first troops are now in place, I share hon. Members' frustration with the slow progress. Clearly, the recent fighting has created further problems in relation to that. The force currently comprises 10,500 people, including 7,500 military, 1,800 police and 1,300 civilians. Full deployment will be 19,500 military, 6,500 police and 5,500 civilians. We never expected troops to be fully deployed by the 31 December 2007 when authority was transferred to UNAMID, but we recognise the need for the Government of Sudan to do more to facilitate the deployment.

We welcome the signing of status of forces agreement early in February. That should resolve issues over visas, customs and freedom of movement. We expect to see the Government of Sudan fully co-operating with the AU-UN. Recent progress has taken place on the ground. It may not sound a great deal, but it is incredibly important to the people in the camps. There has been an increase in firewood patrols to enable people to get firewood to cook and an increase in policing. In February, following the fighting in west Darfur, UNAMID escorted NGOs which were providing aid.

Mr. Drew: Will the Minister tell us how many of those troops and police will be women? One of the saddest aspects of the events in Darfur is the particular way in which violence against women has been used as a weapon of war.

Meg Munn: My hon. Friend raises a very powerful point. May I discuss that information later, when I respond to the issues that I do not get to today?

Egyptian and Bangladeshi troops should have deployed in March. The Ethiopian and Egyptian infantry battalions will deploy in April and May, followed by Thai and Nepalese battalions. There will be ongoing deployment of infantry battalions throughout 2008. Full deployment is unlikely before the end of 2008. We will continue to press the AU and UN to appoint a single chief mediator for the political process. I cannot stress too highly how important it is to have the process in place because it is the key to peace in the region. The mediator must be someone who is able to help unify the differing rebel factions into an effective negotiating group. We will continue to work for a cessation of hostilities with monitoring mechanisms that allow the international community to take action when and if it is breached. The UN arms embargo needs to encompass all of Sudan to match the EU's embargo. I can reassure hon. Members that we regard the UN arms embargo as important and we will push for it.

The issue of the wider region was raised. The war between north and south Sudan and the rebel uprising in Darfur were caused by marginalisation. The Government in Khartoum failed to meet their people's needs. That was exacerbated by climate change and regional interference. One hon. Member asked what the Darfur rebels wanted. They want a fair share of the oil wealth and power sharing for Darfur. Others want regime change in Khartoum and there are also some general concerns about the rebels.

As regards the Dakar agreement, which my hon. Friend raised, we are supporting the international contact group that has been set up to monitor the agreement and we are calling on both Governments to adhere to the agreement. The international community must make it clearer to the Government of Sudan and the rebels that they have a choice: they can co-operate with the AU and the UN, end the violence, bring those who have committed atrocities to justice and allow humanitarian workers to operate freely and securely or they must face the consequences. We are ready to impose tougher sanctions and we will press the Security Council to join us to take action against them. There will be no impunity for war crimes through the international criminal court.

Last June, during a debate on the situation in Darfur, the then Secretary of State, my right hon. Friend the Member for Leeds, Central (Hilary Benn) asked a simple question that we must still ask today.

> "When are we going to live up to the fine and inspiring words of the UN declaration of human rights? Let me remind the House of what it says. 'Whereas disregard and contempt for human rights have resulted in barbarous acts which have outraged the conscience of mankind, and the advent of a world in which human beings shall enjoy freedom of speech and belief and freedom from fear and want has been proclaimed as the highest aspiration of the common people'." [*Official Report*, 5 June 2007; Vol. 461, c. 228.]

The people of Darfur have suffered too long and the international community must live up to those words.

Daresbury Science and Innovation Campus

11 am

Mr. Mike Hall (Weaver Vale) (Lab): I would like to put on record my thanks to Mr. Speaker for granting this important debate on the future of science in the north-west. Daresbury laboratory—now the Daresbury science and innovation campus—in my constituency has been delivering world-class science for 40 years and has contributed to Britain being at the international forefront of accelerator science research.

In 2000-01, Daresbury faced a problem. The Government made the stupid decision to locate Diamond, the successor to the synchrotron radiation source that had been developed at Daresbury, at Rutherford Appleton. Daresbury therefore faced the challenge of finding a new project to ensure that it remained at the forefront of international science. The purpose of this debate is not to look back over the decision that has already been made—although I will refer to some of the consequences of it later—but to consider what can be done to secure the future for Daresbury laboratory in the post-synchrotron radiation source era.

In 2001, the Government set up the north-western Daresbury science group, which considered what could be done to design a new project for Daresbury laboratory in the future. It came up with a concept called the fourth generation light source, which involved fantastic world-leading scientific research that was internationally recognised. We were hopeful that that would take the future of the laboratory forward. In 2006, we were very pleased when the Government published the document, "Science & Innovation Investment Framework 2004-2014", in which they stated in support of the objectives that

> "the Government has decided that the Harwell site, which includes RAL, and the Daresbury site should become the Harwell and Daresbury Science and Innovation Campuses respectively. The Government will look to develop these campuses so as to ensure that the facilities located here are internationally competitive, support world-class science, and maximise opportunities for knowledge transfer. Work is being commissioned to explore how they should be delivered in practice".

That was a vote of confidence in the future of Daresbury laboratory and is an important document. I hope that the Minister will repeat what his right hon. Friend the Secretary of State has said and reaffirm that that is still the Government's position. That announcement was recognised by Daresbury laboratory as a very positive statement about its future.

We also welcome the Government's announcements in December last year and January this year that Daresbury science and innovation campus will continue its high-performance computing accelerator and detector research at the Cockcroft Institute and the Harwell centre. The Cockcroft Institute is a joint international venture on accelerator science and technology, and is a commitment to the future of Daresbury laboratory. The project is led brilliantly by its director, Swapan Chattopadhyay, who is an internationally renowned scientist who came from Berkeley in America to Daresbury because of the work that was promised. That was a coup as it meant that there was a brain drain in reverse: a world-class scientist came to Britain to do their work. It was another signpost that Daresbury laboratory had a real future.

We are pleased about the work on international computational science that will take place at Daresbury.

That is another vote of confidence. We welcome the McKillop review, which will explore the current and potential contribution of the Daresbury campus to science and innovation in the city region. The review will also consider how the campus can be retained as one of national and international significance, which is very important.

I do not want to pre-empt what the Minister might say today or in the near future, but we also look forward to Government announcements on investments in Daresbury from the large facilities capital fund. We have two excellent innovation buildings at Daresbury, both of which are full. We need to build a third one and perhaps even a fourth one after that so that innovation at Daresbury goes from strength to strength. If Daresbury is to succeed as the Government's document suggests, and if the Government's stated aim that it will be a world-leading scientific research facility and innovation campus is to be achieved, we need a research facility of international repute at Daresbury that will underpin the science and make sure that the whole laboratory has a future.

I have referred to 4GLS—the fourth generation light source. Late last year, the scientific community received a bombshell when the new Science and Technology Facilities Council decided to abandon 4GLS and set up a new light source review. The new light source review's four X-ray and laser scientists have said that 4GLS should involve lasers. There is no surprise in that, but there is a concern that the four scientists were not capable of scientific impartiality in determining what the future next generation light source should consist of, because they did not have any expertise in light source research. The final report of the international advisory committee on 4GLS stated that it strongly supported the delivery of the science originally deployed by 4GLS. It gave it a vote of confidence, and in relation to accelerator science stated:

"We strongly believe capabilities similar to those originally designed into the 4GLS system are the minimum necessary to propel the UK community into a leadership role in Europe and beyond".

It was unequivocal that 4GLS is the way forward and the way in which we will stay at the forefront of international research in accelerator science. That is the research that will need to be done if Britain intends to stay at the forefront of that field, and I hope that the Minister will be able to reaffirm that message.

The new light source project that will be announced on 11 April will be led by two internationally renowned scientists: one from Imperial college London and one from Oxford. If the Minister wants to send a positive message to Daresbury about its future, that project would also include a scientist from the north-west who has expertise in light source science and research. That would say to the community that when the Government decide what they will do in relation to the next generation light source, they will take all aspects of that field of research into account. That would send a message to the north-west that the Government recognise the region's expertise in that field and believe that it has the quality, the staff and the ability to provide somebody who can head up the new project. That would send a positive message to Daresbury laboratory, to the scientists and academics in the north-west and to those who are concerned about the economy in the region.

During the past six years, when the decision was made to go ahead with 4GLS at Daresbury, a prototype has been developed called the Linac project. The name has now changed to ALICE—accelerators and lasers in combined experiments. The problem is that although the Science and Technology Facilities Council is committed to ensuring that ALICE can be developed to demonstrate energy recovery, it has decided not to fund it beyond energy recovery being proven. That does not exploit the potential of ALICE or contribute towards Britain being able to lead the world in accelerator science. Nor does it fulfil what scientists expect of the Science and Technology Facilities Council in that area.

We need a commitment from the STFC not only in relation to proving the energy recovery of ALICE, but in relation to fully exploiting the prototype. That means investing more money into the project and working with the Northwest Regional Development Agency, which has committed £30 million to the project already. That is essential because it will give us the possibility of a new light source, and whatever the new light source is called it will be based on 4GLS. It has been developed at Daresbury and the staff are at Daresbury. If it is exploited to the full, it will retain scientific staff at Daresbury and will provide the piece of the jigsaw that ensures that we still have science and innovation on the campus. It is essential that that project is exploited to the full and that Daresbury is used to make that exploitation possible, because that will retain the scientific staff at the laboratory who will underpin the concept set out in the investment programme for 2004-14. That will send a clear message that the Government believe that regions such as the north-west are entitled to have world-leading science and that they are behind that concept.

Daresbury laboratory has another problem. If ALICE is fully funded and the commitment to the staff to retain pure research science at Daresbury is delivered on, that will no doubt secure the laboratory's future, but the staff have taken a hard knock since the decisions on redundancies were announced last December. There is a feeling at the laboratory, which I share, that they do not have a powerful voice on the STFC advocating on their behalf. There are many scientists from Oxford, with powerful voices, advocating for the Oxford golden circle or golden triangle—call it what one likes—but Daresbury does not have an equivalent voice.

The Minister could send another positive message today by saying that a person will be appointed to the STFC specifically to advocate for Daresbury. That would send the staff a positive message that somebody at the highest level is speaking out on their behalf. They could then have confidence in decisions made in the future about the new light source and the future of the science and technology campus.

Graham Stringer (Manchester, Blackley) (Lab): My hon. Friend is making strong and pertinent remarks and I support him wholeheartedly on this issue. Does he agree that the STFC has been extremely poor at consulting and communicating with Daresbury?

Mr. Hall: I agree entirely. I want to mention a specific problem about consultation of Daresbury, because it all seems to be done outside. The worst thing about all this is the rumour mill, and I have a good example. When the STFC said that it had an £80 million shortfall in its £1.9 billion budget over three years, and that it would call for 25 per cent. staff cuts and 25 per cent. cuts in

[Mr. Mike Hall]

project grants to fill what is a very small funding gap, if one exists at all, it was feared at Daresbury laboratory that 350 jobs would go. Compulsory redundancies have been called for at Daresbury laboratory but not at the two other sites covered by the STFC. Those compulsory redundancies relate to the running of the synchrotron radiation source, which we accept will finish at the end of this year; the run-down will start in September. Only 110 people are working on the synchrotron radiation source, but we are now told that 180 jobs must go.

My profound wish and hope is that there will be no compulsory redundancies at Daresbury laboratory and that, as a result of decisions that the Government and the STFC can take, more jobs will be secured at Daresbury to underpin the critical mass of scientists needed to ensure that we deliver the science at the laboratory.

Adam Afriyie (Windsor) (Con): Will the hon. Gentleman confirm whether there will be no jobs lost, no compulsory redundancies or no redundancies at Daresbury? Which of the three, or which combination of the three, is it?

Mr. Hall: The hon. Gentleman would do better to direct that question to the Minister. In case this was not clear, I point out that the STFC is calling for 180 job losses at Daresbury relating directly to the running of the synchrotron radiation source, which will end in September to December of this year. When the synchrotron radiation source goes, those jobs will be surplus to requirements. I am pressing the Minister to try to ensure that there are no compulsory redundancies and that we retain as many scientists as possible at Daresbury, so that there is a critical mass of scientists able to deliver the new light source when decisions on that are made and when the decision for it to be at Daresbury is made. That is the point.

I am asking for three things. We need a fourth generation light source scientist heading the new light source review with the two scientists from Oxford and Imperial college. We need a commitment that ALICE – that wonderful facility – will be fully funded and fully exploited. It is a unique research facility and it would be a travesty if British science was not allowed to exploit it to the full. We also need a commitment about retaining staff at Daresbury laboratory and a voice on the STFC advocating for Daresbury.

For the record, the Minister has been generous in the time that he has given to colleagues from the north-west. Those Members are represented here today: my hon. Friends the Members for Warrington, South (Helen Southworth), for Warrington, North (Helen Jones), for Liverpool, Riverside (Mrs. Ellman) and for Eccles (Ian Stewart). My hon. Friend the Member for Ellesmere Port and Neston (Andrew Miller) has also been involved in lobbying the Minister and the Secretary of State. We have also lobbied the Prime Minister. We have been fully supported by my close and hon. Friend the Member for Halton (Derek Twigg). We are committed to ensuring that Daresbury laboratory or Daresbury science and innovation campus has a future, both as a pure research facility and as an innovation campus. Today, we seek a positive message from the Government that they share that vision and will protect the laboratory and ensure that it delivers another 40 years of world-leading scientific research.

11.15 am

Dr. John Pugh (Southport) (LD): A Northwest Regional *Development Agency press release that I chanced across* the other day, dated 2003, states:

"The scientific future of Daresbury has been given a major boost, thanks to two significant announcements from the Northwest Development Agency...and the Department of Trade and Industry...The NWDA are pleased to announce funding of £25.7 million in order to develop Daresbury's Science Park, securing its future as a centre of excellence for scientific research and development. The DTI have also given the go-ahead for the research, development and design phases of the world-class...Fourth Generation Light Source...These developments will make a major contribution to the economic development of the region, providing opportunities to secure inward investment and spin-outs of companies to link with Daresbury. Following on from recent decisions to embed Europe's most powerful academic research computer and the world's most powerful microscope at the Laboratory, Daresbury's future could not be brighter."

In the same press release, Lord Sainsbury says:

"This is an important step towards placing Daresbury at the cutting edge of accelerator science. The 4th generation light source would provide scientists with a first-class facility to conduct vital experiments in many disciplines. Its potential capability is unique in the world, and its capacity to combine a wide range of experiments would establish the UK as a major international player in this technology."

I would like to give a few key facts that put that in context. Daresbury should be in a very enviable position now, because it should have got the Diamond synchrotron, the particle accelerator, which would have been a £382 million investment in Daresbury. It did get the £21.3 million investment in Linac and the promise of the fourth generation light source. Why did it not get the synchrotron? A National Audit Office report on big science projects makes it crystal clear that the economic benefits relating to the particle accelerator were far greater in the north-west than anywhere else, and than where it actually went in the Oxford area. The reasons why it went there are predominantly cultural. Scientists at Oxford or certain key academics would not forsake the leafy environment of Oxford for the rougher area of Cheshire. There was also direct pressure from the Wellcome Trust, which clearly also felt that it would be a little bit hazardous to go up north. There was no doubt, at the time the proposal was considered, that the physics base in the north-west – in Manchester, Liverpool and further afield – was very strong and capable of supporting such a venture.

However, if we look at the fourth generation light source as a consolation prize, it has to be said that it was, on the face of it, a good one. The NAO said of the project that the level and form of engagement with industry –

Mr. Mike Hall: The fourth generation light source was not a consolation prize for Daresbury laboratory. It will now be the leading project in terms of linear accelerator science. It is not a second prize at all; it is a real prize for the laboratory.

Dr. Pugh: It would be amazing if it turned out as we hoped; and it would be a major plus for the north-west. However, it is apparent to me that things will not turn out as expected.

The NAO praised the project and used positive terms, which the hon. Gentleman will welcome, and said that the project provides a

"Level and form of engagement with industry".

That is crucial for the north-west because we need industry and jobs. It is ironic, in retrospect, that the NAO said that the project has

"Flexibility and adaptability to cost pressures".

Because of that, one felt that the project would go ahead no matter what the economic climate. The Northwest Regional Development Agency, to its credit, has persistently emphasised that the key need in the north-west is high-quality jobs—a better quality of job than is widely available in many parts of the north-west—and not simply jobs. Key science fixtures obviously help in that regard. It now seems that there is a doubt about the consolation prize.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I am listening to the hon. Gentleman with interest, but does he recognise that the international advisory committee, which reviewed the 4GLS project and reported in February of this year, described it as world-class science?

Dr. Pugh: Yes, and we would be glad to see world-class funding associated with it.

I am less than impressed at what the Minister has had to say on the matter. He stated:

"The Council has confirmed that key staff at Daresbury will be involved in developing a proposal for a next generation light source, and it is developing plans for further developments of joint ventures and further public investment on the campus"

In the same letter, which was sent to all north-west Members, he states:

"You will see in particular that the STFC is committed to retaining key scientific and technology expertise on the campus, and wishes to expand that expertise"

I read that carefully for hard financial commitments. On 13 March, the Secretary of State for Innovation, Universities and Skills stated:

"Because the 4GLS project had been part of the future...at Daresbury"

I emphasise "had been"

"I have asked Sir Tom McKillop to review how best to take forward the science and innovation campus but there should be no doubt about our commitment to future success and our desire to see further investment in Daresbury as a Science and Innovation Campus"

That sounds to me like jam tomorrow but never today; there is lots of commitment, but the letter is rather thin on money details.

What do we know? There is an £80 million shortfall in the Science and Technologies Facilities Council and there are cuts in physics provision in the north-west. European Union countries have a target of 3 per cent. of gross domestic product to be spent on research and development, but spending on that fell between 2000 and 2005 in the UK. Overall research and development spending fell by 14 per cent. last year. Things are not going well. It would be helpful if the Minister would assure us that things are going better than I think they are. I understand that my remarks are not comfortable for Labour Members, because they would genuinely like the Government to do better for Daresbury, to be more positive and firm in their commitments, and to couple that with resources.

Helen Jones (Warrington, North) (Lab): I am listening carefully to the hon. Gentleman but, for the record, will he tell us what discussions he has had on the fourth generation light source with scientists at Daresbury? Would they describe it as a "consolation prize"? In calling it that, the hon. Gentleman is downgrading its importance to Daresbury's future.

Dr. Pugh: If the only attack that Labour Members can make on my thesis is on that phrase, I shall use another. I was trying to say that, initially, we were unquestionably supposed to have the particle accelerator. It would have been nice to get both that and 4GLS—there is a case for that—but nobody can dispute that we lost out on the synchrotron. The only positive fact—the only firm, clear-cut financial commitment that I understand—in the Minister's letter of 6 February is in the third paragraph, which states:

"The Synchrotron Radiation Source...will close as planned in 2008, once the existing programme of experiments is complete. This will inevitably involve 180 redundancies over the next two years".

If people think that that is good news, so be it. It is a hard fact, but in the rest of the letter, a lot of the discussion is kicked into the future.

I should like to turn briefly, if I may, to astronomy, which we have not touched on but it generally affects the issue. We have a similar scenario with the EMERLIN project. As far as north-west science is concerned, a negative case is being made. The STFC says all sorts of good things about it. It says that it is the only world-class astronomical facility based entirely in the UK, and that it makes a significant contribution to radio astronomy and to our understanding of cosmology, galaxy formation and planetary evolution. That is all good stuff.

Mr. Eric Martlew (in the Chair): Order. You are moving away from the subject of the debate, Dr. Pugh.

Dr. Pugh: I was hoping that you would allow me a bit of latitude on that point, Mr. Martlew.

In the north-west—this is to do with Daresbury—physics funding has been cut and blue-chip research, which is commercially useful to the north-west for jobs and economic welfare, has been pulled. The Northwest Regional Development Agency and the universities in the area are being depressed. They are not toasting the Minister and saying, "Isn't he doing a good job on this!" They are in fact expressing regrets to hon. Members, which is why so many have turned up to the debate. Regional differences are being accentuated by a lack of investment in key scientific facilities in the north-west, the prime cause of which is the £80 million shortfall in funding. That is not a huge sum in Government terms. I accept the points that have been made about the autocratic and, at times, eccentric decision making of the STFC, but what matters to me is that it is a betrayal of my region and its future.

Several hon. Members *rose*

Mr. Eric Martlew (in the Chair): Order. Four Back-Bench Members wish to speak and I should like the wind-up speeches to begin at about 12 o'clock.

11.26 am

Helen Southworth (Warrington, South) (Lab): I congratulate my hon. Friend the Member for Weaver Vale (Mr. Hall) on securing the debate, which is on an

[Helen Southworth]

important issue for the region, the UK and our constituents. He has been a redoubtable champion of Daresbury laboratory over many years.

Others on this side of the House have been champions of the laboratory for many years, because we see what it achieves. The science campus at the laboratory is a world-renowned large-scale science facility. It has an amazing history: synchrotron technology in the UK developed at Daresbury and it really is whizzy science. Light is spun around at such speed that things can be seen in incredible detail. One can see a cancer cell at the size of a full stop and identify it. For people, that means that we are going to be able to stop cancer, because we will be able to find it at the earliest stages.

The facility is not only about that; it looks at how to make aeroplane wings function more effectively. It is about major industry and manufacturing. It is revolutionising how we deliver industry in the north-west, which is keeping us competitive. My major dispute with the hon. Member for Southport (Dr. Pugh) is that Daresbury laboratory is not going cap-in-hand to ask the Minister for things; rather, it is world-leading and it is positioning our science and industry—our jobs—at the forefront of world science.

Daresbury is not only home to world-leading accelerator science. It is also home to advanced instrumentation and engineering, high-performance computing, nuclear physics, modelling and simulation. Our scientists are spectacular and the facilities and resources on our site must meet their abilities to ensure that they can deliver, because they are central to the decades of success that we have had on the site. The scientists and technicians are internationally acclaimed and I am honoured that a large number of them are my constituents. I have learned so much about our opportunities through what I have been told by those constituents about what they are delivering for the UK and around the globe. More than 5,000 scientists from more than 30 countries use Daresbury's facilities every year. They do not pop over here thinking that we are second best; they come to Daresbury because it is a world leader. They want to use our facilities, and we want to ensure that Daresbury will be able to continue delivering.

My hon. Friend drew attention to the fact that eight years ago the Diamond project to replace the out-of-date synchrotron on the site was awarded to the Rutherford Appleton laboratory, even though the project had been developed by Daresbury scientists with international peer backing. My hon. Friends will remember being inundated by representations from scientists from all over the globe, including Nobel prize winners, calling for the recognition of and investment in the world-leading facilities at Daresbury.

As a result of strong representations from world scientists, from Members of Parliament, from business and industry and from local and regional government, the Government set up the north-west science and Daresbury task group, of which I was a member. That task group recommended a series of actions to support regional and UK science, including the establishment of the Northwest Science Council. One significant result was major Government investment in the science and innovation campus at Daresbury.

The campus concept is a great idea, under which the public and private sectors can co-operate with regional and national Government to generate real growth from new scientific discoveries. The first major success of the campus was the innovation centre. It was opened two years ago and it now houses more than 60 high-tech companies in fields such as information and communications technology and medical device design and manufacture.

Many of those companies are new start-ups and innovators, and some of them have been drawn to the UK because of the sort of science on offer at Daresbury. Scientists are attracted by the on-site facilities, particularly the research laboratories that are open to companies. They are also attracted by collaboration with the 500 scientists and other staff of the laboratories, who offer world-class capabilities in physics, chemistry, engineering, computing science, biology and other fields. Those industries are benefiting from that close proximity.

The universities of Manchester, Liverpool and Lancaster are key partners in the campus. The campus represents a unique mixture of publicly funded research, private sector companies and investment, and world-class universities—all working together to create innovation and economic growth. It is an incredible success story, and we must ensure that it continues. It is crucial for our economy, and for improving the quality of life for UK citizens, not only for jobs and manufacturing but for health and well-being. We must ensure that research funded by the public sector is made available for exploitation, and the world-class scientists at Daresbury laboratory are critical to that success. Last year, the Government announced that the Daresbury science and innovation campus would be one of only two major science sites in the UK, the other being at Harwell in Oxford. As a result, Government-supported large science projects will go only to those sites.

In the House last week, the Prime Minister said:

"We are committed to additional investment in science and technology in my hon. Friend's region, and to all the jobs that flow from that, making it possible for the north-west to continue to increase employment during a difficult period for the world economy." [*Official Report*, 26 March 2008; Vol. 474, c. 188.]

I hope that the Minister will give more detail, particularly in relation to the new generation light source, evolved from the 4GLS project developed by scientists at Daresbury over the last six years. Will he confirm not only that Daresbury scientists will be fully involved in and lead the project team, but that, if it is to be built, the new generation light source will be built at Daresbury? I support the call ably made by my hon. Friend the Member for Weaver Vale for Daresbury to have a voice on the Science and Technology Facilities Council, so that decisions can be made with real knowledge rather than assumptions.

The Government have also funded the Cockroft Institute on the Daresbury site; as my hon. Friend said, it has already attracted leading world scientists. It secured more than £20 million of funding in just one year to develop the site. As well as demonstrating its success in research, the Cockroft Institute will play a key role in training physics graduates in the north-west, to ensure that local young scientists have the best opportunity to develop their knowledge and skills. One of Daresbury's incredible successes has been to inspire young people in the north-west to succeed in physics and engineering.

Will the Minister expand on the statement from the STFC that

"it will seek the further development of partnership ventures such as the Cockroft centre, an international centre for accelerator science and technology".

That statement recognises the outstanding success of the Cockroft, but what does it mean in terms of further investment in the Cockroft and associated activity at Daresbury? We need further details.

The key to the considerable success of the science and innovation campus at Daresbury, in all its parts, is the outstanding quality of the scientists and the high level of the engineers and technicians on the site. I support my hon. Friend the Member for Weaver Vale's concern about the announcement of redundancies associated with the closure of the old SRS. To develop next-generation facilities, the laboratories must retain key scientific and technological expertise on the site.

At the end of last summer, the STFC caused serious concern about the future of science at Daresbury. It is irresponsible in the extreme for a Government-funded body to take so little care with the success, and indeed the viability, of so important a body as the laboratory and the science and innovation campus. Will the Minister confirm that the STFC will be held to its commitment, made in the past few weeks, to retaining key scientific and technology expertise at Daresbury in high-performance computing, accelerator and detector research, and development of next-generation facilities and the underpinning technologies? Will he also give us details of what was meant by the STFC's statement at the end of January that it was looking to expand skills on the site as its plans develop? Will he assure us that ALICE will receive the investment that it needs, so that it can continue to succeed?

Overall, will the Minister give us the Department's assurance that the STFC will minimise job losses from the SRS closure, and deliver on its commitment to develop the light source expertise at Daresbury so that it can continue to play a key role in developing the next generation light source? Will he also confirm that the new light source will be built at Daresbury as part of the critical scientific research anchor to the other facilities on the site? A quarter of the north-west's economy—£26 billion—is dependent on science. Daresbury science and innovation campus and its university partners at Liverpool, Manchester and Lancaster are at the interface between science and industry. They are opening up huge advances in health diagnosis and treatment. Will the Minister assure us that the STFC will invest at Daresbury in order to build on its world-class success?

11.37 am

Helen Jones (Warrington, North) (Lab): I congratulate my hon. Friend the Member for Weaver Vale (Mr. Hall) on securing this debate. He has done an enormous amount of work to secure the future of Daresbury, and all MPs in the region are grateful to him for the lead that he has shown.

I do not intend to repeat points that have been made, although I agree with them. However, I stress the importance of science on the Daresbury site to the future of the region. Since 1962, it has been a vital scientific site. It developed the world's first synchrotron light source, and it was instrumental in helping a UK researcher win a share in the 1997 Nobel prize for chemistry. We all believe that the decision to send the next-generation light source project Diamond to the Rutherford Appleton laboratory was entirely wrong. However, we are where we are, and our concern is now to secure the future of the site because of the importance of the world-leading science that goes on there to the economy of the north-west.

In the early years, research at Daresbury was almost entirely physics based, but the dominant research disciplines are now biology and medicine; pure physics account for only 15 per cent. of research. The importance of the site can be seen from the fact that although 500 staff work there, the facilities are used by more than 5,000 scientists and engineers each year. The key to Daresbury's future is the development of the science and innovation campus and the underpinning of that development by investment in world-leading science. One cannot exist without the other. Indeed, a master plan for the development of the campus is being put together, and there are plans to see new buildings grow from the innovation centre.

The vision for Daresbury over the next 25 years involves extending the scale and number of interactions between science, industry and employment on the campus. The link between universities, science and the development of new jobs is exactly what the Government tell us that they want to achieve. Although this country has been a world leader in science, we have never been as good at developing our scientific discoveries for the benefit of jobs and industry as a whole, but that is exactly what the campus at Daresbury seeks to achieve.

We have a once-in-a-lifetime opportunity. In Manchester, we have the biggest single-site state university, and we have great universities at Liverpool and Lancaster. Through the Government's university challenge, we have the chance to expand higher education in many of our community's deprived areas. In my constituency, we will also see the development of the new Omega site for science and high-tech industries. However, such things must be underpinned by investment at Daresbury—they are all linked.

The economy of the north-west is heavily dependent on our science base. Major investment in sectors such as materials, aerospace, nuclear and biotech underpin regional development. The Northwest Regional Development Agency will invest more than £50 million in the Daresbury science and innovation campus over the next 10 years. That will give us a unique mixture of fundamental research facilities—the north-west universities will be involved—and commercially driven research and business growth. That is why the Sainsbury review highlighted Daresbury as an example of science and innovation driving collaboration and of investment that would drive regional economic growth.

As the Minister will be aware, the campus is home to more than 60 science and technology companies and more than 220 high-tech jobs. More than 95 per cent. of those companies are small and medium sized, and 40 per cent. are start-ups involving very young businesses. Our region's future depends on using science to drive employment and growth so that we can provide well-paid, high-tech jobs to replace much of the low-paid employment that has been traditional in our region.

There is often a high level of interaction on the campus. There are already four joint developments and eight collaborative arrangements. However, I say to my

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their commitment to their region. I have learned a lot by listening, including about ALICE and EMMA.

There has been much comment in the press recently about the Science and Technology Facilities Council; indeed, it must have felt like an organisation under media siege after various comments on the budgetary pressures that it faces. I am grateful to have had a meeting with Professor Mason, the chief executive of the STFC, who gave me his perspective on the situation. I understand that the Select Committee on Innovation, Universities and Skills is looking at the issue as well, and I am sure that its report, which will be published shortly, will lead to future debates and deliberations.

As my hon. Friend the Member for Southport (Dr. Pugh) mentioned, much of the press's attention has focused on astrophysics, particularly Jodrell Bank, but today we are concerned solely with Daresbury, home of the Cockcroft institute, the Daresbury science and innovation campus and the Daresbury innovation centre. Those institutions all have a close and critical relationship with the universities in Manchester, Liverpool and Lancaster.

Much of the uncertainty surrounding the budgetary pressures on the STFC arises, perhaps, from the peculiar budgetary pressures unique to it. I am sure that one of the first points that the Minister will make when he responds is that the pressures are occurring against a background of real-terms growth in the science budget, but the STFC commits a third of its budget to international subscriptions to CERN and various astronomy projects. Those are long-term commitments that are hard to restructure and whose budgets are hard to trim. Many of the STFC's UK projects are also long-term. If there are budgetary pressures—£80 million has been mentioned—they will have an impact on short-term funding. That causes concern in the scientific community and in many universities, including Bristol university in my constituency, about the number of postdoctoral research assistant posts that may be cut in that area of scientific research.

The Secretary of State for Innovation, Universities and Skills made a statement about the science budget and its growth during the comprehensive spending review on 11 December last year. It has become clear from my rereading of that statement that the major winners were medicine and the Medical Research Council; the hon. Member for Manchester, Blackley (Graham Stringer) referred to a new facility that will be funded, at least in part, by the MRC. It appears that that will lead to budgetary pressure on the other research councils, particularly because part of the growth that they will receive is designed to accommodate the full economic costing of research projects in future.

The Secretary of State's statement also referred to reviews that he intends to carry out on the health of research disciplines in this country. The very first review, chaired by Professor Bill Wakeham, the vice-chancellor of Southampton university, will examine physics, with which this debate is primarily concerned. It is vital, Mr. Martlew, that decisions—*[Interruption.]* I beg your pardon, Mr. Wilshire; I had not looked up to see that the Chair had changed while I was speaking.

Mr. David Wilshire (in the Chair): It is all right; you were in full flow.

Stephen Williams: I welcome you to the Chair, Mr. Wilshire, for the conclusion of our proceedings. It is vital that the reviews should be able to come to conclusions, and that the Wakeham review should be able to take place, without decisions being taken that will have far-reaching implications. The Secretary of State also referred to a second highly pertinent review, Sir Tom McKillop's review of the Manchester city region economy, which will specifically include the Daresbury campus. Again, it is critical that no decisions detrimental to the future of Daresbury should be taken before that review comes to a conclusion and its findings are published.

Universities UK has called for what it terms a sensible period of adjustment before any decisions are taken and—more crucially, perhaps—for year-end flexibility in the budgets of the STFC and other research councils. I am guessing that that is an allusion to the disgraceful raid on research councils' budgets that took place before the restructuring of Departments last July, while the councils were still within the remit of the Department of Trade and Industry. I hope that one positive result of the creation of the new Departments will be that such short-sighted raids will not happen again.

The STFC says that it is committed to the future of the Daresbury site and that it is working in partnership with higher education institutions in the north-west, the Northwest Regional Development Agency and the private sector to develop an innovation campus. It has stated to me that there is potential for the creation of 10,000 new jobs, although that is obviously an aspiration for the future.

The STFC also says that the fourth generation light source, which has been much mentioned in this debate, will not come on stream until 2012, so it is critical that decisions are not taken in the interim, during the next four years, that will undermine the current science base at Daresbury. We need a critical mass of scientists in place in north-west England to deliver future projects. STFC says that it manages Harwell and Daresbury as a single unit for the benefit of the whole United Kingdom, and that they should not be seen as competing with each other, but I gather that that feeling is not shared by hon. Members from north-west England.

I shall conclude with some comments on the principles of funding research. It is right that private companies or charitable funds such as the Wellcome Trust or Cancer Research UK fund good science wherever they find it and wherever it matches their own remit, but this debate primarily concerns public money for all research councils. There must surely be a regional dimension to the funding of UK science. Several hon. Members have mentioned that we do not want to perpetuate the perception, much less the reality on the ground, of a golden triangle of London and Oxbridge.

Mr. Mike Hall: I am grateful to the hon. Gentleman for his support for Daresbury laboratory and his remarks. They have been far more constructive than those of the hon. Member for Southport (Dr. Pugh). Does the hon. Gentleman agree with his colleague, the hon. Member for Oxford, West and Abingdon (Dr. Harris), about the future of Daresbury laboratory? I understand that the hon. Member for Oxford, West and Abingdon has called for it to be closed.

Stephen Williams: My hon. Friend could not be here this morning, as the Innovation, Universities and Skills Committee is on a visit to the Royal Society. I am not aware that he has made any such statement about the future of Daresbury. Clearly, he has his own constituency interests at heart, but he does speak for my party on a range of UK science issues, and I would be surprised if he did not feel that science funding should be spread throughout the United Kingdom.

I was about to make an observation about my own region. Bristol university, the university of Bath and the university of the West of England are collaborating on a new science and innovation campus, which we hope will open in the next few years at Emersons Green. This debate has focused on the north-west of England, which certainly needs a viable and vibrant research base to underpin the regional economy. I listened with interest, as I always do, to the hon. Members for Warrington, North (Helen Jones) and for Manchester, Blackley. The hon. Member for Manchester, Blackley said that the matter was a key test whether the Government shared that aspiration and were willing to commit the resources to deliver it.

Helen Jones (Warrington, North) (Lab): Further to the hon. Gentleman's earlier remarks, if it is the case that the hon. Member for Oxford, West and Abingdon (Dr. Harris) called for Daresbury to be closed—we believe that it is—does the hon. Gentleman agree?

Stephen Williams: I will obviously have to clarify that with my hon. Friend, because, in my experience, people can interpret Members' remarks incorrectly.

12.10 pm

Adam Afriyie (Windsor) (Con): I welcome you to the Chair, Mr. Wilshire, which you slipped into so eloquently that it would have been easy to miss, but I have a keen eye for these things.

Mr. David Wilshire (in the Chair): Somebody of my size?

Adam Afriyie: I thank the hon. Member for Weaver Vale (Mr. Hall), for calling this debate, which I am delighted to speak to, not only as the Opposition Front-Bench spokesman, but because of my keen interest—I served on the Science and Technology Committee—in the STFC, its formation and the consequences of some of the decisions made through it. I am conscious of time and I want to give the Minister as much time as possible to answer some of the questions and queries raised, so I shall canter through my remarks as briskly as I can.

The science and innovation campus at Daresbury is doing excellent work involving a heady mix of businesses, scientists and organisations able to facilitate innovation. There is no doubt that innovation, and specifically scientific innovation, holds the key to our place in the world over the coming decades. However, we cannot consider Daresbury in isolation from the Government's overall policies and expenditure priorities laid down by Ministers. Without the base level of scientists, Daresbury could not perform its work as it needs to. However, over the past several months, Whitehall has delivered what I would call a Whitehall headbutt to scientists over science funding. There is no question but that the £80 million shortfall in the STFC's budget will impact on the work done through it throughout the country. Did the Minister provide that flat-cash settlement knowing that it would have the knock-on effects demonstrated in the paperwork released under freedom of information legislation? Did he know that his funding decision would have the impact that it did? I guess that the alternative is that neither he nor his Department were aware of it, which would be far worse.

I would like to press the Minister to tidy up the point about the redundancies at Daresbury. We understand that there are plans to close one of the light sources, which will result in 180 redundancies, but how many will there be overall and from which sources will they come? Will they be compulsory, voluntary or lost through natural wastage? What sort of numbers are we talking about? I appreciate that it might be slightly premature on one or two points, but it would be useful if he could tidy that up for us.

Ministers from the Department often seem to boast about the level of science expenditure, but the reality is rather different. While they talk about rising budgets, the P45s appear to be rolling out in several places around the country. About 25 per cent. of research grants will have to be cut over the next few years, until the next spending review. Will the Minister comment? Does he agree with the figure of 25 per cent. or does he have another one for the amount of research that is being cut back on or that will be unable to be delivered?

It is important that the Minister faces up to the fact that his and his Department's decisions have caused the pressures at Daresbury. There is no doubt that Daresbury does superb work in its various areas, from synchrotron and the core sciences to, more importantly, the innovation through its connection with the 60 or so businesses in the area. As a Labour Member observed here, innovation is the challenge for our nation today. We do reasonably well in research citations, but that needs to be converted into products, services and jobs that boost the economy. Daresbury is in a good position to help with that overall ambition.

I shall focus on three points before allowing the Minister to answer in detail. The first point is about the critical mass of scientists in and around Daresbury and whether that will impact on future projects. I quote from a sobering letter from 63 early career scientists:

> "The major cuts in the STFC delivery plan will stifle the development of the future physics talent in this country by irrevocably damaging a large number of university physics departments...Consequently, both the inspiration that our ...outreach activities have on the younger generation...will be lost."

If the number of scientists employed or deployed at Daresbury falls below a certain level, all of the benefits from a science and innovation campus will fall away fairly briskly. Everyone knows about Oxford, Cambridge and the triangle, but without enough scientists at Daresbury, it is unlikely that businesses will be attracted to the region or that the vision of expanding innovation in the area will continue. Is the Minister aware of staff concerns, and other concerns raised in the House, that Daresbury might not survive without a critical mass of scientists? How would he address those concerns?

My second point is about comments made by Professor Martin Rees, President of the Royal Society, who made clear two related problems with Daresbury and the STFC. He said that

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"the STFC has been constrained in its priority-setting by the Ministry, and...there was inadequate consultation with the relevant communities."

Ministers cannot undercut the STFC's budget and then scratch their heads and wonder why things are changing on the ground.

That brings me to my last and key point, which I shall put as a question: to what degree do Ministers have control over decisions made by the STFC? It seems that quite often Ministers boast about wonderful new projects and say, "We are responsible for the funding of this project, isn't it wonderful, give us a big clap", but that when something goes wrong and there are redundancies, they say, "Oh, this is a decision for the STFC or another body and it is nothing to with me, governor." For clarity, can the Minister make the decision on the fourth generation light source and where it is to be placed, or is that a decision for the STFC? Finally, does he have a regional science funding policy, and, if so, is he satisfied with the distribution, given that Labour Members have criticised the low level of distribution in the north-west?

12.19 pm

The Minister for Science and Innovation (Ian Pearson): I congratulate my hon. Friend the Member for Weaver Vale (Mr. Hall) on securing this debate and pay tribute to him for his work in championing Daresbury over the years. I also acknowledge the support of his colleagues in the north-west and their championing of Daresbury as a major science and innovation campus. I want to reassure them that the Government remain absolutely committed to developing Daresbury as a world-class campus for science and innovation. We all appreciate the current situation, which has resulted from decisions about the Diamond synchrotron—I shall not go into them today given the time, but they have been put on the record previously. I understand the feeling in the north-west that that decision was wrong. However, it is a decision that has been taken and certain consequences flow from it. Therefore, the redundancy situation with the synchrotron radiation source, or SRS, in Daresbury, has been known for a period of time. None the less, it obviously creates a climate of uncertainty for people who work there.

In the remaining time that I have available, I hope that I can provide some reassurances and also set out some of the next steps in terms of what I think the vision for Daresbury will be.

Ian Stewart (Eccles) (Lab): First, I offer my thanks to my hon. Friend the Member for Weaver Vale (Mr. Hall) and I pay tribute to him; he is not only looking after the interests of his own constituents but those of my constituents too.

I was pleased to hear the Minister's opening statement and I believe him to be sincere when he speaks about seeking to retain a world-class service at Daresbury. However, what my Eccles constituents want to know, especially those who either work at Daresbury or who are otherwise concerned for its future, is this: what would the purpose of Daresbury be if no large science project is placed there? Secondly, if, as we all hope, large science projects are placed there in the future, how will the Government guarantee the retention of the world-class skills that would be necessary to run such projects?

Ian Pearson: I will answer some of the questions put by my hon. Friend, but first, let me put on record the broader picture, in response to the hon. Member for Windsor (Adam Afriyie). It is a matter of fact that there has been a real-terms increase in the overall science budget. The Labour Government have more than doubled the science budget over the last 10 years; by 2010-11, the budget will have tripled since we came into power. However, science does not stand still and decisions will be taken on the basis of scientific priorities. Whatever budget is given to a research council, there will always be more projects that they want to support than they are able to fund. Therefore, decisions have to be taken, but they must be taken on the basis of the best available science.

It is for the Government to set the overall budgetary figures and to approve delivery plans for the research councils, and I think that that is what we do. As part of that process, we will scrutinise those delivery plans in some detail to ensure that they are in accordance with Government policy.

Graham Stringer *rose*

Ian Pearson: I am coming on directly to the point made by my hon. Friend. It is clearly Government policy to develop Daresbury and Harwell as science and innovation campuses. I would not have recommended approving a delivery plan for the Science and Technology Facilities Council if that plan did not include proposals to develop Daresbury as a science and innovation campus.

We do not have a regional policy, as such. As I have explained to my hon. Friend, research council decisions are made on the basis of a peer review of science. However, individual delivery plans must be in accordance with the strategic priorities of the Government, which includes a clear regional element, because we want to see Daresbury developed as a world-class centre for science and innovation. As part of that aim, I say to hon. Members that we accept the argument that there needs to be a critical mass of world-class scientists undertaking research at Daresbury. Over the coming months, I hope that hon. Members will be able to see clear demonstrations of the Government's commitment to retaining that critical of scientists.

Graham Stringer: As ever, my hon. Friend makes fair points about the overall allocation of funding. However, it was a Government commitment that the STFC would be left with no legacy issues and yet, because of the overrun of the costs of Diamond by £75 million, the STFC has been left with a deficit. We are seeing part of the problems of dealing with that deficit in Daresbury, are we not?

Ian Pearson: No, we are not; that is not my understanding of the facts of the case at all. I have been informed that Diamond was built on time and on budget, and that its running costs position has been known for a number of years. I also must disagree with my hon. Friend when he calls the UK Centre for Medical Research and Innovation "a dog's dinner" as a proposal. I do not believe that it is "a dog's dinner" at all; it will be a centre for world-class research in the UK and it should be recognised as such.

As is the case with all these things, these proposals will have their scientific case evaluated and their business

case scrutinised. If those cases do not stand up to examination, these projects will not go ahead. Also, as a result of what is called the lion's case, they will have to consider whether relocation outside of London would be appropriate.

Let me move on directly to the situation at Daresbury. First, I would like to address the situation regarding redundancies. Hon. Members will know that, as a result of decisions taken some time ago with regard to the SRS, there has been a redundancy situation. There has also been a redundancy situation with regards to voluntary redundancy across the STFC's sites, as it looks to reprioritise the work that it does.

Yesterday the STFC issued nine notices of compulsory redundancy in relation to the planned closure of SRS and five more cases are being considered. The STFC will do everything that it can to minimise any further need for compulsory redundancies on SRS, but, as I said before, the situation has been known for some time.

Dr. Pugh *rose*

Ian Pearson: I am afraid that I will not give way, because I need to respond to the points made by my hon. Friend the Member for Manchester, Blackley.

I want to make it clear that the STFC will develop the Daresbury science and innovation campus as a joint venture with the Northwest Regional Development Agency, the private sector, universities and Halton borough council. Furthermore, Daresbury will continue to be a major plank in the Government's national science and innovation agenda.

The medium-term strategy is clearly to continue to develop the campus, both on the science side, where we need to have world-class expertise, and on the innovation side. The STFC will complete the current investment in the energy recovery Linac prototype project as a technology demonstrator.

I heard what my hon. Friend the Member for Weaver Vale said about the ALICE project; I hope to see it tomorrow when I visit Daresbury. The situation, as he will be aware, is that the STFC has conducted a number of programmatic reviews; it has consulted on them, but it has not taken any decisions on them. So I cannot confirm that ALICE will go ahead as a project, because those decisions have not yet been taken by the STFC, so we will be in a difficult limbo situation for some time to come. However, I hope that he will be able to receive good news on ALICE in the future.

The Government have already made it clear but I stress again that 19 out of the 25 people assigned to work on the new light source project are located at Daresbury. The project will be managed by Dr. Frances Quinn from Daresbury. As my hon. Friend knows, Professor Jon Marangos from Imperial college is the project leader and there is a NLS project board, chaired by Professor Tim Wess from Cardiff university, to ensure objectivity and independence.

I heard what my hon. Friend said about having a voice on the STFC, which I think relates to the general point that has been made that the north-west region feels its voice is not sufficiently heard. It is an issue that he will obviously want to take up with the STFC and I am sure it will be interested in his comments.

Tomorrow, I will be visiting Daresbury to make an important public announcement on a further phase of investment in the Daresbury science and innovation campus. I want to stress to everybody here today that I expect that to be the first of a series of announcements that we will make in the forthcoming months, which will further demonstrate the Government's resolve to make a world-leading success of the Daresbury campus. We also want to see the Hartree Centre developed as a centre for detector systems and continued expansion of the Cockcroft institute. They will be essential planks of our policy as we move forward.

Elder Abuse

12.30 pm

Mr. Paul Burstow (Sutton and Cheam) (LD): I am grateful for the opportunity to raise the serious issue of elder abuse. This is not the first time that I have brought these concerns to the House, nor will it be the last. Over the past 10 years, I have urged Ministers to pay greater attention to elder abuse. I do not want to pretend in this debate that nothing has changed over those 10 years—an awful lot has done. I acknowledge that the Government have done much to develop standard setting, with the introduction of the protection of vulnerable adults scheme and a range of other initiatives that have improved the situation. Clearly, there has been improvement, but there is still much to be done if we are to expose and expunge the scourge of elder abuse from our society.

Today I want to focus on one issue: the use of medication as a chemical restraint. Before doing so, however, I must say that I am a firm believer in serendipity. As Members will know, MPs apply for a debate over a number of weeks and hope that their name will eventually come out of the hat in the lottery for the selection of Adjournment debates. I was therefore pleased when I received the news last Wednesday that this debate had finally risen to the point where it secured a slot. I was even more pleased when, 24 hours later, I learned that three of the issues that I had planned to discuss were being progressed: the closing of a loophole in the Human Rights Act 1998 that prevents a resident in a private care home who is funded by the state from benefiting from the protections of the Human Rights Act; issues around complaints; and the question of research on the prevalence of elder abuse in residential institutions.

That is all welcome news, particularly the news that, at long last, the loophole in the Human Rights Act will be closed, at least partially. It would be churlish to do anything other than welcome that news, and I applaud the fact that the Minister is to introduce amendments to achieve that end. However, I understand from the press release issued last week that the gap will be closed only for residents of care homes who are funded by the state; self-funders will not be protected by the Act. Therefore, when a self-funder crosses the threshold of an independent care home, the writ of the Act apparently will not apply.

I urge the Minister to set out the rationale for that decision, and explain why it is not possible to close the loophole completely. Extending the Act is just the beginning—it is essential but not sufficient. I have heard the Minister make the point in debate that what is required is a cultural change to bring every home up to the standard of the best. Will he therefore say a bit more today about how he intends to go about winning the hearts and minds of care home owners, managers and staff?

Turning to complaints, it is welcome that self-funders will have a right to refer complaints to an independent adjudicator, but, clearly, the devil is in the detail of such a scheme. Just how independent and powerful will the adjudicator be when it comes to settling disputes? Finally, on research, I have argued in debates over the years that we need to commission research into the prevalence of elder abuse in institutional care settings. Indeed, last year's research funded by the Department and by Comic Relief revealed that elder abuse is a problem in the community, as some 342,400 people over the age of 66 are victims. That was a stark warning and reminder of the scale of the challenge that society faces in dealing with the issue. Research is certainly welcome, but it must not be a substitute for action, which is what I am calling for today.

For several years, I have taken an interest in the inappropriate and even abusive use of anti-psychotic medication in care homes. This is not simply a matter of poor standards in some of our institutions. It demands more than just a response from providers, commissioners and regulators. There is a growing body of evidence from studies and other research about the abusive prescribing and administration of drugs. That really ought not to be a matter just for regulators and commissioners but for the criminal justice system, the police and the courts.

A slap on the wrist from a regulator or social services is not sufficient to deal with the abusive and inappropriate use of medication. Frankly, people should go to prison. Prescribing anti-psychotic drugs to manage the behaviour of elderly people with dementia is a shocking abuse, because the evidence is clear, and has been for rather a long time, that the drugs cut lives short, increase the risk of stroke and have other harmful side effects that create the justification for further prescribing. The drugs create many of the symptoms that are used as a pretext for prescribing drugs in ever greater doses.

Some 100,000 care home residents are prescribed such drugs at any one time, according to research by the Alzheimer's Association. Based on research presented to the Alzheimer's Research Trust, I estimate that as many as 23,500 care home residents die prematurely as a result of taking anti-psychotic drugs, which are not even licensed for the treatment of dementia. I understand the difficulties in the ethics of testing drugs on people who are unable to give their consent, and Parliament has debated the issue. Nevertheless, a large part of our population is prescribed such drugs off-licence. That is not illegal: doctors can prescribe licensed drugs for an unlicensed purpose on their own authority. The General Medical Council makes it clear in its guidance to doctors on prescribing off-licence drugs that they must satisfy themselves that the drugs are safe, that good records are kept and that regular medicine reviews take place. However, on the face of it, the GMC's guidance is routinely ignored by GPs. Prescribing anti-psychotic drugs has become the accepted norm, despite clear guidance issued by the National Institute for Health and Clinical Excellence and by the Social Care Institute for Excellence. Inappropriate and abusive prescribing is an infringement of human rights and should be prosecuted under the Mental Capacity Act 2005 as assault, ill treatment or wilful neglect.

When it comes to the administration of medicines in care homes, the most recent figures—there should be some out in the next couple of months—show that more than 4,000 care homes fall short of the minimum standard. We need to be clear about the fact that we are talking about a minimum standard. When the Commission for Social Care inspection looked at the matter, it concluded:

> "People are given the wrong medication, someone else's medication, medication in the wrong doses, or no medication at all."

It found many care homes failing to attain or sustain the minimum standard—they get to the standard but then slip back—and that was a recurring theme in several inspections. Indeed, one only has to look at inspection reports to see that recurring deficiency.

The reports on care homes document concerns such as poor storage and record keeping, failure to safeguard residents, inadequate training and supervision, and lack of medicine reviews. Some homes are repeat offenders. How can doctors safely prescribe anti-psychotic medication for residents in homes that are habitual failures when it comes to the minimum standards of medicine management? That brings me to medicine reviews. In 2001, the Government published the national service framework for older people. It promised that by 2002, everyone over 75 should have their medicines reviewed at least annually, and people who take four or more medicines should have reviews every six months. Research by the Medicines Partnership, an agency that works with the Government, states that there remains a lack of clarity in the definition of medication or medicine review. That lack of clarity has led to various interpretations in different parts of the country by different practitioners and, therefore, to inevitable confusion and inconsistency in the application of medicine review practice.

Seven years after the undertaking in the national service framework, what is happening? Is there a clear definition? That is a question to which I do not have an answer. It is not obvious that there is a clear definition against which systematic audits are done to ensure that we gain traction. Does the Minister know how many medicine reviews take place every year? Apparently, that information is not collected centrally, and it is hard to obtain it locally. A lot can happen to someone when they are prescribed a range of anti-psychotic medicine for six months, which is one reason why, in the USA, monthly medicine reviews take place when an older person in residential care is prescribed four or more drugs, with quarterly reviews for those who are prescribed fewer than four. Surely, that should be the standard is this country, too.

Since 1999, the number of anti-psychotic drugs prescribed to people over 60 has risen by 38 per cent. That contrasts with the fact that the population of over-60s in this country over the same period has risen by just 6 per cent. What is going on with prescribing practice for those drugs? Prescribing is wrong if it aims to manage behaviour such as wandering, poor self-care, restlessness, impaired memory, depression without psychosis, uncooperativeness, and agitation. Those are all symptoms of dementia, but they are not a justification for prescribing. However, that is exactly what happens. Using drugs chemically to restrain vulnerable older people with dementia is no different from putting them in a straitjacket. It kills people.

NICE says that there is a two to threefold increase in the risk of death, and a twofold increase in the risk of stroke. Despite all the evidence, we lack the systems and safeguards to protect vulnerable people. Where are the robust clinical governance arrangements to audit prescribing practice? Why are commissioners and regulators so tolerant—one might even say complacent? Anti-psychotic drugs should not be prescribed to people with mild to moderate dementia. Even in severe dementia, the benefits are, at best, limited.

Will the Minister take steps to ban the use of anti-psychotic drugs in the treatment of people with mild dementia? Some people argue that without medication care homes could not cope, but research evidence demonstrates that there is an alternative, on which I think the Minister and I agree—person-centred care in care homes. When staff are trained and supported, with the emphasis on alternatives to drugs for the management of agitated behaviour, older people's quality of life can be transformed, and they may live longer. When I raised the issue at Health questions recently, the Secretary of State told me that the national dementia care strategy, which will be published later this year, has a part to play. That is the right approach, so will the Minister confirm that the strategy will be clear and unequivocal about ending the dependency on anti-psychotic drugs to manage dementia?

The guidance from NICE and the Social Care Institute for Excellence is clear about how to respond when dementia causes significant distress, or challenging behaviour develops. Drugs do not help. If the guidance is clear, what is missing? I believe that the answer is leadership. We need leadership by commissioners and regulators to put in place robust audit and action to stamp out bad medicine practice; leadership by the Crown Prosecution Service to send a message that abusive medication is a criminal offence; leadership by clinicians, care home owners, managers and staff to blow the whistle on bad practice and face up to the legacy of lethal prescribing; and, above all, there must be leadership from politicians and Ministers to do everything in their power to protect vulnerable older people from ill-treatment. I hope that the Minister will respond positively, as everyone with an elderly parent or grandparent expects nothing less.

12.43 pm

The Parliamentary Under-Secretary of State for Health (Mr. Ivan Lewis): I congratulate the hon. Member for Sutton and Cheam (Mr. Burstow) on securing this important debate, and on the incredibly effective way in which he has raised issues concerning the dignity, care and protection of older people in a variety of ways while he has been in the House. As the Minister responsible for many of those issues, I genuinely welcome his passion. I also pay tribute to him for his balanced contribution, which recognised that some of the issues are complex, and concern the behaviour of clinicians and regulators. Gently, I say to him that his contribution to the debate is very different from his press release which stated:

"Government fail to act on warnings."

When politicians complain about spin, and then spin themselves, it is no wonder that the public are sometimes a little sceptical. However, seriously, the hon. Gentleman is passionate about these issues, and not enough hon. Members talk about the needs of older people.

I shall reflect on the specific issues that the hon. Gentleman raised. First, the Government have a good record on the regulatory system. Soon after coming into office, we put in place, for the first time, national minimum standards for what is expected from care providers. We introduced a new regulatory system to ensure that providers' performance is monitored robustly, and that has led to a significant rise in standards throughout the country, particularly in residential and nursing care. Of course, there are still homes that do not meet the appropriate standards, so we still have work to do.

The Government also introduced the "No Secrets" guidance on the protection of vulnerable adults, which was, for the first time, a framework. We asked local agencies in every local community to work together to

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ensure that, in line with the guidance, we had a much better system of adult protection than we had ever had previously. As the hon. Gentleman said, we made some significant announcements last week about how we want to toughen protection for vulnerable older people. We should reflect on the fact that the changing nature of society makes that a top public policy priority. As people live longer and longer, family members and carers are under pressure to fulfil the responsibilities. Demographic change the ageing population is increasingly a challenge for families, communities, Parliament and Government.

Last week, we announced a £2 million project in partnership with Comic Relief over three years to consider the risk of abuse faced by older people, specifically in institutionalised settings, but also more generally where older people are not treated with the dignity that is not quite the same as abuse, but there is a continuum that they should expect, whether on NHS wards, in residential nursing homes or in domiciliary care services. That prevalence study will take place over the next three years with the support of Action on Elder Abuse, and I should pay tribute to that organisation's tremendous work in highlighting elder abuse. I was fortunate enough to speak at its annual conference on Monday where there was an impressive gathering. Its chief executive, Gary Fitzgerald, does a tremendous job in ensuring that the issue has the profile that it deserves.

Action on Elder Abuse also supported the study published last year, to which the hon. Gentleman referred, on the risk to older people of being abused in their own homes behind closed doors, because the other change in society is that an increasing number of older people are choosing to remain in their own homes for as long as possible. The debate about protecting older people tends to be skewed towards residential and nursing homes, but we must keep an eye on the fact that more and more people will be cared for at home. There is a question about domiciliary care agencies, their relationship with carers and so on.

Mr. Burstow: In the design of the prevalence study published last year, dementia sufferers were excluded. Clearly, in relation to institutional settings, people with dementia will have to be included. When designing the new study, will work be done to try to reach people with dementia in the community?

Mr. Lewis: The hon. Gentleman makes an important point and, interestingly, that will be one of the characteristics and key components of the new prevalence study. We estimate, as he knows, that approximately two thirds of people in nursing care have dementia, so one of the challenges of the prevalence study is to consider how to empower, enable and protect people in those circumstances. Older people who have different conditions and circumstances pose a separate challenge.

I shall address the hon. Gentleman's specific comments about extension of the Human Rights Act 1998, which I must be clear about. When that Act was introduced, Parliament's and Government's intention was that publicly funded residents of private residential and nursing homes, as well as those in publicly provided residential and nursing care, should be covered. Subsequently, a House of Lords ruling put that in a lot of doubt. Therefore, the Government will seek to amend the Health and Social Care Bill to ensure that we reinstate Parliament's original intention, which was that the Human Rights Act should cover publicly funded residents of private establishments.

To deal directly with the hon. Gentleman's comment, the 1998 Act is about the relationship between the state and the citizen. It is, therefore, entirely inappropriate to talk about extending the Act to include people who fund their own care. However, more significant safeguards to protect self-funders are needed. The hon. Gentleman will know that the transformation programme for adult social care begins today in every local authority area and that one of the new emphases is a responsibility to self-funders. Too often in local authority areas, self-funders are told that they are on their own. One of the key elements of the transformation programme is the provision of much higher-quality information and advice to self-funders and their families, and a much greater focus on the needs of all citizens not just those who are publicly funded who use social care. The Human Rights Act is not the mechanism to deal with people who are funding their own care because it is about the relationship between the state and the citizen.

The hon. Gentleman referred to our announcement last week that we will act to help people who fund their own care. At the moment, if those people have a complaint against a care provider, their complaint is considered only by the organisation that they are complaining against and there is no right of independent appeal beyond that process. We will introduce proposals to help such people, but we are not in a position yet to share the details with the hon. Gentleman. However, the proposals will ensure that self-funders who are dissatisfied with the handling of their complaint have the right to seek a review by an independent organisation. Following discussion and negotiation, we need to decide which is the most appropriate and expert organisation to fulfil that role.

Mr. Burstow: Will the Minister give serious consideration to ensuring that whoever discharges that adjudication role is fully subject to the Human Rights Act so that someone could take them to court if they fail to enforce human rights?

Mr. Lewis: In view of some of the things that I am reported to have said over the weekend, if I start speaking for the Ministry of Justice in debates such as this it may be one step too far. We need to consider the end point. If people are state-funded and are unhappy with their provider, they can refer to the local authority's complaint procedure. Ultimately, they can go to the local government ombudsman if they are still dissatisfied. We must examine the chain for people to get proper and appropriate redress. However, I shall not make any specific commitments on that today.

I urge the hon. Gentleman to contribute to our review of "No Secrets", which is starting now and will go on for the next few months. We will put out a consultation document in the summer, and I urge him to respond to it. I offer to meet him to discuss his view. We need to focus on prevention and early intervention in relation to crime and safety, to encourage a new wave of innovative practice, to increase responsiveness and local accountability, to empower local and vulnerable people and those who have not previously been adequately

safeguarded, and to develop new forms of support and encouragement so that people can improve their own health and safety. I urge him to be part of the debate about where we go next with "No Secrets", and I will meet him specifically to consider his views, as he has taken a particular interest in the issues.

On the question of medication, the Government have done a number of things, but we need to reflect on the emerging evidence and, if appropriate, act in the short term. However, we will have to act following the publication of the national dementia strategy in the autumn. If we are to have a credible, robust national strategy to improve the quality of life and standard of care for people with dementia and their families, we cannot avoid tackling the issue. If measures can be taken in advance of the publication of that strategy, I am more than willing to consider them.

The hon. Gentleman may be aware that, on 26 March, I met the hon. Member for Rugby and Kenilworth (Jeremy Wright), who is the chairman of the all-party group on dementia. He is another hon. Member who does an excellent job championing what was once an unfashionable cause. Last August, we said that we would bring dementia out of the shadows, and we have been able to do that with the assistance of parliamentarians on both sides of the House. As the hon. Member for Sutton and Cheam will be aware, the all-party group is about to publish a report. The hon. Member for Rugby and Kenilworth was good enough to give me some advance notice of the kind of issues that were likely to be raised and the recommendations. We focused on a number of specifics. One of the major messages was the need for the training of front-line staff. There was a need for friends and families to be more involved in the oversight of care, to ensure consultation when crucial decisions are made about medication. There will also be a recommendation along the lines of a three-monthly review of medication for all residents. I cannot be specific about how the Government will respond to such recommendations, but we will take the all-party report seriously and respond to it, both in the short and long term. That will be a key element of the first ever national dementia strategy in the autumn.

The hon. Member for Sutton and Cheam might be interested in some specific statistics. Through the new general medical services contract, medication reviews for patients being prescribed four or more repeat medicines were included as one of the performance indicators in our quality and outcomes framework. In 2005-06, 95.8 per cent. achieved an acceptable level for that indicator. In the year ending 31 March 2007, 7 per cent. of homes inspected against the national minimum standards for care homes for older people failed the medication standard. Some 33 per cent. almost met the standard—I will give him more details about what that might mean—59 per cent. met the standard, which is a significant majority but nowhere near enough, and 2 per cent. exceeded the standard. That represents some minor improvement, but the figures are pretty stubborn: in the previous year, 8 per cent. failed the standard, 33 per cent. almost met it, 58 per cent. met it and 1 per cent. exceeded it. A hard core of providers are not meeting acceptable standards.

One of the difficult issues in this debate is professional judgment. I am not a doctor and some of the judgments are made by professionals using best available clinical evidence and acting, as they would see it, in the best interests of the patients. Ministers cannot possibly second-guess some of those clinical judgments. However, I agree with the hon. Gentleman that it is not acceptable for a modern health and social care system, as a first instinct, to drug inappropriately people who, as a consequence of dementia, are exhibiting potentially challenging behaviour. The approach is about cultural change, training and regulation.

Commissioning also has an important role to play in protection. If private homes are not fulfilling their responsibilities with regard to dignity or appropriate care, local authorities should stop commissioning services from them. There is not a magic bullet or a quick fix; we must do a whole series of things to ensure that people with dementia are not inappropriately drugged in a way that none of us would find acceptable for members of our own family. The Government will say more about that as we develop a national strategy this autumn.

Black and Ethnic Minority Pupils

1 pm

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): I am grateful to have the opportunity to raise a key educational matter. I shall speak about the education system and black and minority ethnic children, and will specifically address the disproportionate levels of exclusion among black and minority ethnic children.

When my Government came to power in 1997, one of their themes was "education, education, education". That was right, because education is not just the key to our society now, but to our competitiveness as society goes forward in a modern, globalised world. There is no doubt that the Government have many educational achievements to their credit. In my constituency, Hackney North, millions of pounds have been poured into the new academy programme and I have seen standards rise.

Since I have been a Member of Parliament, I have argued consistently that educational standards cannot be raised in the inner city overall without raising the standards of black children. Apart from anything else, that is a statistical point, because in the inner London boroughs, the majority of children are black and minority ethnic. In some of those boroughs—notably Brent and Lambeth—the largest single group of children are black children. Progress has been made on the issue, but, sadly, for many years the Department for Children, Schools and Families and the educational establishment generally have clung to a colour-blind approach to these matters. I shall demonstrate that that has been exemplified in the way in which the Department has approached exclusions. The colour-blind approach of which officials are so proud has failed at least three generations of black children.

Before talking about exclusion specifically, I want to paint a picture for the Minister about where we are in relation to black and minority ethnic children in the school system generally. I shall quote from a report from the former Department of Education and Skills on black exclusions that was published last year. This is the situation that now exists:

> "Black Caribbean pupils are significantly more likely to be permanently excluded—3 times more likely than White pupils."

The Minister will probably say that is because of their class background and the fact they have special educational needs. In fact, even when that figure is controlled, for the take-up of free school meals, which is a rough and ready indicator of class and special educational needs, black Caribbean pupils are still 2.6 times more likely to be permanently excluded. Black pupils are routinely punished more harshly, praised less, told off more often and are 1.5 times more likely than white pupils to be identified as having behaviour related to special educational needs.

In relation to base-line entry tests, black pupils outperform their white peers at the start of school, but the new observation-based foundation stage profile reverses that pattern. Black pupils are disproportionately put in bottom sets, and as someone whose child went through the school system and went to a state primary close to my home in Hackney, I have seen that with my own eyes. The following is an interesting quote from a Department for Education and Skills report, "Evaluation of Aiming High: African Caribbean Achievement Project":

> "Whilst many teachers…believed setting to be based solely on ability, data indicated that African Caribbean pupils were sometimes relegated to lower sets due to their behaviour, rather than their ability."

Finally, an important point to which I will return is that when we asked newly qualified teachers about how their training had prepared them to teach pupils from minority ethnic backgrounds, 22 per cent. rated their course as poor. Only 35 per cent. of newly qualified teachers rated their course as good for preparing them to teach black children, as opposed to the 60 per cent. who rated their course as good preparation for teaching children of all abilities.

That is the current picture. I say to the Minister that this issue is neither new—it goes back decades—nor marginal. It may seem a marginal problem in some parts of the country, but in all our big cities—London, Birmingham, Manchester and Bristol—the issue of minority ethnic educational underachievement and the problem of school exclusions that goes with it is the key to raising standards overall for children. The problem goes back at least to the 1970s. In 1971, the black academic, Bernard Coard, produced a seminal work entitled "How the West Indian is Made Educationally Subnormal in the British School System". Since then, academics, activists, black commentators and educators have raised the issue of how the school system fails black children. However, they have not simply addressed issues relating to the mainstream school system. There is a proud history of community-based initiatives, Saturday schools and other projects through which the community has tried to help its children raise their standards.

Over the past decades, as well as in recent years, I have held five successive conferences in London entitled, "London Schools and the Black Child". I have been privileged to hear Ministers speak at all of those conferences, and they have attracted the attendance of more than 2,000 black parents and educators. I cannot think of any educational conferences of that type in London that would have 2,000 parents and teachers queuing around the block at 9 o'clock on a Saturday morning. Officials who attended the conference can confirm that that was the case, and it shows how important education is to black parents. When we ask black parents informally and formally what the top issue is, they say it is exclusion. Again, the Department of Education and Skills priority review on the exclusion of black pupils, "Getting it. Getting it right", discusses the iconic status of the exclusion issue for black communities. Black parents do not believe that the school system is meeting the needs of their children unless something is done about the disproportionate level of exclusions.

The issue may be new to some officials and the Minister, but the Department and Ofsted have been looking at the problem for more than a decade. In 1996, an Ofsted report showed that excluded black pupils did not have the same deprivation characteristics as excluded white pupils. In other words, the exclusion of black pupils was not wholly tied to class background and special educations needs; there were other factors involved. In 1996, a review of research into BEM education produced for Ofsted highlighted the dual problem of high exclusion rates and poor educational outcomes for

black pupils. In 1999, Osler and Hill did another piece of research that highlighted those twin interrelated problems: poor educational outcomes and high exclusion levels. Ten years ago, that piece of research pointed out that specific targets were needed to lower black exclusion levels.

In the late 1990s, the Runnymede Trust produced a report entitled "Black and Ethnic Minority Young People and Educational Disadvantage", which found that despite the wealth of small-scale research into the problem of different exclusion levels for black pupils, there was no clear policy line on how to tackle the problem. In 1999, a briefing paper by the Runnymede Trust called for the Government to set specific national and local targets to reduce the disproportionate exclusion of black pupils. A book written in 2000 by a group of respected teachers and educators, "Race, Class and Gender in Exclusion from School", discussed the interplay between race and gender in the construction of black boys as hyper-masculine. The Mayor of London, Ken Livingstone, has produced a number of reports on the issue and has called for an increase in the number of black teachers and for a teaching work force in London that looks like London. The London Development Agency undertook a major research review in 2003 and, among other things, found that many teachers have lower expectations of black pupils and that black pupils feel that they receive less positive input and, in some cases, even experience discrimination from teachers.

In 2003, the Commission for Racial Equality attempted to research to what extent schools have implemented the Race Relations (Amendment) Act 2000. It found many schools unwilling to partake in the research, and the schools to which it did manage to speak generally had not implemented the race relations duty and had no clear goals for improvement. In 2004, the Joseph Rowntree Foundation found that, in some areas, black Caribbean pupils were 15 times more likely to be excluded than their white counterparts. In 2005, a report commissioned by the Department for Education and Skills entitled "Minority Ethnic Exclusions and the Race Relations (Amendment) Act 2000" stated that despite a significant amount of literature from the CRE and the Department on exclusions and the race relations duty, that information was not impacting on schools or local authorities sufficiently. It is not me saying that, it is not campaigners and it is not the black community—it is the Department's own report. The report's authors found in their research that a significant minority of schools were failing to implement the duties in the race relations legislation, specifically regarding exclusion levels. In November 2005, the DFES high-level group on race equality identified the high exclusion rate of black pupils as a priority area for action. An academic working in the Department at the time produced a paper to introduce key arguments on institutional racism.

Most importantly and most recently, in 2007, the Department published its "Priority Review: Exclusion of Black Pupils", with the subtitle "Getting it. Getting it right". That report highlighted the marginal status of race equality as a concept in the education system and the tendency to ignore racial or cultural differences. The report was quite exhaustive. I have a copy with me. Senior officials undertook visits to organisations that worked with young people who had been excluded from schools. They had face-to-face conversations with excluded black young people. A literature and statistical review was compiled by the schools analysis and research division. There were conversations with key opinion formers and stakeholders in the area.

There we have it. There has been more than 10 years of research on black exclusions, much of it by the Department and the rest by universally acknowledged academic experts in the field. More recently, since the 2007 exclusion of black pupils priority review, an independent report on citizenship education was produced by Sir Keith Ajegbo, who commented that the high level of black exclusions could be due to institutional racism. In 2007, the National Union of Teachers produced a charter on the issue. It argued, among other things, that teachers should have a responsibility to demonstrate cultural competency and to work with parents and carers to reduce the high number of exclusions of black Caribbean boys.

I have referred to the Department's own research and to academic research. I have said that even when we allow for social class and special educational needs, black pupils are 2.6 times more likely to be excluded than white pupils. I say to Ministers that I believe that the official figures for exclusions understate the number of black children unofficially excluded from our schools system, and that the real figure for black children who find themselves outside the schools system may be even higher than the official figures suggest, because schools, conscious that figures are now collected, have found other ways of excluding children unofficially that they do not have to report.

I have been raising this issue with Ministers and in Parliament for almost all the time I have been a Member of Parliament, so I am sure that this Minister will understand why I am astounded at the relative inactivity of his Department over the past 10 years on this matter. After a decade of substantial research, comment and evidence of disproportionality, why do the statistics still tell us that black and ethnic minority children are far more likely to be excluded from school? I would say that, certainly in London, 80 per cent.—the majority of those excluded—are black boys.

I would point to two particular aspects of the exclusions crisis. First, we have to recognise that the disproportionate level of exclusions of black children is more than just a statistical anomaly. Children who are excluded from school tend to become excluded from society. It is not just a question of disrupting a child's education; it can have a knock-on effect on the rest of someone's life. Being excluded from school is a tragedy for the child, even though they may not recognise it at the time. It is certainly a tragedy for the family. I have sat with many mothers who were in tears because their son had been excluded and they did not know what to do and were not offered the right support. They believed that their child's life was, in a sense, over. I agree with the Department's own black exclusions priority review that, for the black community, school exclusions are as significant and poignant an issue as the stop-and-search laws.

I have spoken about the mothers I have worked with over the years who are distraught at finding themselves with a child who has been excluded and without the support, help and advice that they need, but let us be more specific. Being excluded from school automatically means disruption to education, no matter what other provisions are put in place. It has been argued, not

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unreasonably, that the disproportionately high level of black exclusions is making the achievement gap between black and other students worse. The Department's priority review said that excluded black pupils were one third less likely to achieve the standard five A to C GCSE grades.

The exclusions crisis has an impact on unemployment. A 2004 report for the Prince's Trust stated that half of unemployed young people said that a lack of qualifications had led to their unemployment. Leaving school without qualifications makes it much more likely that young people will move into unemployment, benefits and even crime. The Department's priority review suggests that exclusion from school means that black pupils are 3 per cent. more likely to be unemployed and will on average suffer a reduction of £36,000 in lifetime earnings.

If the Government are not interested in anything else, they can focus on crime. In 2004, 80 per cent. of the juveniles in prison had been excluded from school. I repeat: 80 per cent. Compared with the general population, prisoners are 20 times more likely to have been excluded from school. The previous director general of Her Majesty's Prison Service, Martin Narey, said in 2001:

"The 13,000 young people excluded from school each year might as well be given a date by which to join the prison service some time later down the line."

Even if officials and Ministers are not concerned about the tragedy of exclusion for the family involved, and even if they cannot see that they cannot make a step change in achievement in London without doing something about exclusions, the link between exclusions and criminality—80 per cent. of juveniles in prison were excluded from school—ought to concentrate Ministers' minds. We ought to be seeing some joined-up government from a Government who, on the one hand, talk about the problem of antisocial behaviour and fighting crime but, on the other hand, have moved too slowly on exclusions.

Secondly, there is some evidence that the disproportionate exclusion rate for black and minority ethnic pupils is tantamount to a breach of the race relations legislation. The Department's 2005 report, "Minority Ethnic Exclusions and the Race Relations (Amendment) Act 2000", said:

"In a significant minority of secondary, primary, special schools and PRUs"

pupil referral units

"it would appear that the general and specific duties of the RRAA are not being fully met."

The report concluded that

"where schools were not implementing the duties of the RRAA, the disproportionalities in exclusions by ethnic group should be considered institutionally racist outcomes."

In effect, schools and local education authorities are not fulfilling their obligations under the race relations legislation, and I believe that the Government are not doing enough to ensure that they do so. The black exclusions priority review—an excellent document, which I recommend to the Minister if he has not read it—was finished in September 2006. However, the Government did not release it then. It was released only when the review was leaked to a newspaper. It was finally released in March 2007, more than six months after it was completed. It discusses the importance of focusing on black school exclusions and of recognising the presence of institutionalised racism, yet after its release a spokesman for the Department was quoted as saying: "It is hard to see how using this label"—institutional racism—"would help schools and local authorities to take intelligent action to tackle the issue."

None the less, the review recommended a specific focus on black school exclusions and said that the Department should do more. The review came out last year, so I looked at the section in the Department's website on exclusion to find the information, help and advice on black exclusion that a teacher or parent might need, but it contained no specific information on that issue, only general information. The 2007 guidance on exclusion, which is designed for use by teachers and governors, does not include any of the issues pointed out by the priority review. It is as if the priority review did not happen for officials. The only part of the website where black school exclusions are considered is the research and statistics section, which provides a link to reports from 2003 to 2005, but there is no reference whatever on the website to the Department's work on the black exclusions priority review.

I realise that the website is not a definitive reflection of the Department's attitude to the subject, and that teachers who are looking for information can go elsewhere—perhaps they could find something useful on TeacherNet, for example. However, I cannot hide my disappointment when Ministers are, ostensibly, so positive. In March 2007, the Minister for Schools and Learners said that the Government wanted to ensure that they were better

"able to equip our schools to identify the in-school factors and have a better understanding of 'culturally different' behaviours"

In October last year, when the Secretary of State for Children, Schools and Families was challenged on the fact that black boys are three times more likely to be excluded, he said:

"Every head and governing body should be challenging these figures. There are very few schools that are not challenged by teaching and preparing pupils for a more diverse society. This is not a minority issue".

However, the message does not appear to have seeped down to officials. I could understand a softly-softly approach and a focus on research and pilot projects if the issue was new but, as I have spelled out to Ministers, the issue has been researched and set out for more than a decade.

There are success stories—we know what works—but we seem to be lacking leadership. The arguments have been made for more than a decade, and I would like local authorities and schools to set clear targets for reducing exclusions, and school exclusion data to be broken down by ethnicity and made available in the same way as other data about schools. As a parent, I believe that it is a great injustice that parents can obtain information on exam results and levels of pastoral care, but not on the level of exclusions of black boys. It is time that such information was made available.

I am aware that as a consequence of black exclusion support in 2007, the Department set up a pilot project. I shall not detain the Minister by talking about the failings of the project, as I hope to have an opportunity to meet the Secretary of State. The pilot project is a great disappointment—it does not even properly reflect the recommendations of the Department's review. The

Government have made progress, both on education generally and on black educational underachievement. I should like to put on record the fact that Lord Adonis is the most constructive and engaged schools Minister with whom I have dealt in the 10 years in which I have lobbied on the issue of black underachievement, and I am grateful to him for the help and support that he has given me on a range of issues. However, on the specific issue of black children and exclusion from school, it seems that the Department is still moving too slowly and that the model used in the pilot is defective in ways that I do not have the time to spell out here.

I shall end by quoting from the Government's priority review on the exclusion of black pupils:

"Left to its own devices, the system will conclude that Every Child Matters, but that Black children's failure and social exclusion is be'expected – that they matter a little bit less".

I have spent 20 years in Parliament arguing that no matter how difficult it is for officials or however marginal the issue seems to Ministers, black children should not matter "a little bit less" than other children. If the Government's commitment on education means anything, it should mean a commitment to every single child, whatever their colour or religion, achieving their very best within the school system, for their own and society's benefit. It should also mean that the Government bear down on the long-standing issue of the disproportionate level of exclusion, and that they should do so now.

1.26 pm

The Parliamentary Under-Secretary of State for Children, Schools and Families (Kevin Brennan): I shall do my best in the five minutes that I have to respond to my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott): I congratulate her on securing the debate on this extremely important issue.

Because of the time constraints, I shall respond first to three specific points that she made before making more formal observations. First, I undertake to look at the fact that no specific reference is made to black exclusions in the exclusions section of the website, and to come back to her on the matter. Secondly, on targets for exclusions and breaking the data down by ethnicity, my hon. Friend was quite right about the "Getting it. Getting it right" report. There was a significant and interesting breakdown in the report, which I have read, which confirms many of the points that she made on exclusion. She spoke in particular about black boys. In some minority ethnic groups, exclusion rates are lower than the national average, but there is the particular problem that she rightly identified and on which she has campaigned for many years. Thirdly, given that she did not have time to go into detail about her specific concerns about the pilot, perhaps she will write to me so that I can look into them.

I shall try to cover as much of the issue as possible in the remaining time. I agree with my hon. Friend that nothing is more important than ensuring that every child succeeds. She has met our right hon. Friend the Secretary of State and, as she mentioned, Lord Adonis, to discuss what more the Government can do, not only to raise the attainment of black and ethnic minority pupils, but to do something on the exclusion issue. She also mentioned the progress that has been made. In fact, black Caribbean pupils' results at GCSE have risen by almost double the national increase in the past five years, and now more than half of them achieve five GCSEs at grades A to C, compared with only one third in 2003. Among black African pupils, there has been an increase of 15 per cent. in the past five years. There have been improvements in attainment in school, which she acknowledged. However, we acknowledge – I share much of her analysis of the problem – that we must not be colour blind, and that there is still much to address and progress to be made on exclusion.

As she pointed out, it is a complex problem, and a range of factors are likely to contribute to the solution, including raising aspirations, ensuring that young people want to come to school, promoting better community cohesion, creating strategies for dealing with the problems of conflict and friction, training and support of teachers, and recruiting more minority ethnic teachers, as she said, and getting them involved so that our schools more closely reflect the communities they serve. She will be aware that a number of programmes have been introduced, and she may wish to send me her views on achievement programmes for black pupils and black children. "Aiming High" is the first national strategy to address attainment inequality through regional and local strategies that are targeted at specific ethnic minority groups. It is not only about bringing those pupils up to the national average – we are also asking schools to identify the gifted and talented youngsters in those groups.

She referred to the 2006 report, "Getting it. Getting it right", which identified many of the details of the problems to which she referred. Those involved in the national strategies are working closely with us to trial a set of approaches and materials to effect cultural change in the education system. Given the time constraints, I cannot say much about that today, but I hope that my hon. Friend will send me more details about that and the London challenge programme, which is a five-year partnership between Government, schools and boroughs in London to focus on raising standards in the capital's secondary schools.

Of course, some groups need extra support, in particular, as she mentioned, black boys. To raise the attainment of black boys in London, the Government office for London is supporting voluntary and community sector organisations in developing new models of excellence in different areas. Another important aspect is supporting and recruiting teachers as positive role models. My hon. Friend has taken the initiative to achieve that aim, which the Government wholeheartedly support. I did not have much time to respond to my hon. Friend, but I shall write to her in more detail.

[Mr. David Drew]

have yet fully to come to terms with the mistakes that we have made in the past, and we have not learned from those mistakes.

As always, and as I have already said today, my starting point is that this is not just a conflict about Darfur. Anyone who knows anything about Sudan will be worried about the comprehensive peace agreement and the way that it could be threatened by the conflict. There is a lot of evidence that, within Sudan itself, tensions within Kordofan are beginning to rise. The all-party group hopes to go to the east of Sudan sometime later this year; we are always threatening to go to the east of Sudan, but we never quite get there. There are worrying indications that the east of Sudan is not at all settled and that the situation could easily spark into conflict.

On the plus side, I welcome the Government's support for the appointment of Sir Derek Plumbly, the retired British diplomat, to head the assessment and evaluation commission, which is charged with overseeing the comprehensive peace agreement, or CPA. We must not ever lose sight of the fact that there is a wider game going on within Sudan at the moment.

I would like to concentrate on Darfur and Chad for the moment. All the evidence is that the fighting is now worse than ever. We have a lot of evidence that the Sudanese Government are increasingly using fixed-wing aircraft, supposedly to try to deal with the insurrection on the ground. Recently, we have received information that the towns of Suleia and Sirba were completely destroyed. That type of destruction is completely new; we have seen villages razed before, but now we are seeing towns being ransacked and ravaged. The civilians are now being driven further afield, into the Jebel Moun area, where they are trapped by Government forces. We also now have evidence that both the Justice for Equality Movement, or JEM, and the Sudan Liberation Army, or SLA, are beginning to get military hardware and are bombing civilians too.

John Barrett: I thank the hon. Gentleman, the chairman of the all-party group on Sudan, for giving way. Would he agree that the amount of arms and support—both military and financial support—that the rebels on the ground have appears to be clear evidence that the Sudanese Government play an active part in worsening the situation, that they are financing those rebels, and that they are therefore part of the problem rather than part of the solution?

Mr. Drew: The Sudanese Government certainly are part of the problem, but, as I have said before, they have to be part of the solution. On that point, I do not know how many hon. Members saw the recent "Unreported World" programme on Channel 4, in which the programme makers went to talk to the Arab militias. Those militias clearly stated that they received their arms from the Sudanese Government. Arming them was not a great success, inasmuch as they then fought the Sudanese Government, but then again only the Sudanese could come back and join forces with the Sudanese Government. However, the important point is that the arms are coming through Khartoum, although, of course, they are mainly supplied through China, which has a key role to play.

So, on the ground the situation is pretty depressing; we cannot think otherwise. I suppose we must hold out some hope that the recent peace agreement between President al-Bashir and President Deby has some chance of success, but I would like to know what the Government are now doing to encourage the two Presidents and to explain to them that they must get a ceasefire in place and pursue an active peace. It will be interesting to see what the agreement made on 13 March can yield.

The amount of fighting on the ground is depressing in the sense that it is not at all clear who is supplying whom with arms or what the outcome of the conflict could possibly be. I well remember that, about four years ago, in the early days of the conflict, we had a visit from one of the representatives of the SLA. One never knows whether such representatives have any real link to the fighting that is going on at the front. However, Baroness Tonge and I quizzed this person on what they wanted to get out of the conflict—if they had started it—and it was not at all clear what they wanted. That is part of the problem: the objectives of the rebels and the Arab militias are not at all clear, apart from the fact that this conflict could be seen as the first water war. Therefore, to try to sue for peace is increasingly difficult.

I do not know how many hon. Members heard him, but it was good when the all-party group on China got China's special representative to Darfur, Liu Guijin, to address us. It was good to see that, for the first time, the Chinese were at least aware of their responsibilities, and that they were less than inscrutable—in fact, they were pretty blunt—about what they felt they had to do on the ground. Whether they can do it—or indeed have already done it—would be interesting to find out, and the Government may want to say something about that.

Furthermore, we must not underestimate how important it is to see the Arab element of this conflict. We go on about the Sudan Government, and about the rebels, including the SLA, JEM and various other fragmented groups, but the Arab militias are increasingly part of the solution, as well, of course, as being a significant part of the problem. We have this phenomenon now of "jundi masrool"—my Arabic is not very good, but I am sure that *Hansard* will get that right—which are Arab groups, particularly around Nyala, that are threatening to attack the Government of Sudan.

I talked about the Channel 4 programme and the groups appeared on that. They are threatening to attack the Government, because they believe that they have not been compensated by Khartoum and that they have been used, misused and abused by Khartoum. It is worrying that those people are swapping sides, effectively as mercenaries, so we need to do some capacity building among the Arab groups.

When we visited last year, we attended an interesting meeting between Salim Ahmed Salim and various EU representatives, and Arab groups. It was clear that the Arabs felt that they had been left out of many of the discussions and attempts to bring the conflict to an early end. We must not give them a justification to continue fighting by allowing them to feel excluded.

We could talk endlessly about the conflict and the dire security situation, but I want to move on to some of the solutions. We must ensure that the force personnel are up to scratch, because the figures are depressing. This force should be on the ground. We have to be realistic: this will not be a duck shoot. We will need

brave people to put themselves on the front line not knowing who will attack them, but if we cannot get the 26,000 personnel, we are doomed. I know that the Government cannot provide front-line forces, but they could provide genuine back-up. What are they doing to persuade the nations of the world that they must make a contribution? The hon. Member for Rochford and Southend, East talked about helicopters, which are crucial, because mobility is key. People need to be moved about. I think of previous occasions, on which very brave people, particularly Nigerian peacekeepers—

Mr. Tom Clarke: I would like to thank—as we all would—my hon. Friend for his marvellous work in this field, as well as for his other parliamentary activities. Does he recall that I recently put down a question to the Ministry of Defence about helicopters? I was told that, even allowing for helicopters awaiting repair, there is a supply that could be made available, although I have not heard whether that contribution has been made. Does he feel that there is sufficient coherence across Departments for us to make the contribution that we all want to be made?

Mr. Drew: I agree. We need not only helicopters, but helicopters that will do the business, and I am a bit worried that we are searching the world for helicopters, some of which might not be fit for purpose. We need those helicopters in place soon with people to go in them. Will the Minister tell us what those figures are, what we can expect over the coming months and—dare I say it—who is paying for it? Everyone says that money is not a problem, but if that is the case, what is the problem? We need to know who is subscribing and whether they are subscribing what they said they would or whether there is a shortfall.

John Bercow: Will the hon. Gentleman give way?

Mr. Drew: I shall give way to my hon. Friend.

John Bercow: I am extremely grateful to the hon. Gentleman, whom I too regard as a friend, for generously giving way. I have a distinct sense that we have seen this all before—I shall not use the French expression in this Chamber. Does he recall, that in May 2006, when Westminster Hall was temporarily relocated, he and I took part in a debate on Darfur answered by the then Secretary of State for International Development, the right hon. Member for Leeds, Central (Hilary Benn)? There was talk of the deployment of an intended 20,000-strong force, which we hoped would be fully deployed within a matter of months, and certainly by the autumn—that was in May 2006. Is it not risible that only one third of the force—at best—has been deployed 22 months later?

Mr. Drew: Of course, it is. The worry is that if we go in with lesser numbers, which I fear might happen, we will not only put people in an invidious position but put their lives in danger, which of course will be the result of further delay. Nevertheless, we need to get on with this, so I hope that the Minister will at least give us the truth, if not more positive news.

A peace process is needed to underline the efforts being made. As we know, the problem with the Darfur peace agreement was that it did not work on the ground, partly because the rebel groups were split among themselves. Some of the biggest problems on the ground are being caused by Minni Minnawi's forces, who actually agreed with the peace deal, because apparently their people were unrewarded, and who, therefore, have been acting as a completely mercenary force. We need to know what has happened to the ceasefire and who is talking to whom. It all seems to have gone very quiet amid all the shuttling around. I know that everyone is waiting for Abdul Wahid to come out of Paris, but as far as I can see he is not going to. He might be popular in the camps, but his unwillingness to search for a ceasefire and a lasting peace is a problem.

The all-party group recommended not only that we get the security situation right, but that we continue with discussions, which have much to do with what is happening on the ground. We invented this wonderful term: the Darfur-to-Darfur dialogue and consultation. Those of us who know a lot about Ds know that it means different things to different people. However, it would be good to know how much time and money have been invested to get the various groups talking to one another. Someone has to ensure that people are willing to talk and engage with one another. There is news that Mohamed Sahnoun is being talked about as the new joint chief mediator. It would be helpful to know if somebody is in place, because at the moment it is not clear who is leading the mediation process.

John Bercow: I think that we all agree that we urgently need decent negotiations leading to a proper peace, but I am concerned about whether there is an incentive for the Sudanese Government to pursue peace, if they feel emboldened and wealthy enough to continue with their activities. The hon. Gentleman referred to China recognising its responsibility. Does he agree that the Chinese Government could demonstrate their acceptance of responsibility by agreeing to a trust fund with oil revenues, which otherwise would accrue to the Sudanese Government, being put in some sort escrow account until a peace is secured?

Mr. Drew: That is absolutely right, but, as the hon. Gentleman knows, there is also the Government of South Sudan, so it would be a devil of a job unpicking who gets what. Sanctions must be applied, because what else can we do? The regime in Khartoum either lives in denial for some of the time or is part of the reason that the conflict continues.

We want evidence that the United Nations-African Union Mission in Darfur force can be properly subscribed to and is about to be launched properly on the ground. As we, sadly, approach the fifth birthday of the conflict, we must look at what is happening on the ground and at the political solutions that have to be found, which appear to be as far away as ever. It will come down to much effort on the part of various Governments and the fact that we must offer people money and resources to persuade them to stop fighting, which will become longer-term commitments. To those of us who visited the south last year to see what was happening, it was depressingly clear that so much of the budget goes to the military, and we must prevent that from happening in Darfur. That money must go into education, health and capacity building, not into arming the police, because we all know what the repercussions of that would be.

[Helen Jones]

hon. Friend the Minister—we are telling him what he already knows—that those arrangements must be underpinned by investment in world-leading science. The Cockcroft institute is a marvellous centre for accelerator science, which is jointly funded by the Northwest Regional Development Agency, the Particle Physics and Astronomy Research Council and our local universities. That is the kind of the collaboration that we want to encourage, but it can proceed only if we have the investment that we have asked for and if the Minister ensures that ALICE goes ahead and that any fourth-generation light source that is built is built at Daresbury.

This is a test of the Government's commitment to the regions; it is a test of whether they want to end the disparities between the kinds of employment in the various regions. The north-west does extremely well in terms of investment from the private sector and universities, but it receives only about 3 per cent. of publicly funded research investment. That situation must end. We cannot have a situation in which much of our high-tech, leading science investment goes to the south of England, while the north and the north-west do not get their fair share. We have the world-leading scientists and we have the will to develop these projects. Today, we ask the Government to support us and to ensure that we get the investment that will keep us at the cutting edge of science so that we can develop our industries and so that our scientists and, most importantly, our young people have appropriate opportunities.

11.45 am

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I, too, congratulate my hon. Friend the Member for Weaver Vale (Mr. Hall) on securing the debate, and he is right to be so determined about pursuing the issue.

The key issue that we are debating is the future of the Daresbury science and innovation campus as a key centre of excellence for cutting-edge scientific research, and it is important to remember that that is the core point of our concern. Many of the highly successful activities on the Daresbury site are not in jeopardy, but our efforts must focus on ensuring that the centre remains one of international excellence for cutting-edge research. That is important if we are to ensure that we see developments nationally and internationally. The Daresbury laboratory has made magnificent contributions in that respect and is poised to do even more. It is also important to the north-west and to ensuring that we retain a high level of skills there, because those skills contribute to the north-west economy.

The debate takes place against the background of increasing regional disparities in investment in science and research. If we look at the figures for spending on science and technology in 2006-07, we see that the north-west received £26 per head, the south-east received £38 per head and London received £51 per head. The latest available figures for Government expenditure on research and development, for 2003, show that the north-west received £57 million, London received £258 million and the south-east received £635 million. That is not acceptable. What we are talking about today is providing much-needed support for a centre of scientific excellence, whose worth has been proved.

When Lord Sainsbury opened the Daresbury science and innovation campus, he clearly said that he saw it, together with Harwell, as a centre of major excellence. He described Daresbury as one of two key centres of excellence, and that description has been repeated by Ministers since then. The key question is how their commitment will be shown in practice, given the current circumstances and uncertainty.

I take particular pleasure from the close links between Daresbury and Liverpool university. The laboratory's first three directors came from the university's physics department. Hon. Members have mentioned key internationally renowned personnel from Liverpool working at Daresbury, and I should add to the list the name of Professor Peter Weightman, from the university's physics department, who is the chair of the scientific steering committee for the 4GLS project. I should also mention Professor John Dainton, the Chadwick professor of physics at the university, the founding director and chief scientist of the Cockcroft Institute of Accelerator Science and Technology. Indeed, it is the close collaboration between scientists, universities and business that makes what is happening at Daresbury so unique.

There has been great concern about the way, in the beginning, scientists at Daresbury, and, indeed, other scientists who it was thought had the relevant expertise, were kept away from the assessments of 4GLS. It is important to recognise what the international advisory committee on 4GLS and the new generation light sources and the ALICE project reported in February. That international, important and highly talented scientific group, of international repute, reported:

> "The IAC wishes to re-iterate its strong support of the science drivers originally developed by the 4GLS team. We believe the key research goals cited in the science case remain vital and exciting".

It said:

> "The 4GLS design was and is an exciting world class approach to achieve capabilities not possible with any of the other sources".

Then, in considering the ALICE project, it discussed the importance of keeping the core skills developed at Daresbury. In its conclusion it stated, significantly:

> "We recognise that accelerator light sources and capital intensive devices can strain development budgets of science agencies. Nevertheless the reason such sources are so successful worldwide is that, ultimately, the value of scientific understanding and the economy it drives fully justify the investment. This conclusion is shared by all the major scientific funding agencies around the world".

That conclusion is particularly important, and underlines why it is so critical that 4GLS or a successor project of comparable worth should go ahead at Daresbury.

We are now at a critical point, when decisions are to be made. The record of the Science and Technology Facilities Council on this matter has not been a happy one, but I hope that it is now better informed by the debates and new research. Would it be possible for the 4GLS project team at Daresbury to become members of the project board for the new light source? It is extremely important to re-emphasise that we are talking about excellence—excellent science and the excellent record of achievements that the Daresbury laboratory and campus already have. We seek assurances from the Minister that Daresbury will be able to continue at the cutting edge of international scientific research, and that 4GLS or a similar project will be able to go ahead at Daresbury.

11.52 am

Graham Stringer (Manchester, Blackley) (Lab): I add my congratulations to those that have been given to my hon. Friend the Member for Weaver Vale (Mr. Hall), both for his steadfast support for the project and for bringing the debate to the House. As a member of the hideously named DIUS Select Committee I attended the Daresbury site earlier in the year. We found a demoralised scientific work force who were in despair as to whether the fourth generation light source would arrive. They believed that the world class library on which the fundamental research depended was going to close. They were in doubt about the future of ALICE and suffered further doubt on the basis that if ALICE goes EMMA goes. EMMA is the electron model for many applications for which ALICE is the particle source. That, in essence, is the bulk of the fundamental research that goes on at the site.

My hon. Friend the Member for Liverpool, Riverside (Mrs. Ellman) mentioned the fact that only 3 per cent. of fundamental research goes on outside universities and outside the south-east; obviously, quite a lot goes on in universities. Most of that research is on the Daresbury site. The site will continue, and excellent science and technology will continue there, because of its applications and because computer modelling will go on. It is a great site. The real question for the Minister is whether fundamental science will go on, and whether Daresbury will be the one site outside the golden triangle of Oxford, Cambridge and London that will continue. If that is to happen, all the projects that I mentioned—ALICE, the library and the fourth generation light source—must continue there. From the information that I have had, I have doubts about whether that will happen.

Do the Government have a regional policy for science? Are they concerned about the dreadful figures? If they do have such a regional policy, what mechanisms will they use to ensure that the scientific community and the Science and Technology Facilities Council invest in the north of England? If the Government do not use their muscle and say, "We must have science at this site," what the hon. Member for Southport (Dr. Pugh) generously called the culture that pushes fundamental research into the golden triangle will continue. I do not think that it is culture. I think it is southern bigotry, and it should be taken on. What is the role of a Labour Government if it is not to say something when huge resources are being allocated throughout the country, with implications, as my hon. Friends have said, not only for how the relevant research is conducted, but for its relationship with the growth of the economy and education in the region?

Andrew Miller (Ellesmere Port and Neston) (Lab): I apologise for being late, Mr. Martlew; I was at a meeting of the Select Committee of which I am Chairman. Perhaps I may add one more question for my hon. Friend to put to the Minister, given his experience some years ago, albeit in the chemical sector, in the north-west. What would be the impact of any reduction in the scientific centre in Daresbury on the science-based industry in the region? The use that companies such as Unilever make of Daresbury is incredibly important. It is part of the fabric of the region and is one reason why industry invests in the north-west.

Graham Stringer: My hon. Friend makes a significant point. The scientific community is more than the sum of its parts, and it changes from time to time, because of the brilliance of parts of the community, when innovations and new discoveries are made. The larger and more solid that base is, the more significant the changes are likely to be. When something goes, the loss is bigger than it appears.

To return to the point that I was making about whether the Government have a regional policy, what levers will they use? We get a fog when answers are given. They say "Yes, we support it," but will they tell the Science and Technology Facilities Council that it must invest at Daresbury, or will the excuse of the Haldane principle be used: that they cannot tell scientists what science to engage in? I agree with that, if it is a question of telling scientists what kind of microscope, telescope or computers to use, or even when it is a question of the choice between the two projects in question; but the Government can say—and they have said—that they will concentrate on a certain area of research because it is more important. The comprehensive spending review was clear about the fact that more money would go into medical research than into other areas.

If that can happen, the Government can also say, where there are bases of excellence as at Daresbury, that science must take place there. They can say that they will not permit the same thing that happened in 2000, when the Wellcome Trust, which clearly did not want to come to the north of England—the decision was based not on objective evidence but on bigotry—made a raid on the investment and effectively told Lord Sainsbury that there would be a competition, although no one had mentioned one before, enabling it to take resources and slap them into Oxford. I should like an answer to my questions, because they are fundamental to what is happening in the world of science, physics and astronomy, as well as particle accelerators.

I shall leave my hon. Friend the Minister with this thought. A huge investment has been made in the National Institute for Medical Research just up the road in Camden. The way that that project has been carried on is an absolute dog's dinner. It is a £500 million project putting dangerous chemicals in sites where they probably will not fit, in a densely populated area, but no other part of the country was considered for the site of that facility. We have questioned the people involved. They said, "Oh, it's half a billion, we're near King's and UCL"—or whatever university it may be—"and we are in the south-east; so of course it's going to go there." The Government need to tackle that attitude and spread out fundamental research throughout universities as well as sites that are not in universities, to ensure that there is a real regional policy and that the regions benefit from investment in fundamental research.

[MR. DAVID WILSHIRE *in the Chair*]

12 noon

Stephen Williams (Bristol, West) (LD): I join my colleagues in congratulating the hon. Member for Weaver Vale (Mr. Hall) on securing this debate, and I congratulate all hon. Members from the north-west of England who have spoken on their clear knowledge of Daresbury and

Tibet

1.30 pm

Mr. David Wilshire (in the Chair): Order. Before we start the next debate, there will be some musical chairs. Some furniture in the Public Gallery needs to be moved, and I do not want it to disturb hon. Members while they are speaking. I understand that the hon. Member for Lewes is happy to take interventions during his speech. The Minister, too, is happy for that to happen. However, they must be interventions not speeches.

Norman Baker (Lewes) (LD): This is the third debate on Tibet that I have secured in my 11 years as a Member of Parliament. Today I am angrier, sadder and less hopeful than I was on the previous two occasions.

We should remember that the past 50 years has been a terrible time for Tibet. Religion has been denied the people. The basic essence of the Tibetan culture has been denied to the extent that the atheist state of China has taken it upon itself to determine the reincarnation of the Dalai Lama. The country has seen appalling human rights abuses, as bad as any in the world, with torture and arbitrary arrest being commonplace.

Tibet has seen a form of apartheid similar to that of South Africa's, the quality of life available to Tibet's indigenous population being less than that available to Chinese migrants there. We have also seen the destruction of the Tibetan way of life and architecture. I cannot remember the exact figure but about 6,000 monasteries were destroyed in the cultural revolution. Only 13 were left standing, which gives an idea of the scale of devastation visited upon Tibet by the Chinese over the past 50 years.

For all of that time, the Dalai Lama has advocated a policy of non-violence, of engagement. He has delivered everything that western countries and the world generally have asked of him, but the Chinese have delivered nothing in response—except for more human rights abuses. The Chinese have signed many bits of paper, but they have not moved forward. Sadly, as we have seen in recent days, they have moved backwards.

When the pressure cooker finally burst after 49 years, we saw demonstrations and slogan shouting—and, yes, probably the odd rock being thrown—but the reaction of the Chinese was completely over the top and unjustifiable in the extreme. More than 100 Tibetans lay dead. As *The Sunday Times* said in a headline, "Tibet: schoolchildren among dead in Chinese police 'massacre'". Hundreds more were injured, but were too frightened of going to hospital in case they were arrested. Hundreds have been arrested, including monks; allegedly some have been flown out of Tibet to mainland China. Based on China's past performance, Tibetans must have expected that that reaction, which shows how desperate they are but also how extraordinarily brave.

What we take for granted in our country can be criminal offences in Tibet, punishable by long prison sentences and torture. Merely to have a photograph of the Dalai Lama or to shout "Tibet is free", can land a person in prison for 15 or 20 years. Why is the mighty Chinese state so afraid of one monk?

Richard Younger-Ross (Teignbridge) (LD): Is one of the problems the fact that, despite people recognising the severity of the situation in Tibet, maps and the media all describe Tibet as the "Tibet Autonomous Region when in reality it is Chinese occupied Tibet?

Norman Baker: My hon. Friend is absolutely right. It is important to get the history right. China continually maintains that what happens in Tibet is an internal matter. It is not an internal matter because Tibet is not part of China. It is an occupied country. I believe that it was independent for hundreds of years, but it was certainly independent between 1911 and 1950. The United Kingdom has a special position in that respect; we were one of the few countries to have that dealt with Tibet during that period, and we can testify to Tibet's status. Indeed, we signed detailed treaties with Tibet, including the Simla convention.

That may be history, but it is important in establishing how the international community should deal with Tibet. Only Britain can deliver on that. My first request to the Minister is that he should gently correct the historic record, and not allow the Chinese Government continually to say that Tibet has always been part of China. He knows that it has not.

Harry Cohen (Leyton and Wanstead) (Lab): The hon. Gentleman is right about the historical record, but would he concede that the Dalai Lama has made an historic compromise in calling for autonomy rather than independence? That compromise should have been taken up by the Chinese. May I also say that the current repression of Tibetans is worse than what happened in 1989 in Tiananmen square? It is the act of occupiers rather than of people who govern with consent.

Norman Baker: I am grateful to the hon. Gentleman for that intervention. Indeed, I am grateful to colleagues from across the political spectrum for being here today; it is not a matter for one Member only but for Parliament. Members of all three parties are concerned about this serious matter. Indeed, as we have seen, people across the world are concerned, including the Indian football captain who refused yesterday to take part in the Indian leg of the Olympic torch relay, and the protesters in Greece when the torch was lit. The Chinese authorities have horrified the entire world with their actions.

Mr. Paul Goodman (Wycombe) (Con): I congratulate the hon. Gentleman on securing this debate. As he knows, we hear a great deal in relation to foreign policy about the advocacy of liberal values and the pursuit of human rights. Does he agree—I am sure that he does—that the Government and political parties have a responsibility to pursue those ends in the face of powerful countries such as China no less than in the face of less powerful ones?

Norman Baker: That is true. I am sorry to say that the world's reaction to the events in Burma—the Burmese Government were heavily criticised, and rightly so—was very different from the muted response to the Chinese crackdown in Tibet. I hope that the leading nations of the world, including those in NATO, the EU and G8, will come together to make it clear to the Chinese authorities that they are not happy—that is an understatement—that they are appalled by the action taken in Tibet.

I digress for a moment on the historical context. The "Today" programme continually refers to protests that happen "outside" Tibet. That is to misunderstand the boundaries of Tibet. Tibet includes areas that the Chinese

annexed when setting up the Tibet Autonomous Region, but provinces such as Sichuan are part of Tibet. I am sorry to say that the "Today" programme refuses to correct that, although they have been informed of the error by me and others. That shows the arrogance of the programme: it will not always correct things that are wrong. I hope that the programme will do so in future.

The western world's muted response is not something of which we can be proud. It contrasts with our condemnation of the Burmese regime. The stifled sounds of western Governments should be much louder and more forceful. They need to be forceful not only for the philosophical or ethical reasons, as the hon. Gentleman rightly said, but because time is limited. A railway has been built into Lhasa, and there is a mass migration of Chinese into Lhasa and Tibet generally, so Tibetans are becoming marginalised in their own country. We need a solution for Tibet in the next few years, and the Olympics is the key to putting pressure on the Chinese Government. Unless we take advantage of that, in five or 10 years' time we will be arguing about an historical situation. Tibet is a wonderful country and it is sad to see it slipping away. I do not intend to let that happen without a fight, and I hope that Members on both sides will join me in that campaign.

Kate Hoey (Vauxhall) (Lab): I thank the hon. Gentleman for the work that he has done for Tibet over many years. He mentioned the Olympics. The Dalai Lama clearly has not asked for a boycott of the games, but there is growing international support for boycotting the opening ceremony. Does the hon. Gentleman agree that that would be used as a propaganda weapon by China? Does he agree also that it is quite outrageous that the Chinese ambassador in London should be carrying the Olympic torch – the torch of harmony – through the streets of London? Does he agree that everyone in London should be out on the streets protesting peacefully with the Tibetan flags and other placards about China?

Norman Baker: I entirely welcome that intervention and I welcome the contribution that the hon. Lady has made on this and many similar matters. The action taken by the Chinese ambassador on Sunday quite unnecessarily stoked the flames and added insult to injury, and I hope that he will reconsider even at this late stage.

Let me use my last five minutes to suggest a number of actions to the Minister. First, however, I should say that the Government's view on Tibet over the years has been helpful, because Britain, unlike most countries, has not accepted Chinese sovereignty over Tibet. The Government have a formula that they trot out, and I am sure that we will hear it from the Minister again today. Their position is that successive British Governments have regarded Tibet as autonomous while recognising the special position of the Chinese authorities there, and I expect to hear the Minister repeat those words back to me shortly.

The Government have also raised human rights matters in dialogue with China. I am not, therefore, criticising the Government. However, I urge the Minister to grasp the opportunity presented by the Olympics to move matters forward. Simply cajoling the Chinese authorities does not work, because they do not do anything; in fact, they go backwards. We need a gear change if we are to see action to save Tibet. The continuation of the present policy is not sufficient, and I hope that the Minister will accept that when he responds. Let me therefore suggest some points to the Minister.

First, I have suggested that the British, uniquely, have an opportunity and, indeed, a duty to set out the historical context so that the world will be aware that Tibet operated independently, at least between 1911 and 1950.

Secondly, the Government have rightly urged engagement between the Chinese authorities, the Dalai Lama and the Tibetan Government in exile. That is correct as far as it goes, but I hope that the Minister will recognise that the six rounds of dialogue so far have been a farce because the Chinese authorities have given nothing at all in response to overtures from His Holiness the Dalai Lama. We are bound to conclude that the purpose of such dialogue is not to reach an accommodation, but to spin things out until after the Olympics and, perhaps until the Dalai Lama is no longer with us on this planet. I hope that the Minister recognises that such engagement needs to be different, and my second request, therefore, is that the Government, along with like-minded Governments, should urge the Chinese authorities to hold real dialogue with the Dalia Lama; indeed, the Prime Minister referred to that at Prime Minister's questions. That dialogue should also be independently chaired so that we know what is going on and we can measure how serious, or otherwise, the Chinese authorities are.

My third request is that the Government appeal to China's self-interest. That may sound rather odd, but does China want to be the world's pariah? I do not think that it does, although it is going that way at present. To return to the point made by the hon. Member for Leyton and Wanstead (Harry Cohen), China must also realise that it has a good offer on the table from the Dalai Lama. Notwithstanding the historical context, he has offered to accept Chinese sovereignty, which has no historical basis, provided that there is genuine autonomy. That is a good offer; it is certainly much better than the offer that the Chinese would get if the Dalai Lama was no longer there. Like others in the room, including my hon. Friend the Member for Teignbridge (Richard Younger-Ross) and hon. Gentleman, I have met young Tibetans, and plenty of them know that the next generation are not as peacefully minded. They are more frustrated and they are beginning to wonder what 49 years of non-violence have achieved. I am not advocating violence, but simply painting a reality – that is how people feel. The Chinese would therefore be better off doing a deal with the Dalai Lama than doing a deal after he has gone.

My fourth request is that the Government push the International Olympic Committee and the British Olympic Association to do something. When the Chinese were awarded the Olympics, they made promises about human rights and free access for journalists, but they have not kept those promises. In fact, the human rights situation is worse, and access for journalists is either non-existent or highly controlled, as we saw when journalists visited Lhasa the other day on some sort of official package tour. What will the BOA do? When will it break its vow of silence, come out and demand that the Chinese adhere to the conditions that they promised to keep to?

[Ann Keen]

pulmonary hypertension and obtaining an initial diagnosis. However, as I have said, I encourage pulmonary hypertension clinicians and the association to continue their efforts in raising awareness across professional boundaries, perhaps through the royal colleges. If my hon. Friend believes that I, as Minister, and the Department can do more to raise awareness, it is our duty to do so.

Nick Ainger: I am grateful to the Minister for her kind words, which were totally justified, about the effectiveness of the specialist treatment centres. She referred to my persistence in meeting her predecessors. The main issue that I raised with them was the fact that designated specialist treatment centres are still dependent on commissioners to provide the funding for the patients who are treated there. The argument that I put to her predecessors is that Great Ormond Street hospital, which treats child patients with PH, is now centrally directly funded. Will she meet members of the Pulmonary Hypertension Association and me to reconsider the possibility of funding those excellent treatment centres centrally?

Ann Keen: Of course I will meet my hon. Friend and the people he would like to bring. The more I can learn about this subject, the better I can help.

On the care and treatment of children with pulmonary hypertension, as my hon. Friend has just said, the national network is organised on a hub-and-spoke principle. The hub is Great Ormond Street hospital for children and the spokes for follow-up care are seven centres of paediatric cardiology at Leeds General infirmary, Bristol Royal hospital for children, Freeman hospital in Newcastle, Birmingham children's hospital, the Royal hospital for sick children in Yorkhill, Glasgow and the Royal Belfast hospital for sick children. I believe that Southampton has just joined that arrangement.

Since April 2007, pulmonary hypertension services for children have been nationally commissioned, and performance has been managed by the National Commissioning Group on behalf on the NHS. The centre at Great Ormond Street has enjoyed considerable success. Published studies show that treatment through the children's pulmonary hypertension centre at Great Ormond Street has significantly improved survival rates for children with that serious condition. Studies have also reported improvements in psychosocial well-being and return to school. I pay tribute to that excellent service and the leadership of its outgoing lead clinician, Professor Haworth. Nearly all patients are investigated, diagnosed, receive treatment and have their care package organised by a multi-disciplinary team on site. All the services essential to the care of pulmonary hypertensive children are consultant-led and delivered at Great Ormond Street.

The centre at Great Ormond Street expects to treat 80 new cases in 2007-08, compared with the 20 new cases that were treated in 2001-02. Its caseload in 2007-08 is forecast to be 418 patients, compared with 60 patients in 2001-02. The Great Ormond Street service reports survival as 96 per cent., 91 per cent., and 83 per cent. at one, two and three years respectively for children. Those results compare favourably with other studies. I do not have the time to discuss the Carter review because I want to spend time talking about NICE. However, hon. Members, particularly my hon. Friend the Member for Carmarthen, West and South Pembrokeshire, will be aware of Sir David Carter's report and the way in which it has changed commissioning.

On the consensus of clinical guidance, with the encouragement of my hon. Friend and many of my predecessor Ministers for health, lead clinicians agreed to work together to produce a consensus statement for the management of pulmonary hypertension in clinical practice. That has taken longer than originally anticipated, and I am sure that that reflects the complex and difficult nature of weighing evidence and capturing and describing best practice. I was pleased to note that the consensus statement was launched three weeks ago at the House of Commons, and I welcome its publication as a significant step forward in raising standards of clinical practice and ensuring that the best available evidence is taken into account. All the clinicians involved are to be congratulated on their efforts.

Many hon. Members rightly raised the issue of NICE, and I thank my hon. Friends for their praise of NICE and for acknowledging the complexities of the organisation. Today, the main focus has been on NICE's appraisal of the cost and clinical effectiveness of drugs for the treatment of pulmonary arterial hypertension. The initial conclusions were recently issued with an appraisal consultation document, and stakeholders had until 20 March to submit comments. I learned from my hon. Friend that today is yet another deciding day. The Pulmonary Hypertension Association and clinical colleagues have made submissions to NICE, which should be fully considered by NICE in the next stage of formulating final guidance. Some people welcome NICE guidance and some do not. As has been well highlighted today, we recognise that the institute's decisions have serious implications for patients and their carers. Such decisions are difficult, but they are made on the basis of the clinical evidence that has been submitted to NICE. Today's decision is critical.

We ensured that NICE was independent, and it was right to do so. Health Ministers have always maintained that independence is important, and I would welcome Opposition Members' agreement that that should be the case. At the end of the day, I am in an awkward position, because if that independence is to be retained, with the best will in the world, I can only continue to urge hon. Members to do all that they can, and I will continue to do all that I can.

My hon. Friend may not remember that one of our first conversations in the House was about a patient of mine who required the drug, and he told me about the purchase of drugs from the United States. I have an interest to declare because the headquarters of GlaxoSmithKline is in my constituency—I apologise for declaring that at the end, rather than the beginning, of my speech. I tried to undertake negotiations with GlaxoSmithKline, and with the help of my hon. Friend I was successful in looking at how such things could be negotiated. I do not come to this debate as a Minister who is simply reading a speech; I come to the debate as a former nurse and someone who is well aware of what quality of life is really about, as the hon. Member for Guildford (Anne Milton) and others have described so well.

This year, we are celebrating 60 years of the health service. In the Darzi review, we are looking at long-term and rare conditions, which have been included in the patient pathway. I give hon. Members my word that I will raise the issue of long-term conditions, particularly rare conditions, with Lord Darzi as part of his review. I hope that NICE brings us good news today.

Wirral Metropolitan College

11 am

Ben Chapman (Wirral, South) (Lab): I am delighted to have secured this debate on Carlett Park, which is one of three campuses under the auspices of Wirral Metropolitan college. That is a further education college offering both degree courses and higher-level qualifications. The college has announced that it is to pursue a two-site option, both in the north Wirral area, which would result in the closure of Carlett Park. I told the principal before the decision was taken that I believed that such a decision was flawed and did not take adequate account of the history of Carlett Park or the needs of the people of Eastham or south Wirral. People in Eastham and elsewhere share my disappointment that the site's future is again in question, and it is for those reasons that I wish to voice my concerns and to urge all those involved to reconsider the decision.

Carlett Park, in one form or another, goes back a long way. The chapel, which is still on-site, was built in 1884 as a family chapel. It is the only remaining part of the original house and is listed in the diocese records as the Chapel of the Good Shepherd. A listed building, it was built originally for family worship by Canon Torr.

The history of Carlett Park as an educational institution goes back to the 1940s, and it has played a key role in south Wirral since then. In 1948, the county authority—we were then part of Cheshire—decided to buy Carlett Park to use it for a further education college serving Bebington, Ellesmere Port and Deeside. The college was known as West Cheshire central college of technology. Courses commenced in 1952, and in the 1950s and '60s, Carlett was one of the top six colleges training people to the level of graduateship of the Royal Institute of Chemistry, which is a professional qualification equivalent to a university degree.

From October 1964, the college was known as the central college of further education, Carlett Park. Computing became a strong subject there, with lessons beginning in the 1970s. Its reputation for sciences was developed when state-of-the-art science and chemistry laboratories were built in 1978. At its peak in the '70s, Carlett Park offered a full range of courses, specialising in engineering and the sciences. From the 1960s onwards, a very large number of students came from overseas, from as far away as Iran, Bahrain, Kuwait and elsewhere, to learn skills relevant to, among other things, the oil and aluminium industries. There is a considerable history and a considerable substance to Carlett Park.

In 1982, the central college of further education at Carlett Park amalgamated with Birkenhead technical college and Wallasey college of further education to form Wirral Metropolitan college. By that time, our area had become part of Merseyside rather than part of Cheshire—the local government boundaries had altered—and the official title adopted for all the campuses was Wirral Metropolitan college.

Over Carlett Park's long history, many Wirralians have been educated there. They include, for example, Ray Stubbs, who is a sports presenter, particularly on football among other things, and has been a crooner in his time; Paul O'Grady, another TV personality; and Brian Fleet, a senior vice-president of Airbus UK. Many others were also educated there. Christian Furr,

[Mr. Joyce]

However, I also noticed that Mr. Duncan describes himself as the webmaster for the Black Watch. Among other things, he consistently criticises troops' commitment to the course in Afghanistan, which does profound damage to morale in the Black Watch. I am deeply depressed that this man, who describes himself as webmaster for the Black Watch website—indeed, he appears to be so—also describes himself as being close to Alex Salmond, by whom he is supposedly extremely well supported. I hope that SNP Members will take this opportunity to dissociate themselves from Jeff Duncan's disgraceful comments, if he is, as I believe he is, the Black Watch webmaster.

Mr. MacNeil: I do not know anything about that website—everything that the hon. Gentleman is saying is news to me. The question that I want to ask him is: does he want more powers for the Scottish Parliament?

Mr. Joyce: Need we say more? Perhaps the hon. Gentleman will ask the leader of his party whether he will dissociate himself from Jeff Duncan's comments because, until now, he has been a big fan of his. To answer the hon. Gentleman's question, I am entirely relaxed about an intelligent discussion on the powers of the Scottish Parliament. That is the purpose of the Calman commission, and I look forward to seeing its proposals.

3.28 pm

Mr. Alistair Carmichael (Orkney and Shetland) (LD): I understand that the Front-Bench spokespersons have kindly agreed to give up a couple of minutes, thus allowing me to speak.

I did not originally intend to contribute to this debate, but I was moved by the contribution of the House's favourite rock star, the hon. Member for Perth and North Perthshire (Pete Wishart), whom I congratulate on securing this debate. He said one thing that really struck home: that the commission does not have a democratic mandate. That is a misrepresentation that cannot be allowed to remain on the record unchallenged.

Pete Wishart: That is not true.

Mr. Carmichael: That is exactly what the hon. Gentleman said, and he can check it tomorrow morning. The commission has a democratic mandate. It has been endorsed by the Scottish Parliament, which is impressive and stands in stark contrast with the website offered by the Scottish Government. That is very important. That democratic mandate emphasises and reinforces the fact that the work of the Calman commission is in accord with the mainstream view, which is where the centre of gravity lies in Scottish public opinion. We want a Scottish Parliament and we can see that, after 10 years, the time has come to consider giving it extra powers. To my mind, that is a very important position. After eight years of the Scottish Parliament, it is time to look at giving it the power to raise more of its own budget.

Mr. MacNeil: Will the hon. Gentleman give way?

Mr. Carmichael: No, I do not have time; the hon. Gentleman has wasted enough time already. It is surely axiomatic that, if there is to be a democratic Government—

Mr. MacNeil: Let the people decide.

Mr. Carmichael: The people have decided; they decided last May and his party got 20 per cent. of the electorate's votes, so let us not hear any nonsense about people deciding—*[Interruption.]*

Mrs. Janet Dean (in the Chair): Has the hon. Gentleman finished?

Mr. Carmichael: I am sorry, Mrs. Dean. I think that you were quite right to castigate the hon. Member for Na h-Eileanan an Iar (Mr. MacNeil) in the way that you did.

As usual, of course, the SNP chooses not to be part of this process. That is nothing new. In the early 1990s, we had the Scottish Constitutional Convention. Mainstream Scottish civic opinion was concerned with that convention and engaged in debate, but where was the SNP? Its members did not want to know. They took their ball away and did not want to play. All we are seeing today—and on their website—is a repeat of history. They have nothing to offer and for that reason they do not want to be part of our commission. *[Interruption.]*

Mrs. Janet Dean (in the Chair): Before I call the Front Bench spokesmen, I want to say that there is too much talking from a sedentary position.

3.31 pm

Mr. Alan Reid (Argyll and Bute) (LD): I congratulate the hon. Member for Perth and North Perthshire (Pete Wishart) on securing the debate. That is a heartfelt congratulation, not just a courtesy, because the debate is timely and interesting. It is certainly timely, coming the week after the appointment of Sir Kenneth Calman as chair of the constitutional commission, which is examining the powers of the Scottish Parliament.

There is widespread support throughout Scotland for the long-held position of Liberal Democrats that there should be more powers for the Scottish Parliament within the United Kingdom. We are therefore pleased to be working with the Labour and Conservative parties within the constitutional commission, and we are disappointed that the SNP has opted out of the commission, just as it opted out of the constitutional convention in the 1990s.

The present state of affairs, in which the Scottish Parliament's sole financial responsibility is to receive a block grant for £30 billion from Westminster and then decide how to spend it, is not sustainable. That situation has meant that, since 1999, the debate in the Scottish Parliament has been about how to spend that block grant and not about how to raise money. I do not believe that that situation is healthy for our politics, and it has to change.

We need to modernise the relationship between Scotland and the rest of the United Kingdom through a new federal settlement for the whole of the UK, which delivers new powers for the Scottish Parliament through a written constitution for the UK. In the matter of

finance, the Scottish Government should raise as much of their own budget as is practical, and there should be absolutely no question of powers being returned from the Scottish Parliament to Westminster. In fact, there should be a new written constitution for the UK, which entrenches the rights of Scotland and other nations and regions of the UK within a constitutional framework, rather then the present situation, in which the Scottish Parliament's powers are determined simply by an Act of Parliament, as those powers could be removed simply by another Act of Parliament.

Mr. Joyce: I will be as quick as I can. The hon. Gentleman said that there should be no return of powers to Westminster, but I think that I am correct in saying that the Liberal Democrats have said that, whatever the Calman commission proposes, we should support it. As far as I can see, they have abdicated responsibility; I believe that that is the position in Scotland.

Mr. Reid: I am afraid the hon. Gentleman is labouring under a misunderstanding. We have never given that commitment. We have our own views, and we will argue for them within the Calman commission. Furthermore, such is the strength of our views, we are confident that other parties within the commission will agree with them.

Mr. Ingram: My understanding is that the hon. Gentleman supports the presence of Faslane in his constituency. Does he agree that, under the existing Act, it is possible that the powers resting with the minority Administration in Holyrood could frustrate or delay much-needed developments at Faslane? If that is the case, would it not be better if some of those powers came back to the centre, so that there could be better control of national security?

Mr. Reid: No, I disagree with the right hon. Gentleman. I believe in democracy and the decentralisation of power, just as I support the presence of the Navy at Faslane in my constituency. However, we must persuade the people of Scotland that that situation should continue, and I am confident that the people of Scotland will support the presence of the Navy at Faslane.

Pete Wishart: This all seems to be quite a bit of a shambles; hon. Members cannot agree among themselves about these sorts of issues. What we need to hear from the hon. Gentleman is an answer to this question: if the Labour party persists with the idea of taking powers back from Holyrood, at what point will the Liberal Democrats leave the commission and have nothing whatsoever to do with that particular objective?

Mr. Reid: I will reiterate what I have said: the Liberal Democrats do not support any transfer of powers from the Scottish Parliament back to Westminster, and if the hon. Gentleman and his party would join the commission, they could add weight to that argument.

Pete Wishart: Will the hon. Gentleman answer my question?

Mr. Reid: That is typical of SNP members: they take the ball away; they will not participate in the discussions, and simply shout abuse from the sidelines, as the hon. Gentleman continues to do.

Mr. Carmichael: Does my hon. Friend recall that, at the start of the constitutional convention process in the 1990s, we found ourselves in very similar territory, as a lot of senior people in the Labour party said that under no circumstances would they ever countenance a Scottish Parliament elected by proportional representation? Does he also recall that we argued the case for that Parliament within the Scottish constitutional convention, and eventually Labour produced a blueprint that included proportional representation in elections? Finally, does he recall that we did that on our own, because the SNP could not stand the heat of constructive engagement?

Mr. Reid: Yes, my hon. Friend is quite correct. I remember the process that the constitutional convention underwent. Initially, there were to be 112 seats, which would have meant that the Scottish Parliament would not be proportional. It was through our arguments that we persuaded the Labour party to add another 17 seats, which allowed the Parliament to be proportional.

Mr. Hood: Will the hon. Gentleman give way?

Mr. Reid: Yes, but this is the last intervention that I will accept.

Mr. Hood: Is the hon. Gentleman going to tell the Chamber that, if it was not for his policy, we would not have an SNP Government today? Is he saying that that was a good policy?

Mr. Reid: If it had not been for the Liberal Democrats insisting on proportional representation, the result of the Scottish Parliament elections would be very unfair, and we would have a Labour Government with an overall majority despite the fact that Labour won less than a third of the votes. I hope that the hon. Gentleman is not arguing that we should go back to that situation.

Mr. Hood: Yes.

Mr. Reid: The hon. Gentleman shows that he obviously does not believe in democracy. However, I must press on.

The Liberal Democrats set up the Steel commission three years ago to make recommendations on constitutional changes. Chaired by Lord Steel, it reported in March 2006, and I certainly suggest to all hon. Members that they read its recommendations, because it made excellent recommendations about how we should take the debate forward. The commission found that, compared with many Parliaments that operate in a federal system, the Scottish Parliament has considerable legislative power, but very limited control over taxation. That situation certainly has to change. We need a written constitution that sets out the limits of power of the various partners within the Union; sets out the powers that are the exclusive domain of the UK Parliament; introduces a new category of formal partnership working in specific areas; and confirms that all other areas are within the competence of the Scottish Parliament. In particular, tax-raising powers must be transferred to the Scottish Parliament, so that it raises the bulk of its own funds. I certainly look forward to the constitutional commission taking this debate forward and the Liberal Democrats,

[Mike Gapes]

people no doubt regard as the chaotic failures of the Yeltsin period. Russia is now far more assertive, both about its own interests and about other issues in the world. We have seen that, not only with regard to Kosovo and Russia's attitude to arms control treaties, but in Russia's belief that it has a different model of how to develop. There is some dispute about whether that will be the case in the long term. My own assessment—and the Committee's report reflects this—is that much of the change of attitude is due to the revenue that has come from oil and the fact that, under President Putin, the state coffers have expanded because of the high oil and gas prices, which have allowed the country to develop a system of governance in which the role of the state has been strengthened and key state-influenced companies, particularly Gazprom, exert considerable economic and political influence both within Russia and around the region of the former Soviet Union.

Mark Pritchard (The Wrekin) (Con): The hon. Gentleman will know that much of the investment in the energy sector in Russia is foreign, and he has touched on TNK-BP. In that regard, does he share my concern that more than a decade after signing the energy charter treaty, Russia has still not ratified it? If foreign investors want to continue to invest in Russia, they should have the legal as well as the political and economic framework in which to do so with confidence.

Mike Gapes: I agree with the hon. Gentleman, and I think that I can take the whole question of energy security a step further. It is widely believed that Russia is able to exert influence over the rest of the world because of its hold over large oil and gas reserves. That is true, but Russia is dependent on its markets in Europe, and on technological assistance to modernise its ageing oil and gas industry. We concluded that Russia needs to take account of the fact that at the moment—although this may change in time—it has few alternative customers to the large markets to its west. The technological progress and the huge investment that would be required to divert resources to the east and south will take a number of years and cost a great deal of money. In that respect, Russia has few alternative customers. We even came to the conclusion that it might have a shortfall in production to meet its export market commitments.

That is linked to Russia's relationship with neighbouring countries with which Gazprom has some cosy relationships. Clearly, the export of energy supplies in Turkmenistan and in other parts of the former Soviet Union is very important here. At present, Russia benefits from purchasing at below world market prices from a number of neighbouring countries and sells its own products at world prices to Europe. In time, that may be challenged and it may change.

Russia faces a potential shortfall, particularly if domestic demand grows, partly because of the woefully inefficient way in which its oil and gas is used within its own economy. There is chronic energy inefficiency in the Russian economy, so the relationship is not one-sided; Russia needs the co-operation of Europe and the rest of the world to help modernise its oil and gas industries.

Mr. Eric Illsley (Barnsley, Central) (Lab): My hon. Friend has made a very interesting point. The hon. Member for The Wrekin (Mark Pritchard) referred to the energy charter treaty. Later this month, the European Union will agree a mandate with Russia for the negotiation of a new partnership and co-operation agreement. As part of those negotiations, energy will be debated and arrangements agreed. Does my hon. Friend agree that it should be pointed out that Russia, which signed up to the energy charter treaty in 1994, should still be bound by that treaty? It is still in existence and it is still a viable document. It is extremely important to inward investors to Russia, because it provides for things such as compensation in the event of a trade dispute and so on.

Mike Gapes: My hon. Friend is absolutely right. Our Committee called on the British Government to keep to their list of things that have to be done. At the top of that list is the question of Russia's ratification of the energy charter treaty, and the fact that the Government should make it clear that this is a relationship of interdependence, and not of dependence. The Russians need Europe, and the European Union should, in our words, develop a "robust and united" approach to Moscow.

Mark Pritchard: The hon. Gentleman's comment about tone is important. Does he agree that there is a difference between being a competitor and an enemy? There is also a great deal of difference between strong leadership, which Russia has always had, and aggressive leadership.

Mike Gapes: I agree. As member states of the European Union, we must recognise that Russia will try to divide and rule, and split EU countries. It is very important that we achieve a common and united approach on energy matters, as well as on other matters. In our report, we recommended that the Government should make the

"development of a united and coherent EU Russia policy an explicit goal of its work in the European Union in 2008."

Mr. David Drew (Stroud) (Lab/Co-op): Will my hon. Friend give way?

Mike Gapes: In a moment. It was clearly important that at the informal meeting in Slovenia last week, European Union Foreign Ministers spent a lot of time discussing their policy towards Russia. It is crucial that we in the EU recognise that we share a common interest in developing a more coherent and effective approach on such matters.

Mr. Drew: I entirely agree with my hon. Friend. Will he take his point further forward? I have a constituent who was one of those responsible for dealing with the remnants of Yukos in the west. Since he took on that particular role, he has been harried and threatened with legal action, both in this country and in wider Europe. This man, who is a top lawyer—I will not mention his name because he has had enough hassles—is unable to carry out much of his job because he is frightened that if he goes to other countries, the Russians will serve a writ on him seeking his arrest and for him to be moved

to Moscow to be put on trial for something that he has had nothing to do with. That is why the EU must stand four-square with us.

Mike Gapes: I agree with my hon. Friend. He makes a point that can be generalised out to a number of other cases involving people both within Russia and elsewhere. We must recognise that we are not dealing with a normal European political culture, but with a close relationship between some key people in the energy sector and some big companies. Clearly, although the oligarchs, or some of them, played an important role in the rise of President Putin, some are now on his side and work with him while others are out of favour, in prison or in exile.

My next point, which relates to the EU issue, is on the partnership and co-operation agreement with Russia. The British Government and other EU Governments have been hoping for negotiations to open up soon because they believe that they will help to forge a common EU approach and encourage movement from Russia on issues of concern. Our Committee's view is more sceptical. On the basis of the evidence that we received, we concluded that any negotiations would quickly get bogged down in highly politicised debates and become a new source of friction without yielding any tangible benefits.

I am pleased by reports that Russia has relaxed its ban on the import of Polish meat. That follows political changes in Poland in recent months, and potentially removes a Polish veto on the opening of negotiations. Nevertheless, the Government need to be careful to ensure that there is a real prospect of progress on the Russian side if negotiations are opened up, and that the forming of a new Russian Administration under the new President in May will lead to an agreement. Otherwise, what hopes there are will be dashed and negotiations will drag on and go nowhere, potentially leading to further frictions.

The report mentions missile defence, which is another potentially difficult issue, but I do not intend to spend a lot of time talking about it. When the report was published in December, it was interesting that the media concentrated entirely on the paragraphs that relate to missile defence and gave virtually no coverage whatever to the rest. I will therefore talk about other aspects of the report, and perhaps other right hon. and hon. Members will talk about missile defence.

The election process and politics in Russia have led to a lot of discontent. The Committee devoted a substantial part of its report to Russia's performance on democracy and human rights issues. We recommend that the west couches its efforts to encourage better observance of human and political rights in Russia in terms not of the expectation that Russia will meet our standards, but the expectation that Russia will meet the standards to which it has signed up in international agreements and treaties over a number of years. It is important that the issue cannot be portrayed as us putting demands on Russia. Rather, the issue should be whether Russia is complying with the commitments to which it has signed up over many years.

Mr. Wilshire: Did the Committee give some thought to the important difference between values and standards when we debate democracy and the like? A lot of the treaties say, "We subscribe to the following values", which is not to say that the many countries that sign them will commit to standards laid down in the United Kingdom, Belgium, Germany or like countries. That is an important distinction as regards Russia.

Mike Gapes: The hon. Gentleman is right. There is a difference between abstract values and concrete, specific measures and standards. However, there is only one universal declaration of human rights. The United Nations or Helsinki obligations, or those that come from membership of the Council of Europe or the Organisation for Security and Co-operation in Europe, are important benchmarks and they should be applied on the basis that Russia has freely entered into those agreements over many years.

I am pleased that the Government, in their response to our report, said that they agreed with us. We also recommended that they continue to fund projects with non-governmental organisations and others to promote human rights observance in Russia. I should like to take this opportunity to welcome the list of such projects for 2008-09 that was recently sent to the Committee by the Foreign Secretary. I am also glad that he has agreed to inform the Committee of the outcome of the next bilateral human rights consultation with Russia whenever that occurs. I understand that no specific date has been set for it, but it is supposed to take place by the middle of the year. In that context, I want to place on record the Committee's strong view that the Government and the Foreign Office should maintain the pressure on Russia to ratify protocol 14 of the European convention on human rights. We regard that as an important test of Moscow's commitment to the European human rights regime to which it has agreed, but which it has not yet ratified.

In their response to our report, the Government referred to the messages that they sent in advance of the Russian presidential elections. Now that those elections have taken place, we asked for an update of the Government's attitude, which we have received. In a recent letter, following the elections, the Foreign Secretary wrote that the UK

"questioned the degree of democracy exhibited throughout"

the Russian presidential election process. He referred in particular to the conditions set by Russia that made it impossible for the OSCE's Office for Democratic Institutions and Human Rights to monitor the polls; the "lack of democratic choice", to which I have referred, that resulted from those conditions; the exclusion of liberal opposition candidates; and the unequal—at best—media coverage.

Mr. Wilshire: Will the hon. Gentleman give way?

Mike Gapes: Let me finish this point. Clearly, it is generally accepted and assessed, not only by the British Government but most other countries in the world, that Mr. Medvedev would have won the elections anyway, given the nature of the Russian political system. President Putin enjoys wide support among Russian people according to all the polls, so his chosen successor would, presumably, be supported on that basis. Nevertheless, it is important that we continue to register concerns internationally about the way in which effective monitoring in advance

[Mr. Bruce George]

were not as good as I had hoped, but to compare the Georgian elections to the Russian elections, and to compare some bad municipal elections in Birmingham and perhaps half a dozen other cities—we know who did the cheating—to elections elsewhere, as though that indicates that as our elections are fraudulent we should close our eyes to massive fraud in Russian elections, is disingenuous. That is as polite as I can be.

I am glad that I shall finish speaking soon, because I am becoming madder and madder about what I have heard. We must try to engage with the Russians, but not on our knees. The argument by the hon. Member for Orpington (Mr. Horam) was like jumping into Dr. Who's telephone kiosk and going back 25 years to listen to the Tribune-reading, left-wing John Horam trashing America and supporting Russia. If I had to make a decision on our security and where it lies in the next 10, 20 or 30 years, after Bush has gone, I would much prefer to have Europe closer to the United States than toadying up to the Russians.

I thank you for your indulgence, Mr. Caton. It is difficult for a Welshman to make a short speech. I should have congratulated the Committee on its excellent report. We must not become paranoid, but we know who our allies are. Putin is going along to see his mates in NATO. He knows who they are, and he knows who they put pressure on to be nice to Russia, and to keep Georgia out. We can all name those names. No doubt he will be given a warm welcome, and will be thanked for doing a wonderful job before going back.

The main beneficiary of the summit in Bucharest will be Russia, because it will have proven that the west has no bottle whatever and that it is prepared to lie down and to take any humiliation that is heaped upon it. Russia will find its allies all over the place and in many legislatures, and will have succeeded, with our collusion, in keeping Georgia out of NATO. That will be a good day's work for the Russians, and a bad day's work for those who acquiesce in that objective in foreign policy.

We must not be supine. We must work with our allies and defend our national interests, even if the Russians are doing us or our allies down. We must robustly defend our position. We must hope that the Russians will not substitute the red army for Gazprom and switch off oil and gas to our NATO and European allies. If I were asked whether they would do that, I would say, as a left-wing Labour Member of Parliament once said, "Why look into a crystal ball if the future can be read in a book?" Russia has done it. It has shut off oil and gas to Georgia and Ukraine, and even to its closest ally, Belarus. When will it be our turn?

I am not a cold warrior. I do not want the cold war to return, but nor do I want an attitude of indifference - or, rather, cravenness—to the Russians because they have a bad history. What about the bad Russian history that impinged on eastern and central Europe and other parts of the world? We must consider countries other than Russia, hope that they will become democratic, and help them as far as we can. But if they seek to damage our interests, I hope that this Government and any other Government will have the bottle to stand up for our interests and those of Europe and NATO.

4.46 pm

Jo Swinson (East Dunbartonshire) (LD): I welcome the Foreign Affairs Committee's report, and congratulate the Chairman, the hon. Member for Ilford, South (Mike Gapes), and the Committee on producing such a rigorous and thorough report.

The Chairman rightly pointed out that the situation in Russia is incredibly fast moving, and many new aspects in our international relations with Russia have emerged since the report's publication, and indeed since publication of the Government's response a few weeks ago. It is particularly helpful to have had this debate today.

We have had a good debate, and I was intrigued by many of the contributions from right hon. and hon. Members, members and former members of the Committee and others who, like me, are not members of the Committee and feel slightly jealous because the inquiry must have been particularly interesting.

The hon. Member for Thurrock (Andrew Mackinlay) said early on in the debate that we might all end up being guilty of groupthink. There has been much consensus about Russia's importance in the global sphere, and the UK's relationship with it. However, some of the later contributions colourfully ensured that a range of views was expressed, and that we cannot be accused of groupthink.

The Chairman mentioned the context of the debate—the NATO summit and its venue. That brought to mind my visit to Bucharest when I went around what is ironically called the people's palace, which had nothing to with anything for the people: a year of Romania's gross domestic product was used to build what is rightly described as a monstrosity to massage Ceausescu's ego. I am not surprised that the NATO summit is being held there, because the building is so vast. It is difficult to know how to fill the rooms. That provides an important context for the debate, and many hon. Members have stressed the importance of the links between Russia and the UK, particularly between not just the countries, but the people. In recent years, a great number of Russians have come to live in the UK, particularly London, where they contribute to society and the British economy.

There have been rising tensions recently between our country and Russia, and indeed internationally, about energy security, Kosovo, and the conventional forces in Europe treaty. I would particularly like to endorse the Committee's recommendation that Europe should have a united approach in dealing with these issues. I also welcome the Government's response in accepting and endorsing that recommendation. Surely, the right way forward is for our country to exert influence on Russia regarding the issues on which there have been difficulties.

A wide range of subjects have been covered so it is impossible to mention everything. I shall focus on UK-Russia relations, energy security and, finally, I will discuss the issue of ballistic defence. Obviously, our relationship with Russia is crucial and we want it to be as constructive as possible. As I mentioned, several incidents over recent years have challenged that. The events leading up to and, perhaps more importantly, subsequent to the murder of Alexander Litvinenko have already been mentioned. Russia's refusal to

extradite Lugovoi to face charges has clearly led to a severe deterioration in relations. The hon. Member for Thurrock seemed to suggest that the situation had reached a stalemate and that the matter remains unresolved. Does the Minister agree with that, or are the Government still trying to take further steps to secure justice for Mr. Litvinenko and his widow, who is still living in Britain? It is unacceptable to leave that issue to one side when such a heinous crime has been committed against an individual, and when, as has also been mentioned, that crime threatened the security of people in this city.

Obviously, that situation led to the deterioration of relationships and to the problems with the British Council. I remember the statement that the Foreign Secretary gave in December, which was updated in January, when Members from all parties expressed concern about the bullying treatment meted out to British Council staff. Sadly but necessarily, that treatment has led to the closure of two British Council offices. I agree with the Foreign and Commonwealth Office: Russia's action in relation to the British Council was totally unjustified and, indeed, illegal. It is sad when cultural organisations and institutions are brought into political disputes, and I take the same view when people suggest that there should be an academic boycott of Israel. When there are political difficulties, it is through the cultural world that we should work the hardest to maintain links, so that we still have a relationship that can be used as a foundation on which to rebuild political ties. Can the Minister give us an update on that situation, and tell us whether he expects the offices that are closed to reopen? The suggestion that the lease has been given up on one building is concerning, so it would be interesting to know when the Government think it might be possible to reopen the offices.

Although some hon. Members have cautioned against being too critical of Russia, there are deep-seated concerns about the freedoms afforded to people in Russia in relation to human rights. In particular, I would like to discuss the freedom of the media. As Members of Parliament, the media are not always a friend to us and we do not necessarily have a favourable opinion of them. None the less, I think we would all agree that a free media and press are a vital component of a free society. Even when the media print things that we do not like, it is important that they are able to do so, and are not censored by the state. That is why what has happened in Russia is particularly troubling. In 2006, the journalist Anna Politskaya was murdered and last year there was the suspicious death of Ivan Safronov. The investigations into those deaths were flawed and, although people have apparently been charged with the former crime, there has not been an update on what has happened. That is an example of oppression in Russia and it is one of the barriers to creating a freer society.

A very good Amnesty International report published last month—I declare an interest as a member of Amnesty International—outlined well the difficulties that Russians face in their day-to-day lives in trying to obtain the freedoms that we take for granted. The hon. Member for Spelthorne (Mr. Wilshire) made a good point about the issue of human rights and how we are quick to judge and condemn other countries. We talk about problems with elections, but when we see what happened with the Scottish elections in 2007, we realise that we have our own problems. On human rights issues, it is important that we look to our own house and try to put that in order, but I do not accept that we should not fight and campaign for human rights in other countries until we have all the human rights that we want in this country. That is one reason why I am concerned about the Government's plans to extend pre-charge detention to 42 days when at 28 days we already have one of the longest periods of pre-charge detention in any democratic, civilised society. We need to be aware of human rights issues in our country when we consider human rights abroad. None the less, there are severe concerns about the human rights situation in Russia.

There are also concerns about the electoral process, which is not deemed to be fair and, according to the monitors, is free only to a certain extent. Vladimir Putin is in some way complying with the constitution by standing down as President, but by putting himself in a position in which he can become Prime Minister and potentially have another go at running for the presidency in 2012, he is creating a situation in which he could hold the levers of power in Russia for more than two decades. We should not necessarily regard that as a healthy situation.

In some ways, it is too early to tell what the outcome will be of Russia electing President Medvedev. There have been many conflicting views on that. Some people have suggested that he might be more liberal simply because he does not have a secret service background—to be described as liberal simply for not having been in the secret services is in itself quite shocking. There have been some positive views about what he has been saying. In particular, a briefing from the EU-Russia Centre quotes him as saying:

> "what kind of equal opportunity and innovative thinking can there be if everybody knows that rights only belong to those with the sharpest teeth, and not those that obey the law?"

If that is indicative of the way in which he will act, there may be some light at the end of the tunnel. He is deemed to be a capable and intelligent individual, and although there has been speculation that he will be under the thumb of Vladimir Putin, that may not turn out to be true. However, at the same time, in some of his speeches, he has described the British Council as being an organisation of spies and so on, so there is cause for concern about how things will pan out. In reality, as the President takes up his post, only time will tell whether changes will occur and what changes there will be to UK-Russia relations. From the Foreign Office's point of view it is clearly important that we are ready to engage, particularly if there is a shift and some positive steps are taken by the new President.

The issue of energy security has been discussed by other hon. Members, but it is important to note that the report highlights the mutual dependence in the energy market between Russia and the EU. We are one of the least dependent countries in the EU on Russian gas supplies. Energy efficiency in Russia is a key challenge and if we can work to help to improve it, that will go some way to reducing the pressure on diminishing supplies. Indeed, it would also be a positive step towards tackling climate change. This country has the same problem: our oil and gas supplies are in decline. We certainly have a need to invest not just in energy efficiency, but in renewable energy sources and to accelerate progress

[Miss Anne McIntosh]

example, people expect a new mobile phone every year, so recycling should start in the home. I visited the local tip at Rufforth when an application was being considered to extend it, and I know that glass from household waste and wood from building materials such as wood frames are two of the most difficult products to recycle. However, in the present market, metal should be easier to recycle.

I want to throw two challenges down for the Minister. First, in reply to a parliamentary question she stated:

> "Each tonne of aluminium recycled, saves 11 tonnes of CO_2." [*Official Report*, 18 February 2008; Vol. 472, c. 259.]

The arguments for recycling metals are compelling, and we are all aware of the high price of not doing so. Japan is growing increasingly prosperous, and is increasingly hungry for metal, which fuels illegal activity and theft. My first challenge for the Minister concerns EU regulations on the transhipment of waste, to which hon. Members have referred. When the regulations were going through, why did her Government not oppose those transhipments? Her predecessor, the hon. Member for Exeter (Mr. Bradshaw), replied to questions about the details of the measures, particularly the commercial confidentiality of some of the information on the form. What we have learnt today flags up one of the greatest difficulties with regulations, and I submit that this debate would have carried more weight and produced more action if it had taken place in the European Parliament.

If the Government had opposed the regulations or sought to revise them, I submit that we would not be in the present position. I challenge the Minister to explain why the Government did not oppose the regulations when they were being considered. From what the hon. Member for Southampton, Test so eloquently and passionately argued, that is at the root of our difficulties. I also submit that the debate has flagged up a general problem with the scrutiny of EU regulations in Parliament. We can vote only for or against them, and I plead with the Minister and, perhaps more appropriately, the Leader of the House, to enable us to amend regulations as they go through the House. It is not sufficient merely to vote for or against them.

On comitology as opposed to co-decision, I am afraid that I am a bit of an anorak, or a macintosh, because not only did I spend 10 years serving as a Member of the European Parliament, I worked for the Conservatives in the European Parliament, and prior to that I practised European law in a very humble capacity. My understanding of comitology is that it is left to national officials and experts, who are well meaning and well qualified, to meet behind closed doors and agree to regulations on which Members of Parliament and MEPs, who are the real experts, do not have the right to be consulted. They may impose—I say this sincerely to the hon. Member for Southampton, Test—additional burdens on industry, particularly UK industry, of which we are not aware until the decision has been made. We should not rush through the regulations, because they may end up like the transhipment regulations to which the hon. Gentleman referred.

Would it not be better to have a co-decision procedure, which is transparent, with an element of parliamentary democracy at two levels? Ministers appear before European Committees and perhaps the European Scrutiny Committee, and we could improve the scrutiny and the remit with which we task Ministers to negotiate at co-decision level before they negotiate at the Council of Ministers. We also have our own Members of the European Parliament to whom we can speak, and whom I am sure the industry will lobby before going into battle. It is not necessarily in the best interests of the UK industry to agree to comitology just for speed. I do not know many hon. Members who want the measure to go through by comitology: Conservative Members would be appalled if that happened, when we could have co-decision.

I entirely support the urgent need for a redefinition of waste, and I want to challenge the Minister further. Hon. Members who have spoken are at one in wanting that redefinition, but that will not happen unless member states support us. Will the Minister tell us which member states will support us? Without that support, there is not a prayer of the measure going through, even with the greatest will in the world—and we want to give UK industry experts the greatest support—because, from what the hon. Member for Southampton, Test said and from the tone of the debate it strikes me that everything is conspiring against us. Extra regulations are required covering export to non-OECD countries such as China. We are the major exporter and beneficiary, but where will support come from if we want the redefinition to proceed sooner rather than later?

We need a definition of waste that is less restrictive or, as my hon. Friend the Member for Banbury said, more proportionate. Fully recovered metals must be recognised as a secondary raw material, not waste, if we are to build on, and not just maintain, the world market export position that we enjoy. I hope that after today's debate we will all contact our colleagues in the European Parliament to ensure that all the parties in that institution are singing from the same hymn sheet. Perhaps the Minister will tell us what progress has been made in the negotiating procedures.

I support entirely what has been said about the burden of regulation: the one-size-fits-all approach to generic waste sites and regulators does not necessarily fit in with the market. We must provide greater clarity, and we must remove the confusion and the administrative burden and costs on the industry. We must ensure that illegal operators are rooted out, and that legitimate operators are allowed to develop this lucrative and legitimate trade. Metal recyclers should have a full review of the effect of the regulations on the industry, leading to streamlined regulation. The new environmental permitting programme and the DEFRA exemption review threaten to add to the regulatory burden, so perhaps the Minister would put our minds at rest on that. The Government have demonstrated—I say this somewhat reluctantly—a lack of a joined-up approach in the Department, as well as in other Departments. The Minister is on record as saying that there could be huge savings in CO_2 emissions and natural resources through increased metal recycling, with gains for British business and, as a result of lower emissions, reduced pollution. There is no co-ordinated UK strategy to promote the industry, but is the Minister minded to produce one?

In conclusion, I invite the Minister to tell the Committee why the Government did not oppose the regulations when they were being considered. What is the status of the current negotiations, and, if we are to succeed, which member states will support us? On the points that have been made about where metal and other recycling plants will go in future, is she mindful of their impact on the countryside? Such plants are a blot on residential and completely green landscapes, and can have an impact on house prices and on the general quality of life. On my canvassing excursions during the recess, great concern was expressed about where industrial waste and recycling plants are to be located. I am not going to mention it publicly, but I am negotiating on that matter and have a site in mind in the Vale of York that is more appropriate than the sites that have been given as examples. On that point, I urge the Minister to put our minds at rest, and reassure us that she and her Government will do everything in their power to support a hardworking, lucrative industry.

10.40 am

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Joan Ruddock): I congratulate my hon. Friend the Member for Southampton, Test (Dr. Whitehead) on obtaining this debate and on the way in which he presented his case. I also congratulate other hon. Members on their contributions. As they have said, this has been an extremely useful debate that has left me with many points to which I must reply.

I share my hon. Friend's view that the benefits of metal recycling are considerable. Such materials can be used time and again, and in doing so we use our natural resources wisely and avoid using the energy involved in extracting raw materials. The industry is vital to our achieving our EU targets on packaging, on end-of-life vehicles, on batteries and on electrical and electronic equipment.

The industry is a significant export earner, and about 60 per cent. of the metals it handles are exported. The hon. Member for Brecon and Radnorshire (Mr. Williams) made a case for more recycling at home and less export. May I say to him that a balance needs to be struck on that issue? It is not necessarily absolutely right to recycle everything at home, and if emerging economies can reuse our material, they do not then use raw materials and huge amounts of energy. A balance needs to be struck, and it is useful for the most developed countries to make materials they have used available to those who wish to recycle to benefit their emerging economies.

My hon. Friend and others by implication have paid tribute to the British Metals Recycling Association, and I recognised some of its memorandum when it was quoted by hon. Members today. Metal recycling makes an important contribution to the economy and I add my tributes to the work being done. As hon. Members have said, 2 million cars, 5 billion food and drink cans, 3.5 million white goods and some 8 million automotive batteries have been recycled. Therefore, an extraordinary amount of metal recycling is taking place.

Aluminium is a case in point. The hon. Member for Vale of York (Miss McIntosh) referred to something that I have said before on the subject—indeed, the topic of aluminium is an extraordinary story. If recycled, aluminium takes just 5 per cent. of the energy that would be needed to produce primary aluminium. As the hon. Lady said, that is equivalent to saving 11 tonnes of carbon dioxide for every tonne of aluminium produced. Recycling aluminium also reduces the use of chemicals, eliminates the need for 5 tonnes of bauxite ore to be mined and prevents the generation of nearly 2 tonnes of red mud as a by-product.

The benefits of recycling are substantial and global recovery is impressive. It is said that 70 per cent. of all aluminium ever produced is still in use today, but there are challenges. For example, it is difficult to capture—we are failing to do so at the moment—most of the aluminium used in drink cans in this country because they are consumed and disposed of away from home. I am determined to do better on dealing with such metal packaging, and I have asked officials to meet stakeholders tomorrow to explore ways in which we can increase the amount of aluminium recovered and recycled from that source.

Led by my hon. Friend the Member for Southampton, Test, hon. Members raised a number of issues relating to how environmental regulation affects the metals recycling industry. He referred to the European Court judgment by which we are all bound. Possibly the most significant issue relates to the question of when waste stops being waste. The revised waste framework directive, to which a number of hon. Members referred, addresses that question. The common position agreed by the Council proposes the development of end-of-waste specifications and criteria. That position identifies scrap metal as one of the categories of waste for which such criteria should be developed.

My hon. Friend felt that we were not active in the field of protocols, but we have led the way in developing end-of-life criteria and we have been working with the BMRA on that. The aim of the proposal is to facilitate the use of waste that has undergone recovery, while continuing to maintain high levels of environmental protection. The common position provides that waste that ceases to be waste under that procedure would also stop being waste for the purpose of the recovery and recycling targets in other EU waste legislation. Of course, that would make it easier for the industry to demonstrate that its targets were being met.

The hon. Member for Banbury (Tony Baldry) mentioned waste shipments regulations. Of course, while metals remain as waste, they are bound to fall under those regulations, but the UK has taken steps to try to ensure that there is positive entry to the non-OECD countries where that is an issue. Despite initial problems, those markets are pretty much secured in China and India. None the less, these issues must be explored and we are continuing to work as hard as we can on that.

The hon. Member for Vale of York asked which member states supported us. I am afraid that I am not in a position to respond to that today. If I can obtain more information about that, I will happily write to her. As she will know from her long experience in the European Parliament, these matters are complicated: deals have to be done and it is not always obvious until the last moment how much support can be organised. I reassure all hon. Members and the industry itself of our commitment to this issue. We recognise the

[Mr. Iain Wright]

Equally, I believe that we must be mature and sensible about this. I have reiterated time and again in debates such as this that there is an imbalance between housing supply and demand. People need and deserve good homes in an attractive environment. I would ask the hon. Member for Kettering and others, where will people live? Where will our children and grandchildren live? What about the graduate from Kettering who wants to move back to the area in which he or she grew up? How will they secure an affordable house? What about the young mother with children who may not be able to afford a home but needs social housing in Kettering? How will people get on the housing ladder? Those are the challenges that we face.

With the greatest respect to the hon. Gentleman, whom I very much respect and for whom I have a great deal of admiration, the idea that we should build only in Scotland and the north is somewhat naive and, I must say, patronising. There is housing pressure in every area of this country, and we need to address that by building more homes.

Mr. Hollobone: The point about Burton Latimer is that the local borough council identified 17 potential sites for housing development, some of which would have been in the development framework once completed, but, against all the wishes of Burton Latimer residents, the Government inspector scuttled the council's plans and allowed the developer to go ahead with a plonked application in a site that nobody wanted.

Mr. Wright: The hon. Gentleman is aware that I do not comment on individual schemes because of the Secretary of State's quasi-judicial responsibilities, but I hope that we can reach consensus in the House and elsewhere. I understand people's concerns, but, ultimately, we have to ask where our children, grandchildren, grandmothers and grandfathers will live if we do not address the challenge of building the homes that are needed now, in the 21st century.

Mr. Stewart Jackson: The Minister's argument would carry more weight were he to refer, for instance, to the population statistics and projections but also, if we are talking about the whole country, to the frankly disastrous housing renewal programme. The National Audit Office found that large-scale demolition of perfectly good houses is taking place in the north of England, Yorkshire and the north-west. At the same time, unsuitable development is taking place in the east and south-east of England. That is the wider context, but the Minister seems to be unable to face up to it.

Mr. Wright: Absolutely not. I would love to have a debate on housing market renewal in the north and the midlands, because that is something for which I have ministerial responsibility. I contend that we need a significant, long-term investment programme, largely to rectify the challenges caused by the Conservatives' decimation of the economic base in those areas in the 1980s. *[Interruption.]* This is an important point in this debate, which is about public consultation on large-scale housing developments. Let us stop spreading the myth that most of the buildings in inner cities in the north are being knocked down, as that is not what is happening. The ratio of new build and refurbishment to demolition is in the region of 4:1 in housing market renewal areas. As a result of public consultation, we are refurbishing and building more houses. The idea that someone is dictating from a desk in Whitehall how the centre of Liverpool or Salford should look is simply a myth, and I expect better of the hon. Member for Peterborough than that he should peddle it.

Infrastructure has been mentioned, and we had an interesting debate about the issue in December. As I have said before, housing and infrastructure investment must go hand in hand. The Homes and Communities Agency that will be created under the Housing and Regeneration Bill has as a central focus investment in infrastructure in order to regenerate communities in England, as that is very important. There has been real progress to date in the area represented by the hon. Member for Kettering. North Northamptonshire was awarded the third highest allocation of all growth area locations, with an indicative award of nearly £20 million for the next three years. In addition, there a £200 million community infrastructure fund for growth areas, new growth points and eco-towns over the next three years, and Northamptonshire benefited from more than £21 million in the first round of CIF funding. The deadline for expressions of interest in the community infrastructure fund was yesterday, and bids have been received from Northamptonshire county council for three schemes in Kettering, including the A43 Corby link road dualling, which the hon. Member for Peterborough mentioned in his concluding remarks.

It is wrong to say that we are not thinking about infrastructure. The idea that we need to have housing and infrastructure investment together is exactly the right approach. Also, it is a myth that we do not want public consultation on housing growth: in fact, that is a vital and essential part of the community empowerment plan that we wish to introduce. In the time available to me, I am not able to respond to the point that the hon. Member for Banbury (Tony Baldry) made about eco-towns. Needless to say, this is the first stage of the process, and it will be completely part of the planning process. However, I will write to him and respond to the points that he made. In conclusion, this is an important issue. We need to address housing needs and we need public consultation, but the debate must be sensible so that we have the homes that we need and deserve in this country.

Piece Hall, Halifax

12.31 pm

Mrs. Linda Riordan (Halifax) (Lab/Co-op): I am delighted to have secured this debate on such an important building and such an important aspect of my Halifax constituency.

The historic Piece Hall market and building has been at the heart of Halifax town centre for decades. This architectural jewel in the Halifax crown is a testament to the commercial success of the woollen industry of west Yorkshire and Lancashire. This grade I Georgian building is the only remaining intact cloth hall in west Yorkshire, and it is a rare complete survival of this type of building in Europe. I do not exaggerate when I say that if this building were in Venice or Vienna, Rome or Rhodes, tourists would flock to visit it. Alas, it is not, but I am glad about that, because we are proud to have the building in Halifax, with the economic, social and industrial benefits that it has brought to the town in the past 100 years and beyond.

Time does not stand still. Since the war, as the years have gone by, the role of the Piece hall has become less clear. Everyone recognises the building's importance: they know that, with a bit of initiative and industry, the building could come alive once again and be at the heart of regeneration proposals for Halifax town centre. However, that will not happen overnight. I have pushed for this debate to get on the record the building's importance to the town centre. I urge the Minister to visit it and see for himself the splendour of the surroundings. I urge the Government to contribute to the investment in this building, not only to ensure its survival as a reminder of our great industrial past, but to help us look to the future with pride as a new use is found for it in the 21st century.

We are at a crossroads. A few years ago, the council commissioned a building condition survey for the Piece hall, and its report identified the fact that investment in excess of £1 million was needed. More than £400,000 of council funding has been invested in the infrastructure, but much more needs to be done. Halifax people do not just want improvements to the building; they want change, character and charisma added to it. I hope that the Minister will acknowledge and comment on the council's ideas for the Piece hall, which I will set out in a minute. I hope that he will outline whether those ideas could go further, and will explain how similar buildings around the country have survived and flourished after renewal took place.

In addition to the investment that I have mentioned, there has also been some partnership work with Yorkshire Forward, whose recent report highlighted the fact that the Piece hall was the focus of economic and cultural regeneration in the town, and came up with a number of ideas and investment initiatives that could be tied together as an overall regeneration package. Cinemas, bowling alleys, hotels and other leisure and commercial facilities have all been identified as parts of that package. However, all too often, grand plans and big visions fail to be realised. One of the key schemes in Halifax—Broad street—has fallen through time and again over the past 10 years. Perhaps the Minister will offer the council some advice so that it can ensure that artists' impressions are followed through and goals are achieved. The council's proposal for an overall regeneration focus is sound enough, but a recognised use for the Piece hall is still missing from the jigsaw puzzle. Does the Minister believe that such old buildings have a future within regeneration initiatives?

As important as economic considerations is the cultural importance of the Piece hall building and the pre-industrial society and social history that it represents. For example, the Piece Hall yard is the largest public space in Halifax town centre, and has been used for more than a century for civic functions and public events. There is no doubt that local people, visitors and tourists cherish this wonderful building, but do they cherish what it offers apart from its being a superb memento of Halifax's past? I want the building to be visited by people because of what it is now, and not only because of what it once was. There are too many ideas at the moment, but not enough action. It seems that the Piece hall is part of the wider regeneration plans of Halifax, but not the focus of those plans, and I want to change that.

What can be done, and what should be done? That is a broad question. The Government's commitment to the cultural heritage of our times means that they should have a keen interest in what is going on for the future. Perhaps the Minister will outline in his reply what plans and ideas the Government have for historic buildings such as the Piece hall.

Mrs. Ann Cryer (Keighley) (Lab): May I tell my hon. Friends the Member for Halifax (Mrs. Riordan) and the Minister that in west Yorkshire we have lots of interesting places that people can visit, in both the natural and the built environment? Unfortunately, however, not many people visit them, because the cruise liners and tourist boards concentrate on areas such as York to the detriment of other towns. I often feel that York is strangled by a surfeit of visitors. Why not spread those visitors into areas such as Halifax, with Piece Hall yard, and Keighley, with Keighley and Worth Valley railway, the Brontë Parsonage museum and the wonderful East Riddlesden hall, which is owned by the National Trust. The natural environment in this area, especially spreading over to the Calder valley—the constituency of my hon. Friend the Member for Calder Valley (Chris McCafferty)—and Hebden Bridge, is wonderful. I wish that the cruise liners and tourist boards would be a bit more imaginative and start taking people to, and encouraging them to go to, to areas like ours.

Mrs. Riordan: My hon. Friend is right. We have a wealth of listed buildings in Halifax, Calderdale and in west Yorkshire generally that are not recognised often enough and we do not get the tourist numbers that we need to achieve. That is why I want to highlight these issues today.

I should like the Piece hall to become the heart of everything that is culturally vibrant in Halifax. The shop units could become continental cafés, different styles of restaurant could open at night, and top bands could perform in the beautiful surroundings. Annual arts festivals could be held. Our local man, Barry Rutter, could perform Shakespeare with a Yorkshire accent in the Piece hall. Such ideas have been thought about locally for many years, but too often they are left gathering dust in town hall cupboards or do not get past the artist's impression stage. Only last week, a

[Dr. John Pugh]

we might. We know the symptoms, but we do not know its cause. Caution should be applied to removing therapies that are not obviously redundant or otiose in the light of patient experience and that of the clinicians who care for them.

When we do not understand the cause of a disease, we often do not know why a drug works for some individuals, but not all—or not with a control group. That is why the voice of the patient group must be heard. Thanks to the hon. Gentleman, it will be heard even more loudly. In this case, cautious wisdom genuinely has a place.

10.33 am

Anne Milton (Guildford) (Con): May I say what a pleasure it is, Mrs. Dean, to serve under your chairmanship?

I congratulate the hon. Member for Carmarthen, West and South Pembrokeshire (Nick Ainger), as have many other hon. Members, on securing this debate. I was touched by the passion that he displayed on the subject and the enormous amount of work that he has done on it. The debate is not about a new drug, or another NICE problem—something that we often face—but about an existing and established treatment that has been available for about 15 years. As many hon. Members said, the treatment is considered to be the gold standard.

Pulmonary arterial hypertension is one of five sub-types of pulmonary hypertension. It is rare; as the hon. Member for Carmarthen, West and South Pembrokeshire said, it is the result of an increase in pressure in the pulmonary artery. We have not focused much on the symptoms or how it might feel to be a patient with the disease, but it is characterised by fatigue, shortness of breath, chest pains, fainting, swollen ankles and legs and a swollen stomach. Patients often tell of extreme breathlessness and exhaustion.

It is important to remember that rare diseases are often difficult to diagnose. Of particular note with this disease is the fact that people might have been attending their GPs for some time before a diagnosis is made. Before treatment starts, they may have suffered a year or more with symptoms not being affected by the treatments offered. They will see a diminution in their quality life; and, as with any complex and incurable disease, the poor survival rate will be associated with depression. The disease has a profound effect on the family, which is another subject that has not been touched on today.

The debate is about whether NICE is operating within its guidelines. The hon. Member for Upper Bann (David Simpson) spoke of the cost of drugs in the US—an interesting point—and highlighted the much higher price that we pay for prostacylins, and I hope that the Minister will address that point.

My hon. Friend the Member for Congleton (Ann Winterton) mentioned another important group of patients—those who suffer similar disorders such as Raynaud's and scleroderma. She said that NICE appears to be ignoring its own rules.

My hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) spoke with his usual clarity about the subject. I was, as always, flabbergasted by his expert medical knowledge on such matters, especially as I used to be a nurse. He raised concerns about the preliminary recommendation and emphasised that we are considering a very small number of patients for whom there is no alternative. If NICE's recommendation goes through, there will be no alternative.

My hon. Friend said that there is no argument about the efficacy of the drugs—NICE does not disagree—but he raised concerns about the modelling that is used by NICE. Although most hon. Members would support much of the work done by NICE, the debate has highlighted and drawn out concerns about the treatment of those with pulmonary hypertension. I hope that the Minister will take that point.

The hon. Member for Stockton, North (Frank Cook) spoke about his tangle with the NHS over stents. I am pleased to hear that his stents appear to be serving him well, enabling him to contribute with clarity and some passion to today's debate. He reminded us—especially those on the Front Benches, who sometimes forget—that we are here to fight for individuals. He mentioned the case of one of his constituents, and we all appreciate it when Members quote from letters, as it brings home to us the fact that we are fighting for individuals. He said that epoprostenol and iloprost are part of a toolbox, which is a point that no other Member mentioned today. Clinicians have a range of drugs at their disposal, and if we remove some of those from their toolbox they will be less able to deal with symptoms.

The hon. Member for Newport, West (Paul Flynn) raised an extremely important issue, about which I feel strongly. It was good to hear someone speaking up for NICE, which does a good and difficult job. But he also raised the important question of the huge amount of money that drug companies put into marketing and selling their drugs. All Members have at some time been caught up with drug companies pushing particular treatments. Much more work needs to be done with drug companies, which often fund patient groups and work behind the scenes in ways that are not clear. I appreciate that they put a huge amount of money into research and development, but it is notable how much they put into marketing. To some extent, that is one of the challenges facing the NHS. Part of the money that, in fairness, the Government have put into the NHS has gone into drugs budgets.

The hon. Member for Southport (Dr. Pugh) said that, ultimately, however much evidence NICE has, it must make a judgment, which must be offset against patient experience and clinical expertise. Although that patient experience should not overrule its judgment, it is important, especially in relation to rare conditions for which robust evidence of what works is difficult to find. Conservative Members respect NICE's independence, and it is important that calls on health service budgets are made by experts and not by politicians, who should not interfere. The criteria for assessing not only drugs, but treatments in the NHS, should be their clinical effectiveness and cost-effectiveness. It is also important that NICE conducts its work quickly, openly and transparently, and has the public's confidence.

The current use of QALYs, which has come up again today, has often been criticised as inflexible. The Conservative party is considering whether larger societal costs should be taken into account. I go back to where I started, and to the impact that such diseases can have on families. The hon. Member for Carmarthen, West

and South Pembrokeshire said that if alternative drugs are not available, withdrawal of a drug may incur considerable extra costs in hospital care, the patient losing their job and family members having to give up work to care for the person who is unwell.

Pulmonary arterial hypertension is not the only illness or disease in relation to which effective treatment could save society considerable costs in the long term. Investment up front will sometimes produce a saving further down the line. Therefore, removing some of NICE's inflexibility is important. It is a shame that we do not always have the opportunity to consider the emotional and humane cost of treating diseases. Sadly, in this day and age, we are fixed on budgets. They are important, but it is also important to put on record that we recognise the profound emotional cost for families who are battling this illness.

We would like NICE's role to be extended. Although it is not the subject of the debate, it is important to mention that NICE has a wider role in producing evidence and setting guidelines on standards of care that encourage best practice and achieve outcome objectives.

On NICE's relationship with the drug companies, we want a better dialogue with the pharmaceutical industry, and the hon. Member for Carmarthen, West and South Pembrokeshire referred to that. NICE needs to be aware of what is being developed, what treatment regimes are available and what regimes are being trialled. It should work with drug companies to try to reduce prices. We must understand—I hope that the Minister will address this—why there are huge variations in the cost of drugs. That would help not only us in developing our ideas of where NICE should go, but clinicians and patient groups better to understand why its decisions are made.

We cannot turn the clock back on NICE's preliminary report on PAH, but it will have caused considerable concern to those who are reliant on the drugs. Life is difficult enough for people who have a rare disease; it is difficult enough if they have an incurable disease; it is difficult enough if the symptoms interfere with daily activities, so that perhaps making a cup of tea is almost impossible. But this preliminary report is a huge added burden for them, given the concern about whether treatments will continue to be available, and, for clinicians, whether they will be available for new patients.

I urge the Minister to keep an open mind about NICE. This has been a non-partisan debate, and I always welcome such debates, but I would like to hear what she is doing and what steps she will take to ensure that NICE remains flexible and is encouraged to work more closely with drugs companies. I would also like to hear her response to the more general concerns about how NICE operates, and to understand why it seems to have ignored the ultra-orphan status of the group of drugs involved. I hope that she will address those matters.

10.46 am

The Parliamentary Under-Secretary of State for Health (Ann Keen): It is brilliant to be here under your chairmanship, Mrs. Dean.

I congratulate my hon. Friend the Member for Carmarthen, West and South Pembrokeshire (Nick Ainger) on securing this debate. I know, as do all hon. Members, that for many years he has been a strong and persistent advocate of behalf of sufferers of pulmonary hypertension. He has actively engaged many of my predecessors, and rightly so, in helping to advance the case for improvements in treatment and to promote awareness of the disease throughout the United Kingdom, together with the Pulmonary Hypertension Association UK. I thank him, too, for sharing the transcript of the recent House of Commons stakeholder investigation, to which many patients, carers, professional staff and MPs contributed. Many of those MPs are present for this debate.

I agree that this has been an emotional and educative debate. Hon. Members who have taken part are senior and experienced, with a track record of standing up not only for their constituents, but on health issues. The hon. Member for Macclesfield (Sir Nicholas Winterton) has apologised for having to leave early to attend another meeting. Serious attention must be paid to what he, the hon. Member for Congleton (Ann Winterton) and all hon. Members who have made a contribution said. One could not help but be moved by the contribution of my hon. Friend the Member for Stockton: North (Frank Cook) about the little boy. I, too, have constituents with the disease. One little girl who had a transplant, sadly did not make it, but had often attended fund-raising events.

Hon. Members have described the effects of pulmonary hypertension, which is a rare and potentially fatal condition that affects the heart and lungs. It requires expert care, expensive drug treatment and sometimes specialised surgery if life is to be prolonged. There has been considerable progress in treatment over the years, and I hope that hon. Members will allow me to explain current services: what we have achieved, how services are organised, how the commissioning of specialised services for the condition has developed and changed over the past few years, and the role of guidance on clinical care. I shall also address the issues concerning NICE.

There are six centres for the treatment of adults with pulmonary hypertension in England, in Newcastle, Sheffield, Papworth, Hammersmith and the Royal Free and Royal Brompton hospitals. Several of those centres run outreach clinics at other hospitals to ensure that patients do not have to travel too far. Those centres offer a high-quality service and are run by dedicated, highly professional clinicians. It is to their credit that more patients are being treated and that outcomes are improving.

The six centres have been nationally designated by the National Specialist Commissioning Advisory Group, which became the National Commissioning Group in 2001, to ensure that highly specialised services are restricted to a small number of expert centres allowing the development and long-term maintenance of expertise in treating rare conditions. Commissioning responsibility has remained with local primary care trusts and specialised commissioning groups. The number of patients at the six centres has doubled over the past five years for two reasons. First, local hospitals are more aware of the condition and refer pulmonary hypertension patients to the centres at an earlier stage in the disease. The diagnosis is improving—I am aware that much more work must be done on that—and we should congratulate professionals and clinicians on the progress that has been made. The Pulmonary Hypertension Association can take great credit for that.

Secondly, patients who are treated at PH centres are surviving longer. I understand the concerns of my hon. Friend the Member for Carmarthen, West and South Pembrokeshire about delays in recognising the signs of

[Gordon Banks]

to the national conversation do not deserve to see the light of day. There have been comments about burning the Union Jack and about Union liars, as well as comments that could incite hatred and divide people, such as those about Asians, Swedish, Danish, Belgian, Norwegian and English business men owning land in Scotland. I want the SNP as a party, and certainly Ministers in the Scottish Executive who represent me, to dissociate themselves from such aggressively confrontational comments. I hope that SNP Members will take the opportunity of this debate to do just that.

Mr. MacNeil: I will take this opportunity to dissociate myself—as I am sure that my party would—from anybody who behaves in that way. We do not know who is doing this. It could be agents provocateurs—we do not know. However, will the hon. Gentleman answer the question that the hon. Member for Aberdeen, South (Miss Begg) failed to answer? Does he support more powers and further independence for the Scottish Parliament? That is one of a series of questions that we could ask Scottish Labour MPs.

Gordon Banks: What I support—I will come to this as well—is the commission's right to do its job and not to go in with the prejudged conclusion that the nationalist conversation has arrived at before we have even had a conversation.

Mr. Ingram: My hon. Friend gave a very interesting list of the rhetoric that is used. I draw his attention to the fact that, not very long ago, an SNP MSP called the Union flag the butcher's apron. That comment has never been repudiated. Will my hon. Friend give way to an intervention by an SNP Member to see whether they will repudiate it?

Gordon Banks: I am certainly willing to sit down if there are any takers for another intervention—no, I did not think so. Perhaps the SNP should look in greater depth at some of the tawdry comments on its website. Incidentally, it got one more hit from me last night, but I urge SNP Members not to read anything into that, because I did not engage in the conversation.

Perhaps SNP Members should look at some of the other comments on its website, such as that by Alistair from Stirling. In his posting, he said that few things made him want to get involved in politics, but that having

"my country—the United Kingdom—destroyed by a minority government is something that cannot be ignored".

Mr. MacNeil: I am very impressed by the hon. Gentleman's knowledge of the national conversation website—I have seen the hard copy, but I have not seen it in electronic form. I just wonder what Gordon from Ochil is saying about the issue of more powers for the Scottish Parliament.

Gordon Banks: I have already asked the hon. Gentleman to be patient. He will hear what Gordon from Ochil—and South Perthshire, I hasten to add—feels about more powers for the Scottish Parliament.

However, perhaps the hon. Gentleman should listen to John Stuart from Edinburgh, who considers the national conversation "a Nationalist rant" and who questions who is paying for it. Let me take this opportunity to tell John Stuart who is paying for this nationalist rant—it is Scottish taxpayers. The hon. Gentleman should also listen to Alan from Midlothian, who

"would much rather we didn't change as I believe Scotland is better the way it is".

The second round of the conversation, which we have heard a little about today, has met with equal derision, and no wonder. The First Minster has used the hastily convened opportunity for a relaunch to announce that a referendum on separatism—despite what the hon. Member for Perth and North Perthshire said—could be on the basis of multi-option preferential voting. That is an attempt to get separation at any cost. Perhaps the First Minister would be better spending his time listening to the advice given to him by CBI Scotland and getting on with the job that he is charged to do.

I invite the SNP to engage in the official review of how devolution is working. At the same time, the party could show a maturity that has been lacking to date and engage constructively with the UK Government on a range of issues. We must get away from the peddled myths that Scotland is being bullied by the UK Government, the BBC and the Treasury. At the same time, we must squash the myth, as one of my colleagues has said, that for someone to be patriotic to Scotland, they must be a nationalist—they do not. We must rise above the persecuted, Braveheart image of politics in Scotland or, indeed, its "alter image", as described on the national conversation website—the politics of the White Heather club. Both are equally unfitting for Scotland in the 21st century.

Mr. MacNeil: I hear what the hon. Gentleman says, and he claims to stand for Scotland. Will he therefore support John Swinney's call for £150 million for Scottish prisons—money that is being withheld by Whitehall—or will he support London?

Gordon Banks: The Scottish Executive has more than double the money that Donald Dewar had in 1999. For the First Minister or any representative of his party to cry about the lack of money in Scotland is shameful.

Mr. Russell Brown: In response to the question from the hon. Member for Na h-Eileanan an Iar (Mr. MacNeil), let me say that I would not support that call. That is because I am still looking for answers to the question of where the £34 million for disabled children and their families has gone. I have had three replies on the issue from Executive Ministers, but they make no sense. If that money has not come to local authorities and health boards in Scotland when I get to the end of my investigation, the SNP Administration can hang their heads in shame.

Gordon Banks: My hon. Friend makes extremely good sense, and I think that the whole of Scotland wants to know what happened to that £34 million.

The Calman commission provides an opportunity to grasp all of the issues that I have paraded before the Chamber. It will explore the success of devolution and consider how the devolution settlement can be better

developed to work for the people of Scotland within the UK. The chair of the commission stated clearly that he

"would not have accepted this if I felt this was something being driven from elsewhere".

We have a real opportunity for Scottish progress, on a particularly Scottish matter, in a way that will include a wide range of expertise from Scottish business, law, public life and civic Scotland. Although it is fundamentally important not to prejudge the outcome of the commission—unlike what the SNP wants us to do—the flexibility that the Scotland Act gave us must be retained in any new agreement. Since 1999, the flexibility under the Act has delivered 164 orders with more to come later this year. That flexibility reflects good governance in the interests of the Scottish people.

Where there has been a clear case for devolving further powers, the UK Government have agreed to do so. For the sake of clarity, no matter has ever moved the other way—from devolved back to reserved control. That balance must be a matter for consideration by the commission and for it to make recommendations on. How can it be independent if we do not allow it to reach its own conclusions?

The Calman commission allows for a review of the devolution settlement, which has been in place for 10 years, for the position approved by the democratically-elected Scottish Parliament to be considered and for cross-border and non-partisan discussion. Will the SNP abandon its late-night cyberspace conversations, see the light and embrace it?

Mrs. Janet Dean (in the Chair): Order. We have eight minutes before I must call the Front-Bench spokesmen and four more Members have indicated that they want to speak. It is up to them—two minutes each or whatever.

3.23 pm

Willie Rennie (Dunfermline and West Fife) (LD): This has been a rather cathartic experience. Often it is only every five weeks that we get to debate such matters in the House. Unfortunately, however, this debate has been characterised by hyperbole and spin and has not given us the opportunity to discuss and consider matters of detail, which should form part of the discussion about the creation of new powers for the Scottish Parliament. The Liberal Democrats have set down a marker—we do not want more powers repatriated back to Westminster. That is an important issue for us. However, we want to discuss such matters with the other parties. We recognise that the Labour and Conservative parties have moved, and have come on to our agenda, as set out by the Steel commission, led by Lord Steel of Aikwood, who considered those matters in considerable detail. We welcome the opportunity to have this discussion today.

I was rather surprised that this debate was scheduled to take place in the Chamber, because, as has been mentioned, such a debate has not been held in the Scottish Parliament. I went to the Scottish Government's website to see where this national conversation had taken place. It has been conducted in various places, including Estonia, Dublin, Harvard university, Stolt salmon farm on Harris and even the Moonlight Tandoori in Turriff, but it still has not taken place in the Scottish Parliament—*[Interruption.]* Perhaps the hon. Member for Na h-Eileanan an Iar (Mr. MacNeil) will stand up again and give us his view on whether it should take place in the Scottish Parliament. Or does he recognise that, if it did go to the Scottish Parliament, the matter would be killed off and that there would be no mandate for the national conversation, either in the Scotland or in the tandoori in Turriff. He is frightened of exposing the question to the will of the Scottish Parliament, as expressed in last May's elections.

Mr. MacNeil: Will the hon. Gentleman give way?

Willie Rennie: No, because I only have two minutes.

It should be recognised that the pro-independence parties—Tommy Sheridan's Scottish Socialist party, the Scottish Green party and the SNP—formed a minority in the last year's elections and did not secure a majority of Scottish opinion in their favour. Last May's election was the referendum. We do not need another one, because the single issue party—the SNP—put their manifesto to the electorate and it was soundly beaten. The pro-Unionist parties—we are now the pro-reform parties—were in favour of the Union and therefore secured a majority of opinion on our side. We must recognise that the will of the people has been expressed, and we must now have a serious look at the issues at the heart of the debate, such as fiscal federalism, the abolition of the Scottish Affairs Select Committee, broadcasting and so on. Those are the issues of substance that should be considered.

3.25 pm

Mr. Eric Joyce (Falkirk) (Lab): I congratulate the hon. Member for Perth and North Perthshire (Pete Wishart) on securing this debate. I shall make three very quick points. First, I surveyed 10,000 households in my constituency and asked various questions about issues that were important to them—issues of the day—and discovered nothing of great surprise. The things that are important to people—health, education, the economy, the environment and so on—are the same across the UK and Scotland. As the hon. Member for Dunfermline and West Fife (Willie Rennie) said, those matters of substance are rarely mentioned by the SNP and were not mentioned by the hon. Member for Perth and North Perthshire. They are the issues that we should be debating, because they concern people the most.

Mr. MacNeil: Will the hon. Gentleman give way?

Mr. Joyce: No, because I only have two minutes.

Secondly, the way in which the nationalist conversation is being conducted seems to encourage the posting of bigoted, racist comments on the Government website, which is funded totally by the taxpayer. The Scottish Administration needs to consider very carefully what they are encouraging. My third point concerns the issue about which the hon. Member for Na h-Eileanan an Iar (Mr. MacNeil) has been jumping up and down and chuntering away. He wants all powers devolved to Scotland and full independence. My hon. Friend the Member for Dundee, West (Mr. McGovern) mentioned defence. I was perusing the *Scotland on Sunday* and noticed a letter from a chap called Jeff Duncan who runs a campaign to reinstate all six former Scottish regiments, which I understand is also the SNP's policy—that demonstrates how little concern it has about defence.

Westminster Hall

Thursday 3 April 2008

[MR. MARTIN CATON *in the Chair*]

Global Security (Russia)

[Relevant documents: Second Report from the Foreign Affairs Committee, Session 2007-08, HC 51, and the Government response, Cm 7305.]

Motion made, and Question proposed, That the sitting be now adjourned. *[Mr. Jim Murphy.]*

2.30 pm

Mike Gapes (Ilford, South) (Lab/Co-op): I welcome this opportunity to debate the report by the Select Committee on Foreign Affairs entitled "Global Security: Russia" and the Government response. It is a long time since the inquiry began. We visited Russia in June 2007 while collecting evidence. The period covered by the report straddles a change of Prime Minister in the United Kingdom and a change of ministerial team in the Foreign and Commonwealth Office. Indeed, at one of our first evidence sessions for the report, in 2007, we welcomed my hon. Friend the Minister for Europe to his post.

We are now debating the report after a presidential election in Russia. I shall say more about that later—and in the context of the change in relations that might come from the new President. The debate takes place on the very day on which President Putin is attending a NATO summit in Bucharest, in the former palace, which is a huge and unique architectural—I nearly said "monstrosity", but I was thinking in terms of its magnitude—creation of President Ceausescu, the late, unlamented leader of Romania, all those years ago.

Andrew Mackinlay (Thurrock) (Lab): A British knight.

Mike Gapes: Yes, and there is another one, Robert Mugabe, whom we may also need to deal with at some point.

Andrew Mackinlay: Great judgment by the Foreign Office.

Mike Gapes: If my hon. Friend will allow me to get back to talking about Russia, the situation that we face today has, unfortunately, not changed greatly since we produced the report, which was published towards the end of last year. Indeed, relations with Russia have, in some respects, become worse. In recent months, there has been the forced closure of the British Council offices in Yekaterinburg and St. Petersburg. Both UK and Russian citizens linked to the British Council experienced something that was clearly a form of harassment. Pressure was recently put on BP in Russia. None of those events could be referred to in the report or in the Government response, because they have happened in the period since those documents were produced.

As well as the changes to which I have referred, there have been changes in personnel. Our ambassador in Moscow, Tony Brenton, who was so helpful to us and our inquiry, is to retire from the diplomatic service. I place on the record our tribute to him and all his work, and not only in Russia. I remember his work in the United States and other parts of the world over many years. It is a sign of the very high quality of the people in the Foreign and Commonwealth Office that he has played such a good role in Moscow in what have not always been easy circumstances in recent years.

Mr. David Wilshire (Spelthorne) (Con): Is the hon. Gentleman aware that certain parts of the Russian media are suggesting that we had to get rid of our ambassador in Moscow to make the peace? There is absolutely no truth whatever in that, and he is simply retiring, as the hon. Gentleman said. I ask him to confirm that those reports are nonsense and the Russia media are about as bad as our media on occasion.

Mike Gapes: That is a sign that perhaps certain elements in the Russian media have a conspiracy-theory view of events in the world. It is like remarks made by some senior Russian figures, including, unfortunately, the President-elect, who made the totally false allegation that the British Council was a "nest of spies". The matter raised by the hon. Gentleman, as well as those to which I have just referred, indicate a mindset that unfortunately is not helpful to constructive relations both with the UK and other countries. As ambassador, Tony Brenton was harassed by the Nashi organisation, and certain elements in Russia treated members of staff at the British embassy in a way that was not at all in accordance with the best traditions of how ambassadors should be treated in any country in the world.

The report touches on a large number of issues, and I cannot cover them all today. I am pleased that a number of my colleagues on the Committee are present. No doubt they will wish to catch your eye, Mr. Caton, and supplement what I have said. The real issue that we must confront is the assessment that we should make of Russia in the 21st century. There was a period under the Yeltsin presidency, just after the events of 1990 and 1991, when certain people thought that Russia could evolve rather rapidly into some form of western European, democratic, pluralistic society in terms of its political system. It is clear that that is not the case, and will not be the case.

We must face the fact that what we are dealing with in Russia is what the Russians themselves call a sovereign democracy; it is certainly not a mainstream European-style democracy. The recent elections for the presidency—some people called them selections rather than elections—are an indication of that. A number of senior people who wished to be candidates in those elections did not, in the end, take part. Some withdrew because they were pressurised; others withdrew because they decided that the process was tainted and the election was not, in any sense, free and fair. International observers of those elections were constrained in what they could do. I shall say more about that later.

The key issue that we face is as follows. Despite the difficulties that I have described, and despite the moves towards a more authoritarian political system and centralisation of political power after what the Putin

[Mr. Wilshire]

We are all up to it, so before we condemn other people too much for not conforming to this country's democratic standards, for heaven's sake, let us get this country's democratic standards correct."

We need to get people as well as Governments involved. Paragraph 47 of the Government's response suggests that people should get together more often. I say yes to that—that is exactly what we want. It is right to short-circuit some of the involvement of the Government. Ministers and civil servants, and talk to each other as fellow human beings. On parliamentarians, the report rightly refers to protocol 14; but it is tempting to say that the Russian Government are somehow at the bottom of things and absolutely to blame. If I understand correctly Mikhail Margelov and Konstantin Kosachev—two people whom the Government cite as senior Russian MPs who go to their Parliament and say, "Please, please, sign this"—the problem is that the Duma will not give authorisation. It is not a question of whether the Kremlin gives authorisation. We could argue about whether the Kremlin tells the Duma what to do—I pass on that—but, technically, the blockage is ultimately caused by Duma Members not putting their hands up in sufficient numbers. We need to talk to parliamentarians—perhaps we could do something about that.

On the British Council, perhaps I could present Members with an image that they might find hard to believe. The right hon. Member for Kingston upon Hull, East (Mr. Prescott) and I make a little pair within the Parliamentary Assembly of the Council of Europe, and we have been working with Konstantin Kosachev to see whether we can make a contribution to unsticking the British Council problem. May I suggest a theory that the Minister has perhaps heard from his officials? It may or may not be true but, from my "cock-up not conspiracy" view of the world, it makes a bit of sense to me. It was suggested by somebody who might know what he was talking about that, after Britain threw out a few diplomats, someone in the Kremlin said, "We have to retaliate," and some lowly official was dispatched to find a convenient way to do so. He remembered that a long time ago somebody had spotted that the arrangements for setting up the British Council in the then Soviet Union, now Russian Federation, were somehow not right. The situation had been ignored, because it did not really matter if such things occurred, but the person remembered and the rest followed. When the message got back to the people in the Kremlin who had said, "Go and do something," they were not best pleased, but now the problem involves loss of face. Working with Russian MPs, the right hon. Gentleman and I have been trying to find a way to get back to where we were in the first place without either side having to lose face.

Mike Gapes: In fact, the problem is that the cultural agreement that allows the British Council to operate in Russia is an old agreement dating back to 1994. There have been efforts over many years to secure a new agreement, but the Russians have been dragging their feet. We commented on that in the report.

Mr. Wilshire: Yes, I know, but, similarly, if the hon. Gentleman listens to Russians, they will give him a different version of events in which we have been dragging our feet, not them. It does not matter: my point is that if parliamentarians can work together in a new way, we might save Governments from getting stuck with the debate about how they can get out of the mess that they have got into without losing face. That is all I am saying. Occasionally, there is a role for parliamentarians, not just Governments, in building and improving the situation in Russia.

I have heard it suggested that Russia is a threat to world peace and that Putin wanted to go back to being a Stalin. In Russia, when talking to Russian parliamentarians, I have never found any evidence of that at all. Here is a country trying to overcome humiliation; here is a leader trying to lead through Russia's history rather than our history. There is a large group of people who simply want to be taken seriously in a way that they have not been. The people I talk to want to build a democracy, but the message I hear is: "Please will you help us do it?"

Russian people want their sovereignty to be respected. They do not particularly want to be lectured. They do not welcome interference in their internal affairs, and I am not sure that we would be any different if people tried to throw their weight around with us. That is what the Russian people ask. In respect of debates about Ukraine and Georgia, I understand why we are concerned, and that it is in our interest and in the Ukrainian interest. However, I can also understand that a Russian gets a little bit twitchy about us messing around in his backyard. That is exactly what happened in America over the Cuban missile crisis. There came a point where someone who wanted to keep their sovereignty said, "I'm not having any of this, thank you very much." We are only seeing a variation on what has happened many times before.

I find the Government's response to the report exceedingly helpful, but the messages for the future are as follows: the Government—any British Government—must engage, rather than stand back and criticise; they must encourage and help rather than condemn; and above all else, they must remember that Russia is a European country, like us and like others, and it and its people want to become European, like us. It is up to us to give them a chance to do so.

Mr. Martin Caton (in the Chair): I am going to call you now, Mr. George, but I would be grateful if you concluded your remarks by 4.45 pm, so that we have adequate time for the winding-up speeches.

4.32 pm

Mr. Bruce George (Walsall, South) (Lab): Thank you, Mr. Caton. I am sorry that I arrived late. I have only heard three and a half speeches and, frankly, I am delighted that I arrived as late as did. I would have preferred it if, with your permission, I could have spoken without having listened. I find what has been said quite incredible in many respects.

I say with no disrespect to the hon. Member for Spelthorne (Mr. Wilshire) that, if the Labour party was in bed with an authoritarian party in a European institution, I would wonder whether I wished to remain in it. I wonder why the Council of Europe was in Russia anyway, observing what were obviously going to be fraudulent elections on an epic scale. Although the hon. Gentleman did not find any fraud in Vladivostok—I am not sure, because I have not been there—there could

very well have been fraud at 92,000 other polling stations, because there was fraud on a systemic, epic basis.

People do not cheat at elections on election day if they have fixed the results beforehand, because the odd election observer will be running around and because they will, of course, know how many observers are on aircraft heading for Vladivostok or anywhere else. Therefore, in the five or six polling stations that anyone could visit we could be certain that were fraud going to be committed it would not be done in front of even a sympathetic ear and eye.

I headed a short-term observation mission to Russia four years ago at the Duma elections and said in my speech, which irritated the Russians, that those elections fell well short of international standards. I will not bore hon. Members with the details of why we reached our conclusions. When I was asked, as president of the Organisation for Security and Co-operation in Europe Parliamentary Assembly, whether I would observe the following presidential elections, I said, "No, I'm not going to waste British taxpayers' money, nor will the OSCE Parliamentary Assembly, in attending not an election but a coronation."

Mr. Wilshire: Will the right hon. Gentleman give way?

Mr. George: No, I have too little time in which to speak. I can speak to the hon. Gentleman afterwards.

It was obvious that the elections were going to be fraudulent. It offends me that an organisation for which I had the deepest respect—the Office for Democratic Institutions and Human Rights—has been subject to a persistent and lengthy campaign of abuse in an attempt to diminish its competence and to eliminate it. I have chronicled this campaign in enormous detail, fortunately, in part, with the collusion of the OSCE Parliamentary Assembly.

There was a systematic attempt to prevent proper election observation. Those responsible unilaterally deconstructed ODIHR's methodology: they would not provide visas until a few days before the election and they would only allow 70 people to turn up. I said that there were 92,000 polling stations and, quite rightly, ODIHR refused to go under those conditions. But, of course, the OSCE Parliamentary Assembly, followed by or alongside the Council of Europe, went out and observed what were obviously going to be appalling elections.

When it came to the presidential elections, ODIHR was again prevented from observing. The OSCE Parliamentary Assembly wisely and belatedly refused to dignify fraudulent elections with their attendance, but the Council of Europe went along on its own, with I do not know how many people. If all the people were as friendly towards the electoral process as the hon. Gentleman who has just spoken, I am surprised that they produced a critical report.

I am not anti-Russian. I went through the cold war. I tried my best after the cold war to engage with the Russians. Yes, it was a corrupt society and, yes, Yeltsin was a flawed character, but his regime was followed by another. That regime is proceeding in such a way that alarm bells are starting to ring for me if not for others. Not only are its elections fraudulent but it is almost a single-party state. Legitimate candidates were barred from standing. One was barred because he did not have enough signatures: 3 million signatures were whittled down to below the minimum. Legitimate candidates, including Garry Kasparov, were prevented from attending. Zhirinovsky's party, which is not an opposition party, was also there. One other guy stood—he was very much in the Putin camp—and even the other parties are well in the pocket of the Administration. I cannot see why we should be so nice; when Russia is doing something like that on that one front alone.

The Council of Europe has about 3,000 non-governmental organisations accredited to it. What has happened to Russian NGOs? They have been deliberately targeted for destruction. What about international NGOs? Their leaders and characters working with them have been beaten up. What about the BBC World Service and the British Council? What about the overflying or near overflying of British airspace by Russian aircraft? What about all the things that Russia is doing?

Hon. Members may say, "Fine. This is an independent state. They have had one hell of a history." We can smile and say, "We'll help you. If democracy comes in 300 years, we'll be around to help you over that period." I take a rather different view. If the Russians are playing as they are, we should not go back into a cold war on our side, but we should not be supine. Some countries are being supine, first, because they are natural apologists for anybody and, secondly, because they do not like a fight and prefer the Americans and the British, largely, to do it for them, if necessary.

I am sympathetic towards Georgia and its aspirations. Hon. Members have said that we should not mess in Russia's backyard. Does that mean that if a sovereign nation was once part of the Soviet Union and wants to get the hell out of it, we can do nothing to assist it because it is in Russia's backyard? Ukraine may have been the origin of Russia, but it wishes to leave Russia's orbit.

I headed the short-term observation missions to the rose and orange revolutions three or four years ago. Putin worked hard to support Yanukovych, who was a pro-Russian candidate against the democratic candidates and the party led by Yushchenko and Tymoshenko. If Ukraine wants to join NATO, despite the fact that it is adjacent to Russia, and most Ukrainians do not want to be part of Russia, that is its sovereign right. Why consider the Russian position, but not the Ukrainian position? Why consider Russian self-interest, but not Georgian self-interest?

The Georgians make the third largest contribution of soldiers to NATO's operations, and more than many countries that are part of NATO. They have overcome their problems of authoritarianism, and they are a consolidating democracy, not a consolidated democracy. Exports to Russia have been barred, travel has been greatly restricted, and two areas that are juridically part of Georgia—South Ossetia and Abkhazia—are in essence under Russian control. Do we say to the Russians, "Ah, as this was part of your empire, we will allow you to stop other countries that want to get away from you, and to make them play by your rules in perpetuity."? The Russians are trying to destroy Georgia, and I could spend ages telling the Chamber how.

The Georgians are becoming more democratic, but they are not yet there. I observed the elections, which

[Tony Baldry]

We need to ensure that the UK remains at the forefront of such developments, and that recycling continues to be a success story. That will require everyone working together, but the Government taking a lead. There are issues that we need to consider seriously if the industry is to continue to make a considerable amount of money, to contribute to a positive UK balance of payments, and to export large amounts of recovered metals overseas. There are issues that the Government need to address.

10.10 am

Mr. Roger Williams (Brecon and Radnorshire) (LD): It is a pleasure to serve under your chairmanship, Mr. Chope. I pay tribute to the hon. Member for Southampton, Test (Dr. Whitehead), who introduced the debate. His commitment to the environment and to waste issues is well known. Indeed, he made such a comprehensive contribution at the beginning of the debate that it is difficult to know what to add to it.

Certainly, the way in which this country, the European Union and, indeed, the whole planet deal with waste will be fundamental to the lives of future generations, their access to materials and the quality of life that they enjoy, because so much about dealing with waste affects the climate and climate change. It is encouraging that, as far as waste is concerned, the economic and environmental drivers are now coming together. It is not only good environmental practice to deal properly with waste but good economics. It is good for the profitability of individual companies and, indeed, the work force as a whole.

The principles of reducing, reusing and recycling apply to metals as well as to other commodities. Reducing the use of materials or using them more smartly is as important as the increase in the prices of metals and other commodities such as timber and chemicals. Because everybody wants to make good use of materials, there is, in fact, less waste.

Reuse is important as well. I spoke to a local haulage contractor who told me that most of the people who maintain his vehicles are eastern Europeans. They have come over with really good skills, but, in a way, their skills are slightly different from ours: instead of taking a component out of a vehicle and simply replacing it with a new one, they attempt to mend or repair the component and put it back. Perhaps we have lost that skill because we have been relatively affluent and have been able to take components off the shelf instead of reusing old ones. The word "mend" has gone out of fashion, but it may have to be revisited in the future.

Mr. Drew: Does the hon. Gentleman agree that, as much as we want to encourage the Chinese economic revolution, the amount of metal waste that we still send to China is somewhat shocking? If we had an industry that recycled and reused, we might be able to keep down the cost of metal in this country.

Mr. Williams: The hon. Gentleman makes a good point, which I shall probably come to a little later.

However much we reduce and make more efficient our manufacturing processes, and however much we reuse, there will always be some material to be recycled. The British scrap metal industry has proved to be a leader in the European Union and the world in dealing with waste.

It is not surprising that metal has a prominent part in recycling, as it has always been a valuable commodity. Some recycling streams have not been quite as profitable in the past, mainly because the natural resources from which the commodities are derived have been cheap. It has cost less to produce commodities from virgin materials than to recycle materials that have already been produced. But metals have always been a valuable commodity, and therefore there has always been a trade in recycling them.

It has been said that metal recycling probably contributes about £6 billion to our national economy, and that 60 per cent. of the metal is exported. However, the global price of scrap metal has risen and is expected to rise further. Lead is now thought to be worth between £700 and £1,000 a tonne, compared with £400 a tonne previously. The price of copper has risen by about 500 per cent. since 2001 and is now between £2,500 and £3,000 a tonne, compared with about £1,000 a tonne a few years ago.

Of course, there is more to consider than just the value of the metal itself. The cost of extracting and quarrying the ore and then refining the metal must also be considered. Part of that cost is the use of energy. For instance, the cost of producing 1 tonne of aluminium is about 10 tonnes of carbon dioxide. We can see that not only is the cost per tonne of producing aluminium affected but carbon emissions and, possibly, global warming are also affected.

Of the 15 million tonnes of metal that are recycled in Britain, just over 8 million come from cars, fridges and other such equipment. The new EU regulations have boosted the industry and now 3 million cars are recycled each year. The target is that 85 per cent. must be recycled. The hon. Member for Southampton, Test touched on the problem of dealing with materials in cars other than metals—rubber, fabric, glass and possibly wood—and whether an incentive could be given to use some of them for co-firing in combined heat and power processes.

British cars are more likely to be recycled because they are right-hand drive and, therefore, not easily exported to eastern European countries. On the continent, many cars are sent east for a time of retirement in other countries as they come towards the end of their life.

There is some concern that the certificate of destruction required by the end-of-life vehicles regulations is sometimes circumvented so that some cars are not properly recycled but are sidelined, so to speak, and that only the most readily available materials are recycled while the other materials are dumped or sent to landfill. Mention has been made in the European Parliament of regulations under the revised waste framework directive, which proposes a mechanism to reclassify non-waste recycled materials. It would significantly drive down the industry's regulatory burden. There has been a discussion about comitology, or co-decision making. We desperately need to take that forward quickly if the industry is to get the benefit of being able to deal with such material in the most efficient and effective way.

Quite clearly, a lot of the offcuts are definitely not waste: they are almost virgin material and should not be described as waste. Much of the waste material has

been treated within the recycling industry in this country to make it perfectly safe to transport. There are regulations to prevent the illegal dumping of waste in third countries and to protect those countries from being exploited. We understand the need for regulation, but there must be an ability to discriminate between waste and an important raw material.

Hon. Members have mentioned that, because of the increased value of waste metal, theft has developed, too. The Government have addressed some aspects of that issue. A productive surgery in a little village called Cwmdu in my constituency was slightly enlivened when the message came through that there had been a theft in the village and somebody had run off with some scrap metal that was being turned into a sculpture by a local artist. The village rallied round and we apprehended the person who had attempted to steal material. So it was a productive surgery in the end. But people out there are looking to take advantage of the fact that the price of scrap metal has increased.

As I look around the countryside—I have a very rural constituency—I notice a great improvement in its appearance, because a lot of the machines that used to be left where they had died are now being brought back into the recycling stream. Genuine people out there are looking for such opportunities and they are to be encouraged. However, there is an illegal aspect to this and although regulation is needed to ensure that theft and other illegal activities are not encouraged, it must be risk-based regulation bearing down on the people who are paying less attention to its legal niceties. People running proper, legitimate businesses should not be subject to legislation that inhibits their efficiency and effectiveness.

This has been a good debate. It has drawn out a number of issues. This is a most effective industry, both in terms of the economy and the environment, but the Government could do a number of things to ensure that it can operate more effectively. The recycling of certain materials does not operate to the same extent in this country as it does in others. Norway recycles 93 per cent. of its aluminium and Switzerland and Finland recycle 88 per cent., while in the United Kingdom the figure is just 48 per cent. What can the Government do to encourage increased recycling, particularly of non-ferrous metals that are valuable in terms of commodity prices but take a huge amount of energy to produce from the virgin state? What are they doing to ensure that the criminal justice system bears down on metal thefts? What are they doing to ensure that travellers on railway lines are not put at risk and churches and other community buildings do not suffer when their roofs are stripped of lead, leading to costs for the insurance industry and, always, costs to the community? Is there any way in which the UK can bring its recycling levels up to some of those in the European Union? Will the Minister strengthen the end-of-life vehicles directive and the certificate of destruction to ensure that the loopholes are closed and that as many of our vehicles as possible are recycled?

This is a successful industry, but I feel that the Government can and should do more to encourage it, lighten the regulation where they can and bear down on those who want to make a cheap buck and do not go through the proper processes.

10.25 am

Miss Anne McIntosh (Vale of York) (Con): I welcome you to the Chair, Mr. Chope; it is a great honour to serve under your chairmanship. I congratulate the hon. Member for Southampton, Test (Dr. Whitehead), not just on securing the debate but on his continued interest in all environmental matters, and I pay tribute to his expertise.

This has been an interesting debate. It finally puts paid to the spectre of "Steptoe and Son" and shady business, which once came to mind as we looked on the industry with affection. It is interesting to see that the turnover of the top three companies is £3.8 billion, £1.1 billion and £175 million respectively, so they are by no means the poor relations of the recycling industry.

The Conservative party is heavily committed to the concept of zero waste. I commend our quality of life report, which runs to 550 pages and is available on the Conservative party website. With recycling in mind, and wishing to save paper, I shall resist the urge of copying the report to all hon. Members assembled in the Chamber, but I commend it to them. Conservatives are committed to the concept of zero waste and recognise that we have need a new mindset, moving away from the least-cost compliance to a recognition of the fact that metals are a valuable resource, as hon. Members, led by the hon. Member for Southampton, Test, have made clear. As my hon. Friend the Member for Banbury (Tony Baldry) said, that resource is a big earner for UK Ltd and a big employer, too. We are looking at policies dealing not just with landfill bans on metal, but with packaging reduction regulations and incentives for returning cans and bottles. That works successfully in Scandinavia: it gives people a vested interest in the issue, and we should explore it.

During the recent recess, while canvassing in the market town of Boroughbridge, I visited the little village of Milby Island, which is regularly flooded; although the flood defences have been improved in the rest of Boroughbridge, that is the one area that still floods. There is, regrettably, in the strategic overview for waste disposal at county level, a possible site for industrial waste disposal in this village, which would seem the least appropriate place to site it anywhere in the county because of the problem of road access and because it is prone to flooding. Obviously, all the villagers at Milby and all the residents of Boroughbridge are opposed to such a site. However, when I asked whether there were any other issues that concerned them, they said that they would like more recycling, particularly of plastics, including plastic bottles. I said, "You do not wish to see an industrial recycling plant in your own market town, but you would like to see a plastic bottle recycling plant in some other little village in the Vale of York or elsewhere in north Yorkshire."

Perhaps there is a way forward that would cause less grief. Inevitably, recycling sites tend to be based in the little villages of North Yorkshire. Such a situation raises many planning issues not faced by other European countries, which have a much bigger landmass. The Minister and all hon. Members are apprised of this challenge. In respect of the concept of zero waste, we are wedded to the concept of revising our thinking on powerful consumer culture. For

[Mr. Stewart Jackson]

is that, at the end of a process, the commensurate result is that, without proper infrastructure, the quality of life is reduced for all people, both existing residents and residents who are new to a particular area.

Top-down targets are creating unsustainable and unsuitable developments. I refer to the sage words of the Minister, when he spoke in a Westminster Hall debate before Christmas and said:

"My big fear is that in 20 years we shall have built homes that people do not want to live in, and will be putting more public money into them. They will not be sustainable and we shall have to think of regeneration areas for homes built between 2010 and 2015. That will not be good enough. The people of this country deserve better". [*Official Report, Westminster Hall*, 18 December 2007; Vol. 469, c. 210WH.]

I could not have put it better myself, after 11 years of a Labour Government.

A Conservative Government will empower local communities to build more homes by incentivising local communities. We will engage local residents more fully and restore authority and autonomy to local planning authorities, elected by local voters. People want to be consulted on the number of homes in their communities, not on the colour of the paint on the lamp posts. We do not want lip service and a Conservative Government will deliver proper consultation. We will scrap flawed density targets, which force the construction of flats and apartments at the expense of family homes. While I am at it, I will point out that the whole population and housing targets are flawed, the Barker report is flawed, and the statistics driven by the Office for National Statistics on population are completely flawed and inaccurate. The Conservatives will revisit those social and demographic data, which have driven the push for unpopular and centralised housing targets.

This Government have failed, even by their own limited terms, to honour their pledges on house building, and the answer is not even bigger and bolder targets. It is time to scrap those central targets and the predict-and-provide policy, and give power back to people and communities in Northamptonshire and across our country.

12.12 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): May I just say, Mr. Wilshire, what a pleasure it is to serve under your chairmanship? I, too, would like to congratulate the hon. Member for Kettering (Mr. Hollobone) on securing this important debate. Like the debate that he secured in December on infrastructure, it has been incredibly well attended, particularly by Opposition Members.

I think that everybody in the country and certainly all hon. Members recognise that housing is a key priority for the Government. We simply have not built enough homes for something like 35 years. Pressures and imbalances between the supply and demand for housing resulting from increased longevity and changes in the way we live, including our increasing tendency to live on our own, perhaps as a result of marital break-up or other factors, mean that we need to build more homes to address that imbalance. That is why in our housing Green Paper of last year—"Homes for the future: more affordable, more sustainable"—we made it clear that we must go further to meet the housing needs and aspirations of this and future generations.

Mr. Lancaster: Can the Minister just be clear and tell us if his priority is quantity or quality?

Mr. Wright: I am afraid that I am quite greedy on this issue and I do not want to have an either/or situation. The hon. Member for Peterborough (Mr. Jackson) referred to my remarks in a previous debate, and that was the point that I was making then. I think that the construction of poor-quality housing would mean that we would have to look at this issue again, with the additional investment of public money, in 20 or 30 years' time. One of the things that I am particularly keen on doing is promoting the importance of good design and planning. We really need to raise our game in terms of the design of houses in this country.

Going off on a tangent somewhat, if you will allow me, Mr. Wilshire, I would also suggest that, under planning policy statement 3, local authorities have the ability to reject housing applications on the grounds of poor design and quality, and I think that perhaps they should do so a lot more. I want to see more homes built in this country to address the needs of our country, but I also want them to be incredibly well built and well maintained, because therein lies the importance of sustainability. I would like the first decade of the 21st century to be recognised as a great era for architecture and good design, so that we have sustainability in the long term with regards to housing.

The hon. Member for North-East Milton Keynes (Mr. Lancaster) took me off on a tangent, so let me return to my main topic, which is housing need. We need something like 240,000 additional homes a year to address the imbalance between demand and supply and the resulting affordability pressures, to which I referred earlier. The Green Paper sets out proposals to deliver a total of 2 million new homes by 2016 and a total of 3 million new homes by 2020. I want to stress the central theme of my contribution today and make it clear from the outset that, as a Government, we do not want to impose housing on anyone. I do not think that such an imposition would be in anybody's interest. With the greatest of respect to the quality of the debate today, I would like to refer to what I thought was the most important intervention today, by the hon. Member for North-East Milton Keynes. I am paraphrasing somewhat, but he said that sustainability is dependent on "buy-in" from the local people. I could not agree more; I absolutely agree with that. It is incredibly important that to have housing development with a full buy-in from local people. If we do not have that, any development is unsustainable. The views of the local community are incredibly important and they need to be a key part of the whole planning process.

Tony Baldry: I am grateful to the Minister for giving way; he does so with his usual courtesy. In the light of the comments that he has just made, can he give me an undertaking that, if Oxford county council, Cherwell district council and the local community all come down against the proposed "eco-town" of Weston Otmoor, it will not go ahead?

Mr. Wright: In his contribution to the debate, the hon. Gentleman made an important point about eco-towns. He was trying to hint strongly—passionately, if I may say so—that we have somehow dictated that eco-towns would be built without any public consultation and without any due regard for the planning framework and process at all. If he will allow me, I come on to discuss how eco-towns fit into the whole planning process, because it is a very important issue.

If I may return to what I was saying before the hon. Gentleman's intervention, each authority must publish a statement of community involvement, or SCI, setting out how and when they intend to consult local communities. I understand that the north Northamptonshire joint planning unit area SCI encourages applicants for significant applications—generally speaking, developments of 100 or more dwellings, or developments of more than three hectares for residential development—to try to resolve issues prior to the submission of the application. The SCI also encourages applicants to submit a so-called "statement of engagement" covering their pre-submission community engagement and the way in which their proposals have changed as a result of that public consultation.

I also understand that public examination of the core strategy for the north Northamptonshire area recently ended, which is something that the hon. Member for Kettering mentioned. I hope that he shares my sense of encouragement at this major step forward in joint working. I speak as the proud chair of the Milton Keynes-south midlands inter-regional group, which is an impressive collaboration between four district councils and a county council that aims to rise to the challenge of housing growth that we need to address. I understand that the inspector's report is due within the next few weeks.

Mr. Stewart Jackson: I thank the Minister for his typically amiable and courteous decision to give way. Will he consider answering the point made by my hon. Friend the Member for Wellingborough (Mr. Bone), who said that developers are using the existing planning system to circumvent Government policy, disregarding the consultation policy that has been set down by land-banking and using the system of appeals to win approval for planning applications that may not be in the long-term interests of the local area?

Mr. Wright: I am a passionate supporter of the plan-led approach, because I think that any sporadic introduction of development is in nobody's interest. I understand the concerns expressed by the hon. Member for Peterborough and by the hon. Member for Wellingborough (Mr. Bone), but a robust local authority, working in conjunction with a local plan, is absolutely essential to ensure that that type of development does not go ahead. I would also say that pre-application discussion is vital to securing good partnerships between developers, local authorities and other key players to ensure that we get the housing growth that we need and also the infrastructure that that housing growth requires.

Mr. Bone: The Government may hope that that is happening, but the reality of the situation is that it is not. Planning applications are submitted, and councils feel that they are under pressure to approve them because of all the guidance. The odds are that their decisions will be overturned on appeal if they do not approve them. One third of appeals are upheld, and the number is increasing. The Government may hope that that does not happen, but it does.

Mr. Wright: I understand the hon. Gentleman's concerns, but I reiterate my earlier point about the importance of a plan-led approach and pre-application discussions to ensure co-operation. I do not want a stand-off between local authorities and developers, as that is not in anyone's interest. I want a good, mutually beneficial relationship between developers and local authorities. At the same time, local authorities must be robust in saying what is required for their area, including quality of design. It is important to ensure that there is a good—literally, constructive—relationship so that we get the homes and infrastructure that we need.

Dan Rogerson: Pre-application negotiations can be constructive, but, inevitably, the developer and local authority have different objectives. Would the Minister not concede that inflated target numbers strengthen the developer's hand? In any negotiation, a green light has, in effect, been given to the developer to try to press the local authority to weaken any commitment to provide, for example, a high number of affordable houses or other community benefits as part of the scheme. In fact, the targets give all the cards to the developer, not to the community through its local authority.

Mr. Wright: I disagree with the hon. Gentleman's essential premise. We have not given a green light to developers or given them the upper hand. As I said, with PPS3 and other things, local authorities are in the driving seat. Perhaps they need to use such tools a bit more than they do at present. Given that this debate is about public consultation on large-scale housing developments, I certainly think that the local authority has a key role to play.

Mr. Hollobone: Will the Minister give way?

Mr. Wright: Before I do so, I just want to say, in respect of the hon. Gentleman's area and the different pre-application discussions, that the north Northamptonshire statement of community involvement suggests a range of techniques that could be used. They vary according to whether a proposal accords with the development plan, but they could be used in his local area to secure that sort of partnership.

Mr. Hollobone: The development on Cranford road, Burton Latimer, which I mentioned earlier, completely undermines the Minister's case. He may be well intentioned and think that the planning system is working as he intends, but the reality on the ground in places such as Kettering is that it is not. In effect, decisions by Government inspectors undermine the local development framework that the Department set in place.

Mr. Wright: I still maintain that it is vital that we have a plan-led system that includes public involvement and consultation in its key principles. To reiterate what I said earlier, it is not in anybody's interest for houses to be plonked somewhere without due regard to the area, the views of local people and the infrastructure on which they will rely. I strongly believe that.

[Norman Baker]

I hope that the Minister will join me in encouraging the IOC and BOA to do something other than pretend that this is all a horrible dream that will go away.

Harry Cohen: The British Olympic Association has imposed a gag on British Olympic competitors. Should they not lift that gag?

Norman Baker: I understand that it has in fact lifted the gag under some pressure, but the hon. Gentleman is quite right that there was a gag in the first place. It is an absolute disgrace that people should be gagged in a country where there is free speech.

That relates to my next point. My fifth point is that the Minister should reiterate the helpful view of his Foreign Office colleague in the House of Lords that UK athletes are free to make comments about Tibet if they wish to do so. No one is forcing them to do so, but if they want to comment, they should be free to do so without fear of reprisal or sanction. If, when they are in China, they say that Tibet should be free, the British Government should protect them.

My sixth request is that the Government press Ban Ki-moon to send a special mission to Tibet to investigate the situation. He can do that without approval from the Security Council, where the Chinese would doubtless veto such a move. As the Minister will know, there is a precedent for such a mission from 1985, which involved Nigeria.

My next request is that the United Nations Committee on Human Rights send a special rapporteur to Tibet to report back on human rights abuses. I hope that the Government will agree that this and my previous request should be supported.

Next, I ask the Government to work with NATO, the EU and the G8 to produce a statement of condemnation, which has so far been sadly lacking.

Lastly—the Minister will not agree with this, but he should hold it in reserve—we should not rule out boycotting the opening ceremony. We should see how matters develop, but we should not rule out such a move.

The world has let Tibet down very badly over the past 50 years and it has a duty to repair that damage. This country, in particular, has a duty to do so, given our historical links with Tibet. The international community must come together to defend the peace-loving people of Tibet. The Chinese Government can kill, maim and torture under the auspices of patriotic re-education, and they can destroy and marginalise, but they will never destroy the spirit of the Tibetan people and they will never win their hearts and minds.

1.46 pm

Minister of State, Foreign and Commonwealth Office (Dr. Kim Howells): It is a great pleasure to serve in the debate under your chairmanship, Mr. Wilshire. I congratulate the hon. Member for Lewes (Norman Baker) on proposing this topic for debate at such an important moment.

Like the hon. Gentleman, many of us have been extremely troubled by the recent scenes of violence and unrest in Lhasa and other Tibetan areas. As he knows, the Prime Minister also takes a close personal interest. If I may, I should like to set out the situation as it stands, the underlying issues that the recent unrest has highlighted and our strategy on the way forward.

First, let me deal with the situation as it stands today. The demonstrations that began peacefully in Lhasa on 10 March, and which developed into outbursts of violence on 14 March, have now subsided. Unrest was still being reported in the provinces surrounding the so-called Tibet Autonomous Region after an uneasy calm had been restored to Lhasa itself. Official estimates of the casualties have been steadily increasing, and the authorities admitted on Friday that three of the 18 people officially reported dead were Tibetans. As we all know, the Tibetan Government in exile puts the figure much higher, at about 140.

Groups of journalists and diplomats have been taken to Lhasa on specially organised visits by the authorities, and our embassy in Beijing participated in that visit. However, it remains impossible to gain access to the TAR independently. As the hon. Gentleman said, there also remain severe restrictions on access to the surrounding provinces, and there is a significant security presence across Tibetan-populated areas, many of which, as he reminded us, are a long way from the TAR's present borders.

As we have heard, the Dalai Lama called again in a statement on 28 March for restraint and for a resolution of the underlying issues through dialogue. My hon. Friend the Member for Leyton and Wanstead (Harry Cohen) quite properly spoke of the significance of that statement, and it is groundbreaking. Despite that, the Chinese authorities continue to point the finger of blame for the violence firmly at the Dalai Lama and his supporters.

The rioting in Lhasa has been on a scale unseen since 1989, and the unrest elsewhere in Tibetan-populated areas is unprecedented. The current situation of Tibet is a vivid demonstration of many of the human rights concerns that we, as a country that aims to uphold international human rights standards across the world, find most troubling. The first, of course, is freedom of religion. We believe strongly that ordinary Tibetans must enjoy the right to live according to their traditions and customs. I pay tribute to the work that the hon. Gentleman has done over the years in pointing out the fact that special protection is needed for that precious culture and language, and that that does not mean being opposed to immigration—I am sure that, like me, he is not against immigration into this or other countries.

Freedom of expression is also necessary. There is no doubt that the demonstrations last month involved widespread violence, and in that situation the authorities in China, like those of anywhere else, are of course entitled to use proportionate force to quell them. Equally, however, where demonstrations are peaceful, like the first ones in Lhasa on 10 March, the right of individuals to make their views known, in Tibet or anywhere else, must be upheld. Peaceful advocacy of any cause—even one deeply unattractive to the Government—should not be criminalised, and journalists and others should enjoy the right to witness and report objectively on what they see. That is extremely important.

With wide scale arrests of those allegedly involved in the demonstrations, our focus must of course turn to trying to ensure the right to due process for those who have been detained. I know that in the short time

available to him the hon. Gentleman did not have time to talk about that, but I am sure that he agrees with me that it is very important. We raised the issue last week at the organised visit to Lhasa by diplomats, and we were pleased with the verbal commitment from the authorities that those who protested peacefully during the journalists' visit earlier last week would not be charged. However, we have not yet received a response to the international request made during the diplomats' visit—it is not just this country that has been making the calls—for access to the trials of those alleged to have been involved in the unrest.

The underlying human rights issues in Tibet are concerns that have been addressed regularly at the highest level in recent discussions between my right hon. Friends the Prime Minister and the Foreign Secretary and their Chinese counterparts. We have also pursued them through our bilateral dialogue with China on human rights, and through programmes funded through non-governmental organisations and research institutions. The last round of our bilateral rights dialogue, for example, included a field trip to Tibet. I was quite sceptical when I read about that, but we took a very interesting party there. There were experts on, among other things, devolution: devolving power realistically and effectively. That is something that we could certainly debate here, although there is not time at the moment.

As to our response to the current situation, when violence erupted the United Kingdom's response was fast and firm. Ministers went on the record as soon as the news broke of demonstrations becoming violent. The Prime Minister discussed the crisis in person with Premier Wen on 19 March and the Foreign Secretary discussed it with Foreign Minister Yang on 21 and 28 March. Further regular contact has been maintained with the Chinese embassy in London and through the Foreign Ministry in Beijing. I should like to take this opportunity to pay tribute to those officials who have worked round the clock to keep on top of the rapidly unfolding events.

Harry Cohen: The Minister has referred to the Prime Minister intervening quickly and discussing the matter with Premier Wen. It was good that he did so, but he reported to the House of Commons on 19 March that the Premier told him that

"subject to two things that the Dalai Lama has already said—that he does not support the total independence of Tibet and that he renounces violence—he would be prepared to enter into dialogue with the Dalai Lama." [*Official Report*, 19 March 2008; Vol. 473, c. 915.]

Will the Minister elaborate on that? Will there be face-to-face talks between Premier Wen and the Dalai Lama, and would not it be better for them to happen sooner, rather than later?

Dr. Howells: I certainly cannot give my hon. Friend any more information on that than he already has. If more becomes available I undertake to write to him and to copy the letter to the hon. Member for Lewes.

All along, our messages to both sides have been consistent and the Prime Minister will repeat them to the Dalai Lama when he meets him in London next month. They are: there should be an end to violence by those demonstrating and by the forces reacting to the demonstrations; there should be no use of excessive force by the authorities against those involved in violence, and no force should be used against those demonstrating peacefully; there must be due process for those detained; and there should also be an urgent resumption of the transparent and meaningful dialogue that the hon. Gentleman said is needed between Beijing and the Dalai Lama to resolve the underlying issues. I have no doubt that such face-to-face discussions as my hon. Friend the Member for Leyton and Wanstead mentioned would help.

We have been extremely active with international partners. We supported the EU presidency statement on 17 March and action in the UN Human Rights Council on 25 March. We participated in an extensive discussion of Tibet at the Gymnich, the informal EU Foreign Ministers' meeting, last week. The Prime Minister has discussed the situation in Tibet with Presidents Bush and Sarkozy, and it is hoped that he will be able to meet Ban Ki-moon, the Secretary-General of the UN, to discuss the issue, in the margins of this week's NATO summit in Bucharest.

Ben Chapman (Wirral, South) (Lab): Does the Minister agree with me that the way forward is through dialogue with the Chinese, and between the Chinese and the Tibetans, but that the dialogue is not particularly helped by a one-sided presentation of the facts, which ignores, for example, the violence against the Han Chinese in Tibet? Does he agree equally that it is not the best way forward to use the Olympic Games as a means of pressurising the Chinese, or to condemn the Chinese ambassador, who incidentally is a she not a he, for doing what is entirely proper in the circumstances and bearing the torch as a representative of her country?

Dr. Howells: My hon. Friend raises some important issues, and I agree with him on this: there should be no attacks on Han Chinese or anyone else in the streets of Lhasa, or any other city. I know that my hon. Friend and the hon. Member for Lewes would agree on that 100 per cent. It does no good to any cause when people are attacked in that way. The action of mobs can never be condoned. We must of course be very careful when we try to rationalise or defend such attacks simply because they are occurring to an ethnic minority or outsiders. We have seen the results of that all too often in the world.

In the few moments left to me I want to answer some of the points raised by the hon. Gentleman. Our priority must certainly be to ensure that the tense situation on the ground does not develop into violence or lead to further repression. That means making it clear to the authorities, but also to Tibetan groups, that we believe in peaceful resolution of the underlying problems in Tibet, not the use of force. However, the point that the hon. Gentleman made is the right one: there must be dialogue. Whether such events flare up every 30 years, they seem to happen, anyway, in the year before the end of each of our decades—it is not good enough. We cannot leave things to fester. There must be real dialogue.

Our priority also means pressing for unrestricted access to the region. I am sure that one of the answers is transparency. It is always a mistake—and we have tried it at times in our own history—to try to hide what happens. Those things will bubble to the surface and the sense of frustration increases. We need to get a clearer

[Ben Chapman]

an artist who studied at Carlett Park relatively recently, became, at 28, the youngest artist officially to paint the Queen.

Despite its success over the years, Carlett Park has not secured a position of stability and permanence, to my regret. It was threatened with closure in 1999, as it was then thought by senior management that the relocation of programmes to other sites would overall increase the number of students. I campaigned against that and presented, among other things, a petition with 7,000 signatures calling on the then Further Education Funding Council to reconsider the decision by the board of the college. The campaign was long and hard. I think that the campaign was the catalyst for the departure of the then principal and the board of governors. I am not hoping or anticipating that the same will be true in this instance, but it does highlight how strongly people feel about the site. Subsequently, the college was given a fresh start with a new board of governors. I had a modest part in all that, and it is frustrating and disappointing to observe that Carlett Park's future is again in jeopardy. Surely the opposition to its closure both then and now suggests that the site should be allowed to continue.

The site is occupied by various buildings making up the present campus, but part of it was sold in 2001, with outline planning permission, as the location of a housing development to be built by Westbury Homes – an issue to which I shall return later. That helped to alleviate considerably the serious indebtedness of the college at the time, but the housing has, if anything, become a hindrance to development of the site, because once people move in, they tend to resist development next-door. That is the nature of the human condition, and there is some suggestion that it has hindered development on the site. Obviously, the campus is now more compact than it was in the past. None the less, it is still a valuable part of Wirral Met, as we know it.

As well as the housing side, the main administrative functions of the college are at Carlett Park. Various courses are also taught there, including leisure, tourism and travel, occupational studies, public services, sport, computing and IT, entry to employment, music and media, and some health and safety, science and teacher education courses. It is, in a sense, a shadow of its former self, but it is still substantial.

In 2002, Carlett Park's 50th anniversary was celebrated. The celebrations included an exhibition at the site showing the contribution to education made by the college over the 50 years. Robin Cook came with me to see that exhibition and to visit the site.

The campus has been upgraded relatively recently and money has been spent on refurbishment, with a view, it is said, to a new focus on equipping students with the skills to enter local business and industry. Again, I shall return to that. In January 2007, planning permission was granted for phase 1 of the construction of a purpose-built sports hall. I think that I am right in saying that construction commenced at the end of March 2007, but the project was shelved due to lack of funding. In its place, a temporary fitness studio was installed at the same location.

In addition to the proposed sports hall, there has been the possibility of a long-term phased replacement of the current facilities with new buildings. Therefore, the potential for Carlett Park's continued development has recently been, and is currently, evident to senior management at Wirral Met. That makes the sudden closure decision all the more surprising. In my view, it is misguided. I should stress that this is the only campus in south Wirral. In the borough of Wirral, the next nearest is in Birkenhead. Carlett Park has, in that respect, what one might call a captive market, if it is allowed to be accessed. The reasons for the proposed closure are shrouded in a degree of unnecessary mystery. We have a press release on the plans to close Carlett Park, which says:

"The Board of Governors had commissioned analysis on exploring the range of options and, following analysis of educational needs and demands, they agreed that the college should now proceed to explore a two-site option in the north Wirral area and develop a business case for maintaining a presence in the south Wirral area."

Words mean what they say. When the board says that it will develop a business case, it does not mean that it will make use of that case. The case will also only be developed with a view to maintaining a presence in the south Wirral area, and a presence is not necessarily a campus.

The college says that the analysis cannot be made available either to me or to the general public for reasons of confidentiality. The only information that I have is from a recent meeting with senior management at the college at which I was told that other options included refurbishment of all the sites, a complete rebuild of Carlett Park, replacing Carlett Park with a new site – possibly in the south of the borough – and the building of a super-site college on a single site serving the whole of Wirral.

The board decided to go for the two-site option. I maintain that the research commissioned by the board to inform its decision should have been made available so that we could understand and analyse the reasons behind the proposed closure. Understandably, the board is not keen to duplicate facilities between campuses, but Carlett Park is the only campus in the south. It cannot be right for the college to be based only in the north. In the press release it states that the college is

"aware of the educational needs and potential opportunities for those who live in the more deprived parts of Wirral."

It continues:

"We understand that the Government has made a significant amount of money available to help FE colleges improve their buildings."

That is very welcome.

"To get a share of this money for Wirral, the college would have to show that it meets the needs of the whole Wirral community."

How can that be achieved if the south is left out?

I believe that there are numerous ways in which Carlett Park's resourcing facilities could be made to meet the needs of the whole Wirral community. More importantly, there are strong arguments regarding maintaining the current location of such resources.

According to Wirral Met's Ofsted inspection report from May 2007, the college has been effective at reaching its goal of enrolling a high number of students who were previously not in education, employment or training, otherwise known as NEET learners. The college has also increased the percentage of learners from wards

with high widening participation factors—from 27 per cent. in 1998 to 1999, to 48 per cent. in 2006 to 2007. In order to further those goals, the new principal—he took up position in 2006 with a proactive agenda to address local community learning needs—is working on those issues. To maintain such an increase in learning participation, it is imperative that Carlett Park remains open and available as an option to all those who wish to enter further education.

We are now told that only some 2,300 students study at Carlett Park. That is a large number, but admittedly small in relation to those in the north. However, it has, to a large extent, become a self-fulfilling prophecy and there have been sins of commission as well as omission. Relatively few courses are now taught at Carlett Park. Opportunities to serve business needs have been tragically ignored. The science laboratories and engineering departments that once made Carlett Park a thriving college have long been taken away.

According to Wirral South's indices of mass deprivation 2004, in which Wirral's super output areas are ranked against each other, most of Eastham—the ward in which Carlett Park is located—and neighbouring Clatterbridge and Bromborough are ranked highly. That relative deprivation is not always identified on broader-scale deprivation rankings. The current opportunity to develop skills and employability that Carlett Park affords should not be taken away from the people of south Wirral, who generally feel that they are treated with scant attention compared with those in the north of the borough.

Child poverty statistics for Wirral, South from 2007 also demonstrate that some children living in wards adjacent to that in which Carlett Park is based are ranked higher than average. It does not make sense that Carlett Park, which caters for local students who are evidently in need of opportunities to learn a variety of skills and optimise their chance of success in life, should close.

On Carlett Park's doorstep is the centre of gravity of Wirral's industry and commerce. It houses the largest concentration of businesses and commerce in that part of Merseyside. Statistics show that 17 per cent. of employees in Wirral, South work in the manufacturing sector, compared with just 11 per cent. nationally. That is not surprising given that Wirral, South is home to organisations such as Unilever, which alone employs nearly 2,000 workers, and the Wirral international business park, which is seen as a strategic site by the Northwest Regional Development Agency. Many thousands of people are employed on that site. It houses, among other things, 15 major international companies.

There is also a major retail site known as the Croft retail park. One employer, Asda, currently employs 540 people—that is not extraordinary for the site or the national picture—and, if it gets planning permission, could recruit a further 80. Vauxhall Motors is located close by. Such organisations and businesses should be considered as a catchment for Carlett Park. Its southern boundary falls into Wirral's employment corridor, which runs along the Mersey side of the peninsula. The location represents a major economic opportunity for Wirral as a whole, but also exhibits serious deprivation. The so-called employment corridor is identified as the location with the greatest potential for securing European funding. There is also enormous scope for training in skills relating to those areas of industry and commerce.

The college has already capitalised on the construction industry of the north-west, but has failed to serve the needs of local industry to an adequate degree. With the Government's renewed emphasis on investment in apprenticeships, it seems that Carlett Park could facilitate the transition from a low-income, unskilled work force to one that masters and embraces the skills of contemporary and future industry, thanks to local work experience and partnership opportunities. I think that it is shameful that Carlett Park's proximity to south Wirral's industrial and managerial sector has not been exploited. The board and management should hang their heads in that regard.

I am taking up too much time, Mrs. Dean, and I will conclude shortly. On the issue of land and money, the size of Carlett Park previously made it a target for developers, and as I mentioned, some of it was sold off in 2001. Such short-term ways of acquiring money are often a driver in the wrong direction. Perhaps that feature of financing is behind the decision to close Carlett Park. It is good news that the Government, through the authorities, are making a large amount of money available. The college has an opportunity to secure a multi-million pound investment and, in order to do so, it has committed to create a world-class FE college, which does not include Carlett Park. That suggests that the long-term approach for Wirral Met college, in which the vision is to take into account the current and future needs of students across the peninsula, is not being adopted. To some extent, it appears that the college is hastening to pursue a policy of chasing the money that is available. I endorse the idea that the college should seek additional funds and grants, and that it should seek excellence, but it should not be at the cost of sacrificing such a valuable site to satisfy funding criteria. It is an upside-down approach.

It has been recognised by the management that considerable sums of money are needed to refurbish the older buildings on the Carlett Park site. Yet surely that kind of investment should be preferred over knocking down valuable older sites and building new ones, which will eventually also need refurbishment and additional investment.

Eastham is a nice and historic place in which to live. The village is in the Domesday Book, but it is not strong on facilities. Admittedly, it has a golf course, a rugby club and a country park, but it does not have a great deal of employment and facilities. We are in danger of tearing the heart out of it. There is overwhelming evidence that the campus is part of the fabric of Eastham and that it serves a crucial role in the local community; with the right direction, it could play a key role in south Wirral's future economic development. I urge the college and the Minister to reconsider the proposal. I know that a consultation will take place, and I urge people to participate in it. The most effective way in which to cover the whole area and ensure easy access to further education would be to maintain Carlett Park.

Mrs. Janet Dean (in the Chair): Order. The hon. Gentleman may wish to give the Minister time to respond.

Ben Chapman: Thank you, Mrs. Dean. I believe that decisions based principally on the availability of money need to be considered especially carefully. I am not sure that that has been the case.

[Mr. Alan Reid]

unlike the SNP, will enthusiastically participate in the coming debate on Scotland's future within the United Kingdom.

3.39 pm

Mr. Ben Wallace (Lancaster and Wyre) (Con): I welcome you to the Chair, Mrs. Dean, and I congratulate the hon. Member for Perth and North Perthshire (Pete Wishart) on securing the debate. Having listened from the sidelines as a Member of Parliament who represents an English constituency, the debate has reminded me of what I have missed, having moved south. Now I know what the Conservatives missed while not on Renfrewshire council for all those years, in the days of Hugh Henry and the like.

The debate is a missed opportunity. It could have been about the opportunities and challenges facing Scotland, but instead it has pretty much followed the line of the SNP since it was elected in May 2007, which is all about gloating. The party's justification for everything is, "We got more votes than you; we got rid of a few Liberal Democrat MSPs," and that is about it. I went to the Scottish Parliament and saw First Minister's questions last week, and that was the only answer that the First Minister, the right hon. Member for Banff and Buchan (Mr. Salmond), gave to any of the questions asked by the Opposition. He was saying, "Well, it doesn't matter, because we are more popular at the moment." However, we all know that popularity lasts only so long in grown-up politics. Real decisions have to come home to roost, and we have to stand by them.

We could have taken this opportunity to address UK issues that affect Scotland, such as defence. However, I am not surprised that the SNP did not want to address such issues, because it has no coherent defence policy whatsoever. I have a long memory and, as an ex-member of the Scots Guards, I follow closely pledges to save regiments, as well as marches through Dundee. The Black Watch is going to be saved by the SNP, but for what purpose, as the party has no defence policy whatsoever? The Scottish nationalists rushed to save RAF Leuchars and the base in Moray, but what are they going to fly in an independent Scotland? Who could forget Lieutenant-Colonel Crawford, the Scottish nationalist military adviser who said in a policy pamphlet for the SNP, in 1999, that we could replace Scotland's nuclear deterrent with chemical and biological weapon stocks? We cannot forget that. I am not sure what he is doing now, but no doubt he will make a surprise return to the SNP fold at some stage.

Unsurprisingly, this debate is about peddling the myth that the SNP speaks for Scotland and that it is building momentum. It is vital that the party has momentum, because without it people will realise that smart Alec is just that and nothing else. The SNP is absolutely determined that this referendum—it is trying sneakily to divide us on the commission—is all about building momentum. However, the facts speak for themselves, and show that that is a myth: 17 per cent. of people who were eligible to vote in May 2007 voted for the SNP. That is hardly a ringing democratic endorsement of proposed independence. In every one of the past few polls, less than 30 per cent. of respondents wanted independence. Interestingly, 12 per cent. wanted to abolish the Scottish Parliament—a mere 5 per cent. less than the percentage of eligible voters who wanted independence. Let us not get carried away with the myth.

Mr. MacNeil: We have failed to elicit a reasonable or understandable response from the Labour party on whether it wants the Scottish Parliament to have more powers. Does the hon. Gentleman favour giving greater powers to the Scottish Parliament and greater independent control to the Government in Edinburgh?

Mr. Wallace: I am a Scot and a Unionist, and I will do anything that helps Scotland to become more prosperous and more economically successful and to enjoy the security that the United Kingdom gives it. We can argue about Committees and the commission, but that is what I favour. If the ideas that come from the commission, whether from the Labour party, the Liberal Democrats or the Conservatives, make sense and help Scotland to do well, I will support them. However, my party and I will not support an outdated, destructive break-up of the United Kingdom for some pathetic doctrine that does nothing to help the country's poorer people other than to give them a pipe dream.

Rosemary McKenna: Does the hon. Gentleman agree that the SNP consistently tries to pick fights with Westminster, and that fostering grievances is its speciality? Does he agree that today's debate fulfils the predictions that an SNP Administration would mean years of constitutional wrangling instead of them getting on with ensuring that Scotland prospers?

Mr. Wallace: I agree. The tragedy is that it is a two-part strategy. The first part is to upset the English and other members of the UK, and create a logjam so that people such as the entrepreneurs whom we saw in Scotland at the weekend say, "Let's get this over with." The second part is to say that the party will keep the momentum going because it speaks for Scotland. That is a wicked trick to play on the electorate and on the UK.

We could have had some answers on the referendum. We could have been told whom the Scottish nationalists define as Scottish citizens. Will Scots who live in England or abroad get a vote? What about the English who live in Edinburgh, and those in the financial sector—will they get a vote? We do not get any answers to those questions, because, as we know, even if they answer those questions and say that Scottish-born people or people who have Scottish parents will have a vote, more Scots are against independence.

Mr. MacNeil *rose*

Mr. Wallace: Is the hon. Gentleman going to answer that? I shall give way if he answers the question.

Mr. MacNeil: It does not matter where someone is from: if they are registered in a Scottish constituency, they can vote. If they are a Scot who lives in Saudi Arabia, they are not registered and cannot vote. It is very simple.

Mr. Wallace: There we are; there is the answer. The hundreds of thousands of Scots who live in England because their jobs have sent them there, and the soldiers

who have been sent there, do not get a vote. That is exclusion, not inclusion—on the record. We know the game, and people will soon see that this is not about citizenship; it is about political manipulation.

My party and I are Unionist. I believe that we are stronger together than we would be if we were independent. I do not believe in every man for himself, and I believe that we share our security, our opportunities and our potential. However, the Scottish people might be given the alternative of destroying what we have built up over hundreds of years for some pipe dream that we could be better. I do not believe that many Scottish nationalist politicians go around trying to pretend that the Scots want to be independent because they dislike the English. Indeed, I do not think the Scots do so. However, my English and Welsh colleagues in the House could make that mistake if they thought that that was the case.

The SNP predominantly thinks that Scotland could be made better by destroying what we have, but I think that we could be better without destroying it. However, the Unionist parties in the House face some challenges from our colleagues. Our party has colleagues in all parts of the UK, because we are big enough to take differences of opinion, as opposed to the position of some former SNP members, who are now independents in Edinburgh. We accept dissension in our party. The real myth that we have to scotch is that the SNP speaks for Scotland, because it has never done so. Finally, none of the facts, including the SNP polls at the last election, opinion polls and the political make-up of the Scottish Parliament, shows that the SNP speaks for Scotland.

3.47 pm

The Minister of State, Scotland Office (David Cairns): I trust that you have enjoyed the debate, Mrs. Dean. The nation that gave the world the enlightenment and the rebirth of intellectualism continues to pioneer the way in profound political thought.

I congratulate the hon. Member for Perth and North Perthshire (Pete Wishart) on securing the debate, and congratulate all hon. Members who have taken part either by giving a speech or by way of intervention. However, there is a profound irony at the heart of the debate. The hon. Gentleman broke the land speed record to get a debate in the House on the work of the Calman commission before it has even started work. The commission so far consists of one member—the chairman, Sir Kenneth Calman—as the other members have not been appointed yet. The commission has not drawn up a work schedule or taken evidence from anyone yet, but the hon. Gentleman has rushed here to have a debate about it.

At the same time, his party's nationalist conversation, which has only one aim—to break up the United Kingdom—has not been within a country mile of the Scottish Parliament. Not only has it not been there, but the SNP brought out the national conversation in August, when the Parliament was in recess. Hon. Members on both sides of the House will recall that, for the past eight years, every time a sparrow died in Scotland in the summer, Nicola Sturgeon demanded a recall of Parliament so that it could be debated. Yet, here we have the most profound change imaginable to the governance of Scotland and the United Kingdom being debated without any recourse to the Scottish Parliament.

Why is that? The hon. Member for Perth and North Perthshire was given five chances during his speech to tell us when the national conversation was to be brought before the Scottish Parliament, but he failed on every occasion. Is it not ironic that a party that purports to want to give more and more powers to the Scottish Parliament does not trust it with the powers that it already has, or trust it to debate the national conversation? It would bring a finance motion to the Scottish Parliament to help to fund the party's version of an independence constitution. What absolute cowardice his party has demonstrated. It will not trust the elected representatives of the people of Scotland to debate the national conversation.

Mr. MacNeil: Will the Minister give way?

David Cairns: I will give way to the hon. Gentleman only once because I have only nine minutes. I suggest that he gives it his best shot.

Mr. MacNeil: The Minister just spoke about cowardice. I am sure that he will not display the cowardice that was demonstrated by people refusing to answer a simple question. Does he support more powers for the Scottish Parliament?

David Cairns: In the three years that I have been a Minister, I have delivered more powers for the Scottish Parliament, enhanced the powers of Ministers and MSPs, and overseen the transfer of powers from this place to the Scottish Parliament, so I have no fear of what Sir Kenneth Calman and his commission bring forward. Unlike other hon. Members, I will not make any judgments in advance of it.

I am proud to support my party and this Government. We created the Scottish Parliament and ensured that it has the powers that it needs to address the big issues that face the people of Scotland. When we were devising that Parliament, where was the SNP? It was nowhere to be seen.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): My hon. Friend the Minister is making an excellent speech. I served on the Cabinet sub-committee that drew up the Bill which subsequently became the Scotland Act 1998. It is fair to say that that sub-committee would have been astonished if, after 10 years, we did not feel confident about supporting the kind of commission that the Minister is commending to the House.

May I briefly refer the Minister to the point made by my hon. Friend the Member for Dumfries and Galloway (Mr. Brown)? I believe that the Cabinet sub-committee would also have been astounded if it had been told that the Treasury serving the United Kingdom Parliament had allocated £34 million for disabled children and their families, including vital national health services, with absolutely no idea where the money has gone.

David Cairns: My right hon. Friend is a great champion of the rights of disabled people and children, and he makes his point well. I would ally his point with the one made by my hon. Friend the Member for Ochil and South Perthshire (Gordon Banks). When Donald Dewar was First Minister, he had £14 billion to spend. Alex Salmond has £30 billion to spend, and the fact that he

[Mike Gapes]

of the elections by election monitors from abroad was prevented by the late issue of visas and other restrictions set by the authorities.

I have mentioned the question of the British Council, and I shall conclude my remarks on the matter. I mentioned the closure in January of the offices in St. Petersburg and Yekaterinburg, and I should like to place on record, on behalf of the Foreign Affairs Committee, our thanks to all the staff of the British Council, both in the UK and Russia, who have worked so hard for so long to build better relations between the two countries, and for their important work on a variety of things, including the accurate presentation of the English language and the British culture and way of life to many hundreds of thousands of Russians.

Twenty-eight Russians have lost their jobs as a result of the closure of the two British Council offices, and a library in St. Petersburg that was visited by 35,000 people a year has closed as a consequence of the harassment of the British Council by the Russian authorities. Some press reports say that the Russian authorities might allow the reopening of those facilities in a different way but, as I understand it, nothing has come of that. I am told that the lease on the office in St. Petersburg has been given up.

However, there is ongoing co-operation. There is a Russian art exhibition in central London at this very moment in Piccadilly. Later this year there will be a film festival. The British Council has been involved in organising a Turner exhibition to be held in Russia in the autumn. It is important to remember that despite the difficulties to which I have referred, many thousands of Russian citizens are coming to Britain without increasing visa restrictions, and that Russians are doing more business here. Indeed, most of the Russian elite send their children to British schools and keep their money in British bank accounts.

There is clearly an ongoing relationship between our two countries; at a human and personal level, it is probably greater than ever, despite the political difficulties. Relations between ordinary Russians and Britons are good. British people can go to Russia for tourism and other reasons, but we need improvement at the political level.

The unresolved and disgraceful murder on the streets of London of Alexander Litvinenko, a British citizen, and the introduction of polonium to the centre of London, which could have put thousands at risk, was outrageous. We should keep reminding the Russian Government that it is unacceptable that we are not able to try Mr. Lugovoi, who is accused of carrying out that murder. It is also unacceptable that other related issues cannot be resolved.

Today's debate is important in that it puts the Committee's report in the wider public domain. I am pleased that we have had that opportunity. I hope that the Minister will assure me that all efforts are being made to pursue the various issues that I have raised. We should continue to press Russia to comply with the international treaties that it has agreed to and signed. We should also make progress on the various arms control issues, which I mentioned only briefly.

3.2 pm

Sir John Stanley (Tonbridge and Malling) (Con): I am pleased to follow the hon. Member for Ilford, South (Mike Gapes), the Chairman of the Committee, in the House's consideration of what I believe to be an important report. I hope that the House will find it well informed and fairly balanced.

I find it difficult to be anything other than extremely concerned about the direction in which Russia has been going under President Putin—a direction that looks set to continue for several years to come, whatever post Mr. Putin holds. I note that in its response, the Foreign Office—in a wonderfully diplomatic Foreign Office-esque phrase—referred to

"the further shrinking of democratic space"

in Russia. I would have used rather plainer language. In my view, what has been going on is the steady erosion of fundamental human rights there.

As the hon. Gentleman observed, the writing is on the wall. The litmus test in most countries in the modern world is freedom of the media. On that test, Russia fails comprehensively. Since the Yeltsin era, one has seen a steady erosion of the media's freedom, particularly in television and radio broadcasts, which are the main source of information for most Russian people. Those individuals courageous enough to stand out against the regime—those who are seen by the regime to be serious political opponents or serious thorns in the flesh—have been subjected to personal intimidation, harassment, violence against their persons and against their homes, jailing and in some cases straight murder. Such murders have been committed both in Russia and, it appears, outside Russia.

When it comes to democratic elections, Russia's record is extremely disappointing. In its response, the Foreign Office referred to the obstruction being put in the face of international observers, describing it as

"significant and unprecedented obstruction from the Russian government."

That, of course, led to the Organisation for Security and Co-operation in Europe's specialist organisation for monitoring elections, the Office for Democratic Institutions and Human Rights, withdrawing from monitoring both the Duma and the presidential elections.

Mr. Wilshire: When the Select Committee was taking evidence about international election observers, was attention given to the internal feuding between the OSCE and ODIHR? As an election observer, I was in Russia at the time. I do not defend what the Russians did. It might not have been six of one and half a dozen of the other but there were circumstances that made the decision slightly more understandable.

Sir John Stanley: I think that ODIHR has a pretty good record in its independent monitoring and reporting of democratic elections. Its reports are therefore sometimes singularly unwelcome to less than democratic regimes. I believe that ODIHR was justified in withdrawing, given the restrictions put on its participation.

Of direct concern to the Foreign Office and the Committee was the appalling treatment of the British Council, a grant in aid body funded by the Foreign Office. It is utterly appalling that British Council, locally engaged Russian staff should have been subjected to

intimidation, harassment and calls in the night from the police. As we heard earlier, the British Council's offices outside Moscow had to be closed. Those actions were roundly condemned by the Foreign Secretary in a statement to the House on 17 January, and justifiably so.

The question that arises is what can the Government do in such circumstances. It has to be acknowledged that Russia is an independent sovereign state, and we therefore have only a limited ability to influence events there. That is particularly so given that Russia takes the view that almost anything concerned with human rights is an internal matter; it appears to turn a blind eye to the clear UN declaration of human rights, which stresses the total universality of those rights.

I offer the Minister three practical points. First, I hope that the Government will continue to take a positive and sympathetic position towards applications for political asylum from individuals from Russia. They have been extraordinarily courageous in speaking out and standing up to the regime, and they are likely to have to pay a severe penalty as a result. I was glad that earlier this week the Government decided to grant political asylum to Yelena Tregubova, an extremely brave journalist who outraged the Putin regime with her book, and then had a bomb explode at her home in Russia. One doubts whether those events were unrelated. The Government's decision was welcome, and I hope that it will be their continuing policy.

Andrew Mackinlay: I listened carefully to what the right hon. Gentleman said and to the example that he gave. I do not doubt for one moment the reasons that were given for granting political asylum in that case, but they must have been volunteered by Her Majesty's Government. The Government do not do that in every case, and the question is why not. The point is that, although some people should be granted political asylum, grave political misjudgements have been made in granting it to others, but that is never justified.

Sir John Stanley: I note the hon. Gentleman's views. His point is one for the Minister, who will no doubt wish to respond when he replies to the debate.

My second suggestion to the Government relates to the resources that the Foreign Office devotes to supporting non-governmental organisations and others in Russia that are bravely battling for improved human rights and standards of governance. I have been looking at the Foreign Office's latest human rights annual report, and the Foreign Office appears to be spreading its available help pretty thinly. The report says:

> "FCO project funds provided over £700,000 for 18 projects working with NGOs to promote human rights, good governance and reform in Russia during the 2006/07 financial year. Over £440,000 was allocated for a further 16 projects starting in 2007/08."

I put it to the Minister that a little more than £1 million spread over two years is a pretty marginal amount of support. Given the key importance of Russia and the human rights battle there, I hope that the Government will see whether they can find additional resources to devote to the issue.

I come now to my last suggestion. Although there is much that we can do bilaterally, we will have to act internationally if we are to stop and then reverse Russia's downward human rights trend. I therefore strongly urge the Foreign Office to continue to do all that it can in the available international forums to exert additional pressure on the Russian Government to improve their human rights performance. I am referring to what the Government can do at the UN, through the EU-Russia human rights dialogue, in the negotiations on the EU-Russia agreement and through the not inconsiderable contacts that take place between Russia and NATO. All those forums give the Foreign Office an important opportunity to press its human rights agenda.

I turn now to the two biggest bones of contention between what I would broadly call the west and Russia. First, there is the enlargement of NATO to include Ukraine and Georgia. I support making progress on their NATO membership. Both have a clear western orientation and have made significant improvements in democratic and human rights terms. There is more to do in both countries, and more would need to be achieved before they gained NATO membership, but they have made significant advances. They have shown that they are committed to NATO as a defence organisation and have made useful contributions to NATO deployments in operational theatres. For all those reasons, their applications should be supported.

Some say that Georgia should be excluded because of the frozen conflicts in Abkhazia and South Ossetia, but I do not buy that argument. I know that the EU is not the same as NATO, but it has taken Cyprus in despite the frozen conflict there—that particular freeze might be beginning to thaw, but that is the history. I should add that the one absolutely certain way to ensure that the frozen conflicts in Georgia remain frozen would be to tell the Russians that they were the justification for keeping Georgia outside NATO—that would mean a permanent freeze. I am disappointed that the Government appeared from what one read in the press to be sitting on the fence on this issue in Bucharest, but I hope that the Prime Minister can clarify the situation further if he reports back to the House. I would have hoped, however, that the Government were more supportive of these applications.

I turn now to the other bone of contention—ballistic missile defence. In wider security terms, this is far more significant than our difference of view with Russia over the applications by Ukraine and Georgia for NATO membership. I have received several briefings on ballistic missile defence from both sides of the Atlantic, although they are, admittedly, all non-classified, as is appropriate for me as a Back Bencher. Although I have an open mind and I am ready to be persuaded, I have so far seen no overall security benefit to western European from the ballistic missile defence deployment proposed by the United States. On any objective assessment, the security benefit to Europe appears pretty marginal. We are talking about a site in eastern Europe with just 10 anti-ballistic missile interceptors. The technology is far from proven and is incredibly demanding—the process has been likened to hitting a bullet with a bullet. Nothing that I have read suggests that anything like 100 per cent. success can be achieved.

One could argue that that does not really matter and that any degree of anti-ballistic missile defence is surely worth having, given the possible threat down the road from the Iranians, but we must look at both sides of the equation and at the downside, which appears considerable.

[Jo Swinson]

towards carbon capture and storage. The pilot scheme that is being supported by the Government to have a carbon capture and storage plant up and running by 2014 will not happen quickly enough, and if we really want to tackle the climate crisis the scheme should be progressed faster.

The issue of missile defence has been a huge source of tension between the UK and Russia, and between the US and Russia, particularly in relation to our hosting of the facilities at Fylingdales and Menwith Hill. People obviously have different views on that. I think that the technology is hugely expensive and yet unproven. More than $100 billion have already been invested in it, and that figure is set to rise to more than $150 billion in total over the next five years. Such technology could end up being a costly white elephant, although if it can be proven that the technology works—the two different parabolas were explained well in terms of how difficult it would be to get it to work—it could have some benefits for the UK. However, it is important that the matter is dealt with on a multilateral basis. Although a slight thawing of relations between the US and Russia on that matter is welcome, we must emphasise that NATO should also be involved. We should also involve other EU countries in talking to Russia about the issue. However, although some people are generally more in favour of the missile defence programme, even on a bilateral basis, I consider it difficult for anybody to justify the way the Government have gone about it. At Prime Minister's questions, Tony Blair said in answer to a question asked by my right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell):

> "I am sure that we will have the discussion in the House and, indeed, outside the House ... When we have a proposition to put, we will come back and put it." [*Official Report*, 28 February 2007, Vol. 457, c. 919-20.]

However, on 25 July 2007, in the last days before the parliamentary recess, one of more than 40 written statements from the Secretary of State for Defence announced that Menwith Hill would become part of the US ballistic missile defence programme.

I ask the Minister to reconsider. Perhaps he could speak to the business managers and get them to devote some Government time to debating the issue on the Floor of the House and, indeed, initiating a debate about it in the country. The issue is far too important to be dealt with in a written statement at the end of the parliamentary year. I congratulate the Select Committee on coming to a similar conclusion. The fact that we had a debate on the issue in 2003 is no excuse for us not having a debate now. So much has happened in the five years since then.

The Committee produced an excellent report, highlighting a variety of aspects of the important role that Russia is playing in respect of global security and on the international stage. It also shows the challenges that we face. It is timely that we are discussing it today. I am sure that many of the issues raised will, because they are changing rapidly, be raised again in the House. I hope in particular that the Minister will add his support to returning to the issue of ballistic missile defence in a dedicated debate that takes place, in the words of Tony Blair, in the House and, indeed, outside the House.

5.1 pm

Mr. Mark Francois (Rayleigh) (Con): It is a pleasure to serve under your chairmanship, Mr. Caton. I begin by thanking the Foreign Affairs Committee for its excellent report. Informative, thorough and weighty, it deserves to be taken seriously by the Government, the Opposition and those outside the House. It was compiled before the not-unexpected result of the Russian presidential election was known, but it loses none of its force for all that.

The report was ably introduced this afternoon, if I may say so, by the Chairman of the Select Committee, the hon. Member for Ilford, South (Mike Gapes). He was supported, if that is the word I should use, by a number of other members of the Committee who also participated in what has at times been a lively debate. We had contributions from my right hon. Friend the Member for Tonbridge and Malling (Sir John Stanley), the hon. Member for Thurrock (Andrew Mackinlay)—his speech was in his characteristic style—and my hon. Friend the Member for Orpington (Mr. Horam). Having listened to all those contributions carefully, I should observe that clearly a lively debate was had in preparing the report. To a degree, that was reflected in this Chamber today.

It is a pleasure to be debating opposite the Minister for Europe—it makes a change not to be debating the treaty of Lisbon. I understand that he recently suffered an injury while playing football for his country, in effect, in Bosnia, having organised a match with some Bosnian politicians. Hon. Members may like to know that the injury was not his fault; it was caused by an FCO official who fell on him. I wish that official the best of luck in his new posting, wherever it may be. Seriously, I wish the Minister a speedy recovery.

I will also take this opportunity to pay tribute to our retiring ambassador in Moscow, Sir Tony Brenton, who has done a very difficult job very well. There have been a number of tributes in the House to his performance. I would like to add one on behalf of Conservative Members. I also pay tribute to the staff of the British Council, both British and Russian, who have continued to do an important job very well in what have often been extremely trying circumstances. I place on the record our thanks to them.

All hon. Members who contributed to the debate have acknowledged that our relationship with Russia is of enormous importance to this country. Russia is again economically powerful. It maintains significant armed forces and is one of the world's most important energy suppliers. As the Committee identified, it is that last factor, at a time of high and growing world energy demand, that underpins Russia's new assessment of its role in the world and its ambitions. As the Committee rightly points out, the key word is "assertiveness". There is no doubt that the thrust of Russia's foreign policy in the past few years has been around one message: Russia is back.

It is also no secret that Anglo-Russian relations are at something of a low ebb. In part, perhaps, that is because the British and Russian bodies politic think so differently, so it is sometimes easy for us to misunderstand each other, rather than see eye to eye. That point was brought out in particular by my hon. Friend the Member for Spelthorne (Mr. Wilshire), who was arguing for greater dialogue at a number of levels.

The Committee was arguing that Russia is something of a hyper-realist while we in Britain believe that our ideals and values must always be taken into account, whether we are conservatives or, like the Foreign Secretary, maintain the previous Prime Minister's penchant for liberal interventionism at the heart of our thinking. We believe that relations between nations should and can be on a win-win basis, but it is apparent from Russia's foreign policy behaviour that the Kremlin believes that zero-sum games are more likely to be the norm.

That, in our view, is profoundly mistaken. There are real mutual interests and a potentially strong basis for co-operation. Anglo-Russian trade and bilateral investment is large and growing. Indeed, Britain remains one of the largest foreign investors in Russia—a point emphasised by my hon. Friend the Member for Mid-Sussex (Mr. Soames), who spoke knowledgeably about trading and business relationships between our two countries.

It is highly regrettable that Russia's unacceptable behaviour in a number of areas harms what should be a friendly and mutually beneficial relationship between our two countries. That behaviour includes the harassment of our ambassador and the intimidation and legal bullying of the British Council. It is particularly strange that the Government of a country in which culture rightly counts for so much in its rich history should want to persecute what is essentially a cultural organisation.

There is also the refusal to extradite a man accused of murdering a British citizen in our capital city in a particularly cruel and horrifying manner that placed others in great danger, even though both Britain and Russia are signatories to the European convention on extradition and both signed only some two years ago a memorandum of understanding on legal co-operation, which included an undertaking to

"co-operate in the sphere of extradition and in other issues of mutual legal assistance."

Andrew Mackinlay: Everyone understands the gravity of the crime that was carried out in London, but there is something that I do not understand, and this is where I think there is groupthink between the two Front Benches. Surely the hon. Gentleman is not suggesting that the Russians should extradite someone to London although they cannot have extradited back to them those people whom they want to bring before the courts in Moscow. It is just untenable—unrealistic—to suggest that that can be justified and that somehow their law is different from ours in quality.

Mr. Francois: Certainly no one would ever accuse the hon. Gentleman of groupthink. Nevertheless, given the severity of the crime, I do not agree with what I think I heard him say in his speech, which was that essentially we should draw a line under this and move on. I hope that I have not misrepresented him.

Andrew Mackinlay: Not totally.

Mr. Francois: Okay. I still think we have a difference of opinion. I can look the hon. Gentleman in the eye and say that Conservative Members believe that this is a very important matter and that, if relations between our two countries are to improve, which I stress is what we want, we must have some satisfaction in the matter. We perhaps believe that that should be pursued with slightly more energy than he does.

We are discussing important matters that cannot be overlooked. They remain grave impediments to the improved relationship with Russia that we wish for. Any improvement would necessitate a more co-operative approach by the Russian authorities. As the Minister will know, we have supported the tenor of the Government's approach on these issues. In our view, our approach to Russia should avoid inflammatory language but must remain firm. I look forward to listening to what he has to say about any progress made on this important matter.

On Kosovo, I should like to put on the record our regret at Russia's lack of co-operation on that admittedly difficult issue.

We hope that President Medvedev's election will be an opportunity for Russia to re-evaluate its relations with this country. I will be interested to hear the Minister's opinion of that and of the prospects for the meeting between the Presidents of the United States and Russia, which is due to take place shortly.

Missile defence will no doubt be one of the issues on the table at that meeting. We fully support the principle of a missile defence system in Europe. The threat of nuclear proliferation underlines the need to look seriously at such a system. Does the Minister share our view that decisions on missile defence should be taken on their merits and that no other country, Russia included, can have a veto over our allies' or our own security? I will be interested to hear his comments when he sums up.

The NATO summit in Bucharest is discussing, among other things, Georgia and Ukraine's interest in NATO membership. We hope that the Minister will agree with us in principle that if Ukraine and Georgia decide that they wish to join NATO as democratic sovereign Governments and if they meet NATO's standards, we should support those applications for membership.

I hope that the Minister will endorse our view that any bullying by Russia, such as talk of retargeting nuclear missiles, will not win it respect. The likely effect of such a threat is to make its neighbours seek to safeguard their security needs elsewhere. Threatening people is not generally a great way to win friends. The extent to which Russia's treatment of its neighbours has been counter-productive cannot be ignored. As the report notes, a Russia renewed in strength and eager to make use of its energy muscle has not, as one might have expected, drawn its near-abroad closer but has, in fact, done the opposite. As students of Anglo-Scottish history know, rough wooing did not win the bride. The Roman poet Ovid said:

"To be loved, be lovable".

Russia has been unlovable to some of its neighbours. It is proof of the efficacy of Europe's soft power and a deep flaw in Russia's approach to its neighbours that three former Soviet republics are now in the European Union and that Ukraine and Georgia are considering membership. I would urge the Russian Government to consider why that is. In our view, the European aspirations of those republics should not be discouraged. In particular, the Conservative party has supported Ukraine's right to take the first steps on the accession process since President Yushchenko announced that EU membership was a strategic goal for his country. I hope that the Minister will use his speech to commit the Government to similar support for Ukraine's EU ambitions and make it clear that no third country has a veto in that area.

[Joan Ruddock]

importance of metals and that those used for proper recycling purposes are an incredibly valuable resource. Obviously, we want to ensure that that is enshrined in law.

Miss McIntosh: I would be grateful if the hon. Lady wrote to me on this issue. Will she respond to the point made by the hon. Member for Southampton, Test (Dr. Whitehead) about the time scale and whether the matter will be resolved by comitology or co-decision? Will she also explain why the Government did not vote against the European trans-shipment directives? Doing so would have made life a lot easier for her, too.

Joan Ruddock: I am not in a position to say why we did not vote against those directives. Obviously, at the time I was not the Minister involved, but I will see whether there is anything useful that I can tell the hon. Lady. What really matters is that we try to overcome any existing problems. There have been problems but we have made great efforts to deal with them, and as I said, the important markets of China and India have been secured.

The hon. Lady has anticipated my comments on how we should proceed in changing the legislation. She will know that the industry is concerned that EU procedures should not delay agreement on end-of-waste criteria, and we very much agree. As she anticipated, I must be frank and say that there is some way to go before the revised directive can be adopted. The European Parliament's environment committee recently voted to adopt 81 amendments to the common position. The Second Reading in Parliament has not occurred and is scheduled to take place in June.

This is a difficult issue, and the question is whether it should be resolved by comitology or co-decision. My hon. Friend the Member for Southampton, Test and the hon. Member for Banbury both favour comitology, but the hon. Member for Vale of York disagrees. I have to tell her that although we all appreciate the importance of transparency, there has to be some trade-off. In this case, we are concerned to make more progress, and we believe that that is what the industry is demanding of us. The Government therefore believe that comitology is the way forward.

My hon. Friend asked about off cuts of metal, which is an important question. It is obvious to all that off cuts that are not polluted in any way remain the original resource, so we clearly ought not to classify them as waste. I can give my hon. Friend some good news. The Environment Agency will shortly publish guidance on when clean off cuts can be reused without regulatory control. I am sure that that is what he wants; it is obviously common sense to do so.

My hon. Friend went on to praise the end-of-life vehicles directive, the success of which we all very much appreciate. My constituency used to be littered with abandoned vehicles. They were removed by the local authority, which did the job efficiently and effectively but at great cost to the council tax payer. However, it is a success story, because much of that blight has now been removed from our streets. The majority of materials in such vehicles are metal. As my hon. Friend said—we all agree—they are successfully being recycled.

Over the next few years we face challenging EU targets on recovery and recycling. The target to reuse, recover or recycle 95 per cent. of the materials used in a car by 2015 is demanding by any standards. The metals recycling industry is vital to meeting those demands. However, only approximately 75 per cent. of a car is estimated to be made of metal. The question raised by a number of hon. Members, including the hon. Member for Brecon and Radnorshire, is how to recycle the remaining materials. One option suggested by my hon. Friend the Member for Southampton, Test concerned energy from waste. We expect there to be an increase in the provision of energy from waste facilities; for example, by 2020 energy recovery is expected to account for about 25 per cent. of municipal waste.

A number of hon. Members, including my hon. Friend and the hon. Member for Banbury, asked whether we would support a recycling taskforce. I shall need time to consider the matter further. The question was asked also by the British Metals Recycling Association. The local provision of recycling and recovery facilities must be decided locally, and the hon. Member for Vale of York illustrated why. Nationally, a long-standing consultation group on end-of-life vehicles, including the BMRA, meets regularly.

This year, a new advisory body was established on waste electrical and electronic equipment. There is also a waste strategy stakeholder forum. The House will see that a plethora of bodies is involved in recycling those materials that concern us today. We believe that together, those groups will provide the long-term strategic approach needed to enable us to achieve our targets. However, I would be happy to meet the BMRA to discuss the matter further.

Mr. Drew: Does my hon. Friend accept that the Environment Agency, which has specific responsibility in this area, is under significant pressure because of the wider remit of the Department for Environment, Food and Rural Affairs? Is it not right that we should ensure that the agency is properly capable of meeting the tasks that will increasingly become its responsibility?

Joan Ruddock: Absolutely. I have regular meetings with the Environment Agency. I assure my hon. Friend that if there are matters that the agency wishes to raise with me, they will be given proper attention.

My hon. Friend the Member for Stroud (Mr. Drew) intervened on the issue of planning earlier in our debate. DEFRA and the Department for Communities and Local Government are jointly consulting on ways to make the interface between planning and permitting more effective. Indeed, a protocol for planning authorities and the Environment Agency is under preparation.

My hon. Friend the Member for Southampton, Test questioned the capacity of treatment facilities. There are 1,500 authorised treatment facilities in the United Kingdom, 1,250 of which deal with passenger cars and light vans—the subject of the ELV directive. All have been permitted by the Environment Agency, and we believe that capacity is more than adequate.

A number of hon. Members asked about the certificate of destruction. One reason why the certificate is being taken up only slowly is the existence of an alternative means of informing the Driver and

Vehicle Licensing Agency that a vehicle has been scrapped—the tick box on the vehicle registration document that the owner may complete. The DVLA is carrying out an impact assessment on removing that alternative means of deregistration. Hon. Members can be sure that we are looking carefully at the certificate of destruction; we are working with the DVLA to promote awareness and to improve its operation.

The hon. Members for Banbury and for Vale of York spoke about the environmental permitting regulations. We believe that the changes will benefit both industry and regulators, including a wide range of businesses, but particularly smaller enterprises. Officials estimate that the reduced administrative burden on industry and regulators will lead to savings of about £76 million over 10 years. We do not endeavour to "regulate things out of existence". On the contrary, we want to encourage businesses and industry, but in certain quarters there are still illegal operations, rogue operators and much antisocial behaviour. For example, 150 end-of-life vehicle sites in the west midlands are being investigated by the Environment Agency; illegal activities were found to be taking place at 73 sites, so enforcement action is necessary. We need a balance in the regulations.

Several hon. Members raised the question of theft. Only a few weeks ago, an Association of Chief Police Officers conference recommended a national taskforce to address the increasing problem of metals theft. It is hoped that such a taskforce will go ahead, but that relies on the provision of £2 million of private finance.

This has been an excellent debate. I have already undertaken to write to hon. Members on some matters, but if anyone is seeking information on any other issues, I will be happy to write to them. Our recycling industry is very important and the metals are of great value. The Government very much applaud the activities of the industry and welcome further developments, and I express our intention to continue to work constructively with the industry.

Housing Developments (Consultation)

10.59 am

Mr. Philip Hollobone (Kettering) (Con): I thank you, Mr. Chope, and Mr. Speaker for granting me permission to speak on this subject. I welcome the Minister to his place to hear my constituents' concerns, to which he will respond in due course. It is not the first time that I have had the privilege of debating housing issues with him and I hope and expect that it will not be the last, because planning issues are extremely important to Kettering, north Northamptonshire and many places around the country. I see that many distinguished colleagues from all parties wish to take part in the debate and I shall welcome interventions on any subject that they feel is particularly important and will do my best to respond.

I begin with a quotation from the Secretary of State for Communities and Local Government. On assuming that exalted position on 28 June 2007, she said:

> "I have always championed local communities, and sought to give local people more influence and control over their lives".

That is a laudable aim, but I am afraid that the evidence on the ground in places such as Kettering suggests that people actually have less influence and control over their lives when it comes to large-scale housing applications.

Kettering and north Northamptonshire form part of one of the fastest growing housing development areas in the country. North Northamptonshire is the area covered by the districts of Corby, Kettering, Wellingborough and East Northamptonshire, which forms part of the Milton Keynes and south midlands growth area that is being promoted by the Government through their sustainable communities plan. There are four major areas of growth coming out of London: north Northamptonshire, the area that extends from London to Peterborough and beyond, the Thames Gateway, and the area between London and Ashford in Kent.

North Northamptonshire is the biggest single growth area outside London. It is set to grow to a planned population of more than 370,000 people by 2021—the equivalent of Bristol today. There will be 52,100 new houses and 47,400 new jobs. The rate of growth is faster than in the Thames Gateway or Milton Keynes: more than 2,100 new houses were built in 2006, and that will rise to 3,700 a year in the coming years. To deliver that growth on behalf of the Government, the district councils in north Northamptonshire, together with the county council, have worked through a joint planning committee to create an overall town planning strategy for the area, which is known as the north Northamptonshire core spatial strategy. That has been submitted to the Secretary of State and a public inquiry has taken place. Local people await the results with interest.

My starting point is this: local people have had absolutely no say on whether they want to live in an area with a population equivalent to that of Bristol. Local people want new houses for local people, but they do not want to live in the equivalent of a city.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): My hon. Friend is making a powerful point. The Government are keen to talk about sustainable

[Mrs. Riordan]

council meeting was held, and, once again, any ideas for the Piece hall were delayed till later this year and perhaps even until next year. It is just not good enough.

Last autumn, the council again announced a number of grand ideas based in and around the Piece hall. It seems as though it is a location around which to build a vision. That is a start, but it is another false dawn? I want that vision for a regenerated Halifax beginning in the Piece hall and moving outwards from there. The council seems to be moving in the right direction, yet at a recent town hall meeting councillors were still being asked what their ideas were for the future use of the Piece hall. Things should long since have moved on from that stage. Sometimes it seems that no one can make the final decision.

I have a newspaper cutting from the Halifax *Evening Courier* from 2003, explaining that plans were in place to transform the Piece hall into a major international centre, with a university faculty and apartments for town centre living, taking Halifax into the 21st century, but nothing has happened. Lack of funding, both locally and nationally, has often been a problem, as has the failure to chase available funding. Lack of marketing of the Piece hall is also an issue, although many dedicated people have tried hard to market it. I would not be surprised to hear that a Minister from the Department for Culture, Media and Sport had never visited the Piece hall, and it is time to put that right in the coming weeks and months. One Halifax *Evening Courier* reader said five years ago:

"To me this is a totally wasted building. There is so much you could do with the Piece Hall. If this was a place like York or Stratford-on-Avon there would be events on at the Piece Hall 52 weeks of the year. It's a lovely building and a disgrace that we don't use it enough at the moment."

A threefold approach is needed. The council should identify the future use of the Piece hall, and propose how it could be developed as a jewel in Halifax town centre's crown through the century. At the moment, too many ideas and plans are like sandcastles facing the incoming tide. There have been enough false dawns, and it is time to stop consulting and drawing up plans. We must find a vision, stick to it and deliver. To help to make that happen, the Government must be aware of the hall's importance as a cultural entity. Are Government funds available to tap into? What similar buildings around the country have been successfully redeveloped and a new use found for them with a new vision, while recognising the historic value of the building? The scheme must fit into overall regeneration of Halifax town centre. Too many plans do not tie together. Will the Minister urge the council to move its regeneration plans for the Piece hall to the forefront? The jewel in Halifax's crown is one of the finest buildings in the north of England. I have been delighted this afternoon to place on record the Piece hall's importance to Halifax town centre. If that helps to kick-start a new dawn for the hall, I shall be delighted. It is time to stop talking, and to start doing.

12.42 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): I am genuinely pleased that my hon. Friend the Member for Halifax (Mrs. Riordan) has secured this debate. I am a lover of history and architecture, so responding to such a debate thrills me. I am so pleased that she was able to secure it.

One of the jewels, if not the central jewel, in Halifax's crown is the Piece hall. The building is impressive in its own right, as is the key role that it should and does play in the economic life and heart of the town. My hon. Friend mentioned its history, and I have looked into that as a lover of history. It was opened in 1779 as a place where handloom weavers could sell their cloth. As we all know, tragically, that trade has declined over the centuries and there has been a change in the textile industry. However, it remains a place for trading, with changes to utilise the space for retail outlets, and the external space being used for markets.

Our predecessors had the foresight to recognise the Piece hall as an ancient monument way back in 1928, although it was more than 40 years before work was started to restore the building. I share my hon. Friend's concern about the pace of regeneration work. I understand that there was some success with major refurbishment of the hall in the 1970s and the development of the adjoining industrial museum, which gave the building a new lease of life. However, as we all know, in our part of the world in the 1970s and 1980s there were challenging economic conditions, and the creation of new retail developments had a negative impact on the building's role.

It is encouraging that the building's importance has not been forgotten. Since 2004, the council has committed to further investment in the building. I understand that it is proposed to allocate specifically to the Piece hall £600,000 of the original Heritage Lottery Fund townscape heritage initiative award of £1.4 million for the redevelopment of the Piece hall and the King Cross street areas. However and as my hon. Friend alluded to, the timescale for that development has been revised as part of that wider scheme, and we must refocus. I appreciate her role in bringing the matter to my attention. As a result of the development lagging behind, the Piece hall works could not be completed with the original townscape heritage initiative scheme, and the award has been reduced to £100,000 for emergency works only. We must redress that.

The Piece hall is playing a role as a key driver for other regeneration projects in the area. There is a wide and varied range of regeneration projects in the town centre, which is using the Piece hall as a focal point. I mentioned the council's commitment in 2004. In partnership with the regional development agency, Yorkshire Forward, it commissioned a strategic development framework for Halifax. The report highlighted the Piece hall and the wider architectural legacy of the townscape as a key priority for the economic and cultural regeneration of the town. Ideas from that strategic development framework for regeneration of the Piece hall have progressed, and the main conclusion is that the solution should be based not only on the Piece hall, important though that is, but on its relationship and interaction with the surrounding land and property, and its wider relationship with the urban fabric and infrastructure of Halifax. That is eminently sensible.

We are not starting from a completely flat base. Halifax benefited from a £7.8 million award under the EU urban II initiative back in December 2001. That has

been used to lever additional funds into the town with a total funding package of £25 million. Some of that funding has supported new businesses setting up in the Piece hall, and £350,000 from the single regeneration budget capital has been put toward the upgrade and repair of the town hall.

More generally, the funding has been used to develop a team of town centre ambassadors to establish a business crime reduction partnership. Both initiatives are helping to enhance and regenerate the area. New businesses have also benefited, with improvements to business premises being funded and grants given to business start-ups from the council and Yorkshire Forward. However, I take on board fully the point about the importance of the Piece hall. It is incredibly important.

My hon. Friend asked me about other areas throughout the country that have used a key architectural focal point as a means of facilitating economic regeneration. I can think of a number in my own patch and elsewhere. The NewcastleGateshead initiative has been tremendously successful in bringing former industrial buildings back into use, and the Baltic mill has been turned into a fantastic arts centre. It has been a major driver of regeneration in Newcastle and Gateshead.

My wife went to university in Leeds, so I know the Corn Exchange incredibly well. It has been redeveloped from a former industrial marketplace and now has a 21st-century use. Popping over the Pennines, Elevate is the pathfinder for the east Lancashire area. I visited Elevate at the back end of last year. It is housed in a former textile mill that used to employ 29,000 people in its heyday. Sadly, it no longer employs 29,000, but it has been regenerated and provides high-spec business space for organisations such as Elevate, which has also brought forward development in respect of retail, culture and fabrics. I like the idea that in the 18th and 19th centuries, the building was used to produce cotton that was exported all over the world, and that it is now involved in using culture and fashion to export high-value-added goods. There is a real 21st-century purpose to that building. Given the central focus of the Piece hall and the adjoining public realm area, I suspect that something similarly ambitious and vital could be done there.

Mrs. Cryer: I do not live quite in Keighley, but in Shipley and it has just occurred to me—I should have thought of it before—that it is adjacent to Saltaire, which is a world heritage site. It is presumably deemed to be so by UNESCO and I am wondering whether Piece hall yard, which is so similar to St. Mark's square in Venice, could be classed as a world heritage site, for example, to elevate its position. Presumably that would also bring in money. I am not sure whether that could be done; perhaps my hon. Friend can enlighten us.

Mr. Wright: I am not familiar with the criteria that UNESCO uses to designate world heritage sites, but I understand that the Piece hall is a grade I listed building. From the images that I have seen it has a wow factor, and, as my hon. Friend the Member for Halifax said at the start of her remarks, if it was in Rome or Florence, it would be in every tourist book. We need to push such sites because we have some real gems in the north of England that are a legacy of our industrial past and a sign of the industrial wealth that we used to create. We need to bring such sites back into use, so that we can have exciting, innovative and prosperous use from them in the 21st century. The Piece hall already has quality design, and it could help to provide the anchor for further regeneration of Halifax and the wider area.

I am keen to be involved with the Piece hall and would love to visit Halifax. I am already committed to visiting my hon. Friend the Member for Keighley (Mrs. Cryer) and the wider Bradford area, so I could combine the two in one day. I would love to have a look around and to talk to local authority and other partner agencies such as Yorkshire Forward, in order to establish what can be done for such a fantastic building, which, as my hon. Friend the Member for Halifax rightly said, is so attractive and central to Halifax. We need to ensure that it is brought back into use faster to help promote economic development and prosperity further.

Regeneration is not merely confined to the town centre, although that is important. The council has recently granted planning permission for Broad street, which is a major mixed-use development on the periphery of the town centre. From my hon. Friend's contribution, I understand her frustration with the development of Broad street and I sympathise with the strong message that she is advancing. I understand that the scheme includes a cinema for the town and associated leisure and commercial uses, including a new hotel. Halifax train station, through which I have passed, will also benefit. I take on board the point about ensuring that when people arrive in Halifax, they are provided with an attractive environment—that is very important.

Mrs. Riordan: I am pleased that my hon. Friend has referred to Halifax railway station. As he mentioned, we find that people often pass through Halifax because we do not promote it enough. Much work needs to be done to the railway station. For a town of the size and stature of Halifax, the railway station is simply not good enough. I am glad that he has put on the record that people pass Halifax by. We need people to stop there, and doing something with the Piece hall would help with that.

Mr. Wright: I am pleased to say that work is ongoing. It is important to have a sense of arrival and people are attracted to visiting York, Leeds and other places because of the idea of arriving at a well-maintained, ambitious building. I am pleased that major refurbishment and regeneration works are taking place at Halifax train station. I understand that from March 2009, the historic station canopy will be strengthened, which is important, and the footbridge will be refurbished. There will also be redecoration works. Further improvements to the station are being proposed by the Halifax train station stakeholder group, which will take advantage of the national station improvement programme to lever in further funds for the regeneration of the station as a whole. As a strong, passionate advocate for her town, I know that my hon. Friend will play a key part in that process.

Clearly, there are a number of facets to the regeneration of Halifax and the wider area. The new regeneration framework has been employed to support the Piece hall regeneration and to provide a basis for reconnecting the town with the train station and other areas that have perhaps become too fragmented during the past 20 or 30 years. A co-ordinated, holistic approach will take

[Mr. Iain Wright]

account of the gems in Halifax, such as the Piece hall, the surrounding public realm and the train station. If we can link those up together and provide an attractive environment, the regeneration and the prosperity of Halifax will fly.

On the back of that, the council is commissioning a master plan for Halifax town centre that will capitalise on and improve the physical links between the regeneration projects I have highlighted today. The plan will also make proposals for the future regeneration of the town that will be assessed for commercial viability and heritage impact as part of the process. A key objective for the master plan is to provide a new commercially viable future for the Piece hall. I was pleased to hear that Calderdale's draft local area agreement was submitted on time and that the proposed indicators have been accepted by central Government. The LAA notes the need for regeneration and actively promotes the use of cultural assets to achieve that. It also mentions the importance of the Piece hall.

The LAA is an important step forward. That vision, which was mentioned by my hon. Friend, is vital, and she is a great leader of it for Halifax. The vision encompasses other vital cultural strands, including a new university centre partnership between Calderdale college, Leeds Metropolitan university and the council. My hon. Friend mentioned the importance of higher education to provide a skills base for Halifax, and the partnership will work on the future provision of a university centre to be located in Halifax town centre. That is linked to the regeneration of the Piece hall and the surrounding area. My hon. Friend and I have an image in our minds of the fantastic potential of providing a skills quota regarding the Piece hall. In addition, the council is in close collaboration with voluntary and community organisations, particularly the Square Chapel Centre for the Arts, to cement its future as an integral element of the Piece hall quarter. That mix of cultural, educational and commercial provides a powerful option for achieving the ambitions for the Piece hall that we all share.

This has been a fascinating debate. To reiterate the point I made earlier, I am pleased that my hon. Friend secured time to raise the issue of the role of the Piece hall in the regeneration of Halifax town centre, the wider area and, frankly, the north of England as a whole—the issue is that important. As I said at the outset, I share strongly her view that the regeneration of the Piece hall should be the driver for the regeneration vision of the whole town. I understand that the council is committed to the development of the town and is working closely with the regional development agency Yorkshire Forward—to realise some of those ambitions. Obviously, there is a long way to go and where possible I and my Department want to help support the work that is taking place to develop the economy of Halifax and the wider Calderdale district.

I am sure that the 18th-century weavers would still recognise the fabric of the Piece hall, but we need to ensure that the vision that my hon. Friend mentioned is realised during the next few years, so that it has a fantastic, prosperous, world-class use for the 21st century. As an architectural gem, that is what the Piece hall deserves, and Halifax and my hon. Friend deserve that, as well.

Mr. David Wilshire (in the Chair): Order. Before I move on, perhaps I could mention that next time we have a debate on Halifax, a street plan of the town centre would help the Chair keep up with what is being discussed.

Wind Turbines

12.59 pm

Mr. Keith Simpson (Mid-Norfolk) (Con): It is a pleasure, Mr. Wilshire, to be in Westminster Hall under your chairmanship.

The debate comes against the background of the Energy Bill and the proposed reforms of the Government's renewables obligation. The question of offshore and inshore wind turbines is obviously controversial at the local level because, not least in my constituency, there is a suspicion that the Government are using the Planning Bill to take responsibility for planning away from local communities; indeed, if a project is deemed to be of national significance, it may be possible to fast-track it. Many people in Norfolk suspect that the subsidy system for developers gives them a financial incentive to appeal time and again against local planning decisions and the planning inspectorate, in opposition to the expressed views of local communities. I shall return to that central theme a little later.

The challenge is that the Government are committed to renewable targets that will be challenging if not difficult to achieve within the time frame, and they will be fined under European Union renewable energy targets if they fail to achieve them. None the less, I understand the constraints under which the Government are working. I do not oppose renewable supplies. We need a range of options—any reasonable person would accept that—and there are strong environmental and financial arguments for renewables, especially for wind turbines, both offshore and onshore. I am not against them in principle. The problem with onshore wind farms is that the race to establish targets is becoming increasingly biased against local considerations. It is that problem that I wish to address today.

In Norfolk, we have offshore and inshore wind turbines. Local opinion has been divided over the matter. In some areas, wind turbines have been broadly welcomed, and been built. In other areas, communities have been divided down the middle; it has been a most acrimonious debate. In some cases, including the one that I shall use as an illustration today, there has been almost total opposition.

Mr. Henry Bellingham (North-West Norfolk) (Con): My hon. Friend speaks of communities being divided. He will probably be aware that the community is bitterly divided over proposals in Marshland St. James. Tragically, one of the proposers, a farmer, committed suicide; another farmer's diesel tank was slashed; and one of the main opponents, a local borough councillor, suffered an arson attack on some of his outbuildings. The community is completely divided. Does my hon. Friend agree that small onshore clusters are hugely uneconomical and that, whenever possible, they should be placed offshore where they can achieve critical mass?

Mr. Simpson: I know that expert opinion is divided, but what my hon. Friend told us is also the opinion in my constituency, where similar developments are proposed. Indeed, in the case of the proposed development at Guestwick, the leaders of the local community told me that if the amount of power to be produced provided electricity for the neighbouring towns of Dereham, Fakenham and Aylsham, they would find it rather difficult to oppose it. However, research shows that it would produce only a limited amount.

I represent today a specific group of constituents who have been opposing the siting of six large wind turbines since 2004. They are convinced that an unintended consequence of what is effectively a Government subsidy is that, despite the development having been turned down by local planners, the developers have twice gone to appeal. They lost both times but now, four years later, they are seeking a judicial review—and if that is successful yet another planning inquiry. What is the cost to local democracy?

I shall briefly explain what has happened with that application. I suspect that similar examples can be found elsewhere in Norfolk and in other parts of the United Kingdom. Government subsidies are effectively being used by developers to achieve what is known locally as the Tesco factor: if one has enough money and one keeps coming back, one will eventually overwhelm the planning inspectorate—and even persuade local people, who have to use their own money to appeal, that it is not worth the fight.

In 2004, the developers Enertrag sought to gain planning permission to erect six wind turbines 120 m high in the open countryside at Guestwick in my constituency, about four miles north of where I live in the market town of Reepham. I do not have a vested interest, as I would not be able to see or hear the turbines, but I know the area only too well. It is within sight of the large village of Foulsham. The plan was opposed by an overwhelming majority of residents, and the application was turned down in 2005 on the recommendation of local planning officers and Norfolk county council, supported by Broadland district council's planning committee.

The Minister will be aware that local planning authorities think very hard indeed before rejecting planning applications because they risk not only having the decision overturned on appeal but having costs awarded against them if their decision is considered to be unreasonable. In my experience, they tend to go over such applications in great detail. They are only too well aware that there may be strong local opinion, but if they feel that their decision is likely to be challenged legally, they will normally allow the development to go ahead.

That was not so at Guestwick. The decision was appealed by the developers, and a public inquiry was held in 2006. Having heard detailed evidence from the developers and the district and parish councils, the planning inspectorate inspector ruled that the appeal should be dismissed because of the impact that the turbines would have on the landscape and the listed buildings in the area. The inspector's ruling was rejected by the developers, who appealed to the High Court to have the decision overturned. To the surprise of the local community, the Treasury solicitor decided not to contest the application. The decision of the inspector was set aside, and a second public inquiry was scheduled.

That inquiry was held in June 2007, under the auspices of yet another senior inspector. The developer's arguments were again rejected, and the appeal was dismissed for a second time. The grounds for that decision were virtually the same as those cited in 2006. The developers are now seeking a judicial review. If they win, they will seek a

[Mr. Mark Lancaster]

communities, but does he agree that any truly sustainable community must have the support of local people? Without that, a community cannot be sustainable. All too often, when we have consultations, local people feel that their views are simply ignored.

Mr. Hollobone: My hon. Friend is spot on as usual, and I pay tribute to him for the work that he does on behalf of his constituents on planning and many other issues. He is quite right—the biggest flaw in the development of north Northamptonshire is that there has not been a test of whether local people want the plans.

Mr. David Drew (Stroud) (Lab/Co-op): Will the hon. Gentleman include in that the opportunity to look at dispersed development? One problem with the process is that local areas are never given the opportunity to look at how they can develop in a more dispersed way in smaller towns and villages. Such development is never put on the agenda.

Mr. Hollobone: Dispersed development might be looked on in one of two ways, depending on one's locality. There is a powerful case for saying that if development is to take place, it will need to be as concentrated as possible in some areas so that it does not gobble up large parts of the countryside with greenfield development. I am sure that most of us would agree that brownfield development should take place before greenfield sites are built on. However, in other localities, local people might want more dispersed development. After all, in many parts of the country, development that has evolved over time has happened in such a dispersed way. It will vary from area to area, but the hon. Gentleman makes an important point that is doubtless important to his constituents and to his local area.

There are 36,000 houses in the borough of Kettering. The Government have made it a statutory provision on Kettering borough council, on which I have the privilege to serve as a local councillor, to provide an extra 13,100 new houses by 2021. In other words, the number of houses in the borough must increase by one third in a little more than 15 years. That is the Government's plan for the constituency that I represent. They would have had a far more powerful case for that development if they had had the courage of their convictions and put it to a referendum of local people. The Government could have made a powerful case for expansion on such a scale and if they had such a case, they could have won a referendum. The point made by my hon. Friend the Member for North-East Milton Keynes (Mr. Lancaster) would have been satisfied—popular support for the development could have been demonstrated in a referendum. However, there has been no referendum of local people.

Mr. Andrew Smith (Oxford, East) (Lab): I congratulate the hon. Gentleman on securing this debate on this important issue, and I agree with him about the importance of consultation with local people. However, is there not an almost unavoidable asymmetry? Those who might be adversely affected by development, or who fear that they might be adversely affected and who have a legitimate interest in infrastructure provision, traffic consequences and so on, are already there and know about the issues. However, many of the potential beneficiaries of a development, such as those struggling to get a foot on the housing ladder or those in desperate need of social housing, do not know that they will have the opportunity to live in such developments. All of us with public policy responsibilities must take account of the often desperate housing need that people face, but that might not be reflected fully in the sort of consultation that he advocates.

Mr. Hollobone: The right hon. Gentleman makes an important point and I agree with much of what he said. Clearly, some important housing needs are not being addressed sufficiently by Government policy, but it is not good enough to say, "There are housing problems in major cities, so we are going to build hundreds of thousands of new houses in areas that do not want them and on greenfield sites that should never be developed". Such developments will not enjoy the support of local people. My hon. Friend the Member for North-East Milton Keynes hit the nail on the head when he said that if such communities are to be sustainable, they must enjoy popular support.

I absolutely agree with the right hon. Member for Oxford, East (Mr. Smith) that we must do more to sort out housing provision in some of our large towns and cities, but the answer is not to increase the population of Kettering borough by one third, to knock down large numbers of terraced houses in cities in the north or to prevent areas such as Scotland, which want to grow, from meeting their housing needs. This is the 21st century, and the Government have espoused the importance of involving local communities and emphasised that local democracy should be seen to work, should take people's views into account and should influence Government policy. However, there is a great danger that the so-called sustainable communities plan will create no sustainable communities at all.

Mr. Peter Bone (Wellingborough) (Con): Yet again, my hon. Friend is sticking up for the residents of north Northamptonshire. The problem with the argument put forward by the right hon. Member for Oxford, East (Mr. Smith) is that it addresses only half the issue—the building of the houses, although we understand the need for them. The concern of my constituents, however, is that although they can see the houses being built, they cannot see the infrastructure—the schools, the hospitals and the roads. It seems that only half the problem is being tackled.

Mr. Hollobone: My hon. Friend is right. Wellingborough is next door to Kettering, and he and I deal with many similar problems on behalf of our constituents. Like me, he will know that the Government—perhaps despite their best intentions—are simply not living up to their promise to provide infrastructure, jobs and houses in that order.

When the plans for Northamptonshire were first unveiled in 2001, I got involved with a campaign group called STOP—Stop the Over-development Plans for Northamptonshire. We were not against development, but overdevelopment, which was defined as too many houses for the available infrastructure. At a meeting in the offices of Wellingborough council, we spoke to Lord Rooker, the Minister driving the plans forward at

that time. He promised me and Sir Peter Fry, the chairman of STOP, that we would have infrastructure first, then jobs and then houses, but the evidence on the ground simply does not support that.

Services at Kettering railway station will be cut this December, and the number of trains going north from Kettering will halve, while all the fast trains from London to Kettering will disappear. Similarly, some 70,000 vehicles a day use the A14 around Kettering, and the road is already at capacity. Despite having secured Adjournment debates and asked questions in Parliament about when the Highways Agency will introduce plans to improve the A14, we are still waiting for something to be done. Indeed, the agency is now talking about restricting local vehicles' access to this Highways Agency road. Furthermore, the number of police officers in the county is falling, school places are full and Kettering general hospital is bursting at the seams. It is not infrastructure that is leading the development, therefore, but houses, which is why more houses are being built in north Northamptonshire than in the Thames Gateway or Milton Keynes.

My point to the Minister is that if we are to have sustainable communities, the Government should test local opinion and put their case to local people in a referendum. However, I must tell him on behalf of my constituents that if he had held a referendum, he would have lost it. An overwhelming majority of people in my constituency are very suspicious of the Government's plans and do not believe that they are sustainable. They believe that the number of houses intended for Kettering borough is too great, that they will be delivered in too short a time and that we will not have the necessary infrastructure to support them.

In that respect, I pay tribute to two Kettering residents, John and Pat Brunige from Warkton village, who laboured night and day in the spring and summer of 2007, knocking on doors across Kettering—particularly around the Ise Lodge estate—and asking people to sign a petition. The petition, which I presented to the House in July 2007, asked that any new housing developments in the Kettering area should be sustainable and that the necessary additional infrastructure should be in place to support such housing provision. The petition was signed by almost 5,500 local people. On their own, Mr. and Mrs. Brunige have done more consultation with local residents than the Department for Communities and Local Government.

I want to use the second half of my speech to concentrate on a recent planning application for 215 houses, which demonstrates that, as far as the local authority is concerned, the Government simply are not being fair when it comes to the development of housing plans for Kettering borough. The big weakness in the Government's plans is that they have not tested local opinion, which is hostile to the proposed developments. Kettering borough council is doing its best in the face of a central Government diktat to make provision for the extra 13,100 houses. At the Government's behest, it is drawing up a local development framework to identify the sites where those houses will be built.

The background to the issue is that Kettering borough council's local development plan was in place in 1995 and ran through to 2005. The council was just about to update and renew it when the Government came along and said, "No, you can't do that. We're going to change the system. You're now part of this growth area. We want you to produce a local development framework to make provision for 13,100 extra houses." Ever since, the council has been working extremely hard to identify sites where the new houses could go.

That is not, however, preventing developers from coming forward. Kettering borough council is doing what the Government told it to do and identifying what we hope are sustainable sites for new houses. However, developers are also picking sites and putting in planning applications, and Kettering borough council is turning around and saying, "Just hang on a minute. We're doing what the Government instructed us to do. We're trying to identify where sustainable communities could best be placed." One such application—for a site with 215 houses in Cranford road, Burton Latimer—was submitted by developers called Deejak Properties Ltd. The application went in in 2006, and Kettering borough council worked closely with the applicants to see whether the site identified by them would be suitable for development, but it came to the conclusion that it would not. The developers appealed to the Secretary of State against the non-determination of the planning application by the council. To cut a long and very interesting story short, the developers won the appeal and the application has been given permission to proceed.

The point is that the area identified in the application—Cranford road in Burton Latimer—was in an area that had been designated as open space in the 1995 Kettering borough plan, but which had not been identified in the local development framework that the Government had insisted that the council draw up. Burton Latimer town council was unanimously against the application, largely on the grounds of surface water run-off, inadequate sewerage systems and the development's proposed location close to the Church street conservation area in Burton Latimer, which is very much at the heart of the village. There were also worries about the impact of traffic on the village's historic heart.

The Burton Latimer action group was established and included some very hard-working local residents, such as Tom Kelly, Harry Fry and Jan Smith. Numerous letters of objection to the application were sent in. The whole of Burton Latimer was opposed to the application and Kettering borough council recognised the concerns. The site was not one of those identified in the emerging local development framework. Agreement could not be reached with the developers, who appealed and won their case.

My point to the Minister is that if the Secretary of State for Communities and Local Government really believes in involving local people in decisions, she should let local people have a say on important matters that affect their towns and villages. The appeal was granted because the Government inspector said that the number of houses set to be built in Kettering in the next five years was not enough. She relied on paragraphs 69 to 71 of planning policy statement 3 in saying that Kettering needed to build more houses in the next five years, and that the application should therefore be granted. The problem with that is that it completely undermines the sustainable communities project. On the one hand the Government are telling borough councils such as Kettering: "Go and identify suitable sites that will be sustainable; we will have a look at your plan, and we might amend it, but basically it will be the master plan for the development of your local area"; but at the same time, under PPS3,

[Mr. Francois]

On European Union matters, everyone here knows that the Conservative party takes a very different view on many institutional issues from the Government Front-Bench team. For example, we see EU institutional self-aggrandisement as unnecessary, unwarranted, without any democratic legitimacy in this country and damaging to our national interests. We equally strongly believe that, where there is a common European interest, it is right that EU member states should work together to achieve their common goals. Indeed, it is precisely for the matters with which we are now dealing that the second pillar was established at Maastricht.

To some degree, Russia has practised a policy of divide and rule with European countries and the result has not been satisfactory for any of Russia's European partners, to put it mildly. Therefore, I endorse the Committee's call for a united and coherent EU-Russia policy to be a goal for Britain's EU policy this year.

The report makes a number of important points about energy security and supply. If the diversion of Russian energy supplies away from the EU market to China, for example, is not a realistic near-term prospect, that is crucial to any assessment of Russia's willingness to use energy as a political tool. While we have our anxieties about security of supply, Russia must equally have her concerns about security of demand. I believe that that is a fruitful avenue to explore, and I look forward to hearing what the Minister has to say on that point.

The Committee is right to draw urgent attention to the prospective shortfall in Russian gas production in the coming decade, which is potentially a very serious problem for both supplier and producer. A chief cause is, of course, lack of investment in Russian energy production. This is a nice illustration of the self-defeating nature of some of Russia's current policies. A closed energy sector, or one that appears to be closing, tends to prevent, or at least deter, foreign investment, while investors in any case are deterred by Government behaviour that has shown a very shaky respect for the rule of law. I will be interested to hear what assessment the Government have made of the likelihood of such a gas shortfall and what effect the Minister thinks it may have.

Over recent years, we have seen Russia become less free, less open and, unfortunately, less democratic, which is a cause of sorrow among Russia's friends. Sovereign democracy has come to mean a lot more about sovereignty and a lot less about democracy. We recognise that Russia's pride was badly hurt in the 1990s and that its restoration matters greatly to the Russian Government and people. To put it bluntly, the loss of empire can be a bruising experience. I hope that the time will soon come when Russia has regained the self-confidence to be a truly constructive partner with Europe, and not least with the United Kingdom. If and when that time comes, she will find those who wish her well, eager to work with her again.

5.15 pm

The Minister for Europe (Mr. Jim Murphy): It is a delight, Mr. Caton, to serve again under your chairmanship. We have had a very good debate about an excellent report. I will not be able to respond to every detail because of the time constraints. The Government have already made a considered and substantive response to the Foreign Affairs Committee's report. Nevertheless, we have heard a series of speeches today.

My hon. Friend the Member for Ilford, South (Mike Gapes), whose leadership and skill helped to shape the tone and thoroughness of today's report, made some introductory comments that helped to frame our careful and considered debate. We have had contributions from a variety of hon. Members and hon. Friends, including the hon. Members for Spelthorne (Mr. Wilshire) and for Mid-Sussex (Mr. Soames), the right hon. Member for Tonbridge and Malling (Sir John Stanley), the hon. Members for East Dunbartonshire (Jo Swinson) and for Orpington (Mr. Horam), my right hon. Friend the Member for Walsall, South (Mr. George) and the hon. Member for Rayleigh (Mr. Francois). Like the hon. Member for Rayleigh, I, too, have enjoyed the fact that, unlike many other debates on the European treaty, we have found common cause in so much today. I thank him for his best wishes for my speedy recovery from my self-inflicted wound. In the absence of a Government Whip, however, I would not like to test the will of the House on that wish in a vote.

We also heard from my hon. Friend the Member for Thurrock (Andrew Mackinlay). He reflected that he was not yet a Minister, which is a cause of great disappointment. *[Interruption.]* Not to him, of course, but in some parts of the world. I have reflected before that he and I used to share an office on the roof of the Palace of Westminster some 10 years ago. I am much more reticent about him now taking over my office at the Foreign and Commonwealth Office than his initial contribution seemed to suggest.

Like others, I want to pay tribute to Mr. Brenton, our excellent ambassador in Moscow. He has done a fantastic job representing British interests at a very important time on behalf of Her Majesty's Government. I also thank the British Council staff—both UK citizens and locally engaged staff—for the work that they have done in the past and the work that they continue to do under difficult circumstances.

It is clear that there are many reasons why it is important for the UK to work with Russia, which is a proud and important nation. Close engagement with Russia is important for the successful achievement of a wide range of the Government's international priorities, including counter-proliferation, conflict resolution, and climate and energy security. The UK-Russia bilateral trade and investment relationship is vibrant and continues to grow. In a recent interview in the *Financial Times*, the new President-elect Medvedev described the economic relationship as magnificent.

The election of President-elect Medvedev offers a real opportunity to work with Russia on the wider global agenda and to address our bilateral difficulties with Russia. Our Prime Minister told President-elect Medvedev in his letter of congratulations that he wanted to resolve the issues with frankness, but without rancour. Both the Prime Minister and President-elect Medvedev have expressed a desire to meet and to discuss the detailed issues in person.

Russia remains a key player and an important partner in international institutions such as the UN and G8. Although Russia and NATO have well known differences of opinion on some issues, there is a good

programme of NATO-Russia co-operation on matters of shared security concern, such as counter-narcotics and theatre missile defence. The EU and Russia share common interests and face many common challenges. We are working towards a new framework mandate for EU-Russia relations and negotiating a successor to the current partnership and co-operation agreement.

As has been mentioned, engagement with Russia does not always mean agreement with Russia. There are important strains in our relations that need to be addressed constructively—my hon. Friend the Member for Ilford, South and others talked about them in detail. Russia's actions against the British Council in January compounded our problems. As I said, the Prime Minister noted his desire to resolve the issue with President-elect Medvedev. It is encouraging that in the article in the *Financial Times* to which I referred, President-elect Medvedev said that an improvement in relations with the UK is in Russia's interests.

Russia's status as a global player means that she must abide by international commitments and operate from the same international rulebook. Russia's membership of a wide range of international organisations comes with obligations, as others have said, so I welcome President-elect Medvedev's focus on the need to strengthen the rule of law in Russia. That would significantly enhance Russia's ability to meet the standards that she has set herself—I am talking not about standards placed upon Russia, but those that she set for herself when she joined those organisations—and would make her a more predictable partner to deal with, both for Governments and business.

I should like to address some of the specific points raised by hon. Members. The British Council is a remarkable non-political organisation that works legitimately in Russia, and the Government continue to support fully its work, which has included interaction and activities that last year reached more than 1,250,000 Russians. Cultural activities last year included a British film festival in Moscow and, in the regions, the council taught English to thousands of Russians and helped thousands of Russians to secure internationally recognised qualifications. For those reasons, Russia's activities regarding two of the British Council offices are deeply regrettable. We continue to support its work and to look at how it could return to offer Russian citizens the level of support that it previously offered because, as we have made clear, they will lose out as a consequence. That argument has had some effect internationally. It does not befit a great nation such as Russia, which has such pride and self-confidence, to behave in such a way to an organisation that provides such support to her own citizens. On the specific point about the lease, I understand that the agreement between the landlord and the British Council has come to an end, which may interest my hon. Friend the Member for Ilford, South.

The hon. Member for Orpington and others mentioned energy supply. Russia supplies a quarter of the EU's gas, but almost a quarter of Russia's gross domestic product comes from oil and gas sales to the EU. Of course, the economics of pipelines make the EU Russia's only feasible market for much of that gas. From an EU and UK perspective, the UK is not reliant on directly imported Russian gas in the same way as other European states. However, it is in our strategic interests to have a diversity of routes for, and sources of, gas. That is one reason why, for example, it would be significant for Turkey to be an alternative energy hub and route to market for European gas. We continue to discuss that with the Government of Turkey—I was in Istanbul earlier this week to continue that conversation.

On NATO membership and the Bucharest summit, the United Kingdom will continue to support Ukraine's and Georgia's aspirations to join. The membership action plan, which has been agreed to, is an important step to that. Both nations have made valuable contributions to alliance operations. We welcome the democratic reforms in those countries and look forward to free and fair elections in Georgia in May. The action plan is the next step for Ukraine and Georgia on their direct way to membership. I can confirm that we support their application for the membership action plan. The following stage is a period of extensive engagement with both countries at a high political level to address outstanding questions pertaining to the applications.

No country has a veto on the process, including Russia. We can talk about the nature of regional influence, but although the countries are in proximity to Russia, they are proud and independent nations, and should have the right to exercise their foreign policy as such, as determined by democratically elected Governments. That is the context of their applications to join NATO. Another country that is not a member of NATO should not have a veto, nor does it.

On one level, missile defence is primarily an issue between the United States, the Czech Republic and Poland, as regards the current siting of the technical capacity. It is important, however, that that information is shared with NATO, as it is. That is of primary importance, but it is also important that some of the information is provided to, and shared with, Russia. The offer to do so exists. It is important to get across, whether on a political or technical level, that the siting of, and aspiration and ambition for, missile defence cannot on any objective assessment be considered a threat to Russian nuclear capabilities. The siting and scale of the missile defence, even as it is envisaged, could not be seen as a threat to the strategic capacity that Russia retains. It is an investment by the United States to frustrate and prevent potential attacks by rogue nations and certainly not a response to Russia's defence posture. Nevertheless, it is important to find ways in which to get the message across to Russia in such detailed conversations.

The hon. Member for Spelthorne was right about parliamentary engagement. My right hon. Friend the Member for Kingston upon Hull, East (Mr. Prescott), the former Deputy Prime Minister, is in St. Petersburg in his capacity as the chair of the UK delegation to the Parliamentary Assembly of the Council of Europe; the Home Affairs Committee will visit Moscow next month; the all-party human rights group is looking to visit in the autumn; and the all-party British-Russian parliamentary group is due to visit in September. Importantly, a variety of dialogues will take place in the coming months, but the hon. Gentleman is right to say that people other than politicians ought to be having such conversations.

I do not agree with the hon. Gentleman, however, on his assessment of the Russian elections. It was deeply and fundamentally disappointing that the Office for Democratic Institutions and Human Rights was not able to carry out—

[Sir John Stanley]

The Russian reaction has been exceptionally hostile so far. The proposed deployment has brought out the Russian regime's age-old and, it must be said, historically entirely understandable paranoia about encirclement and particularly about threats from the west.

Regrettably, President Putin has already suspended the agreement on conventional forces in Europe, which is a serious step. Much more serious, however, is his threat unilaterally to abrogate the intermediate-range nuclear forces treaty, which was concluded in 1987. That treaty is far and away the most significant nuclear weapons arms control agreement to have been entered into, and it has operated satisfactorily since it was first agreed. It led to the removal and dismantling of huge numbers of ballistic and cruise missiles with ranges of between 500 and 5,500 km. Perhaps most importantly, it ended a most dangerous and terrifying situation in Europe, whereby the decision takers with the nuclear trigger at their sides had only a few minutes to decide whether nuclear retaliation was justified.

That was an extraordinarily dangerous position for us to have got into, and was significantly alleviated, in terms of warning times, by the INF treaty. All of us in western Europe must ask whether we want to risk creating the situation from which we managed to escape as a result of the 1987 INF treaty. Do we want Russian ballistic missiles to move west and US and NATO cruise missiles to move east? Do we want to recreate a situation in which literally less than 10 minutes' warning is available for people living in Europe, including its capitals?

In January I was fortunate to hear someone who has made a remarkably important contribution to arms control issues for many years, former Senator Sam Nunn, in Washington with the NATO Parliamentary Assembly's defence committee. In a speech to us on 28 January entitled "The Mountain Top: A World Free of Nuclear Weapons" former Senator Nunn, who is now co-chairman of the Nuclear Threat Initiative, rightly drew attention to the fact that even today, supposedly after the end of the cold war,

> "The nuclear giants, the United States and Russia, continue to deploy thousands of nuclear weapons on ballistic missiles that can hit their targets in less than 30 minutes – a short warning time, prompt launch capability that carries with it an increasingly unacceptable risk of an accidental, mistaken or unauthorised launch."

He went on to say:

> "The United States and Russia should move to change the cold war posture of their deployed nuclear weapons to greatly increase warning time in both countries and ease our fingers away from the nuclear trigger."

What we must consider is whether, instead of increasing the already terrifyingly short warning time of 30 minutes, which former Senator Nunn is campaigning to change to at least two hours, we want to go in the other direction and get the warning time for western Europe down to 10 minutes or less, with an impossibly short time scale for decision taking to determine whether an alarm is genuine or not. That is what is at stake with ballistic missile defence deployment if it does indeed lead to the unilateral renunciation of the INF treaty.

In my view there has been wholly insufficient disclosure in detail by the Government of the implications for western Europe of the proposed BMD deployment. I strongly urge the Government that they need to repair that and to set out fully what the implications would be for western Europe if the deployment were to lead to the unilateral renunciation of the INF treaty. That is a fundamentally critical security issue for the whole of western Europe and the UK in particular.

3.23 pm

Andrew Mackinlay (Thurrock) (Lab): First, I join my colleagues in paying tribute to the United Kingdom ambassador in Moscow and expressing my shared concern for the staff at the British Council – both the United Kingdom staff and the Russian staff – who are the meat in the sandwich of the wider bilateral disagreement and conflict between the Russian Federation and the United Kingdom Government. It is a great pity that those staff members have suffered as they have; their careers have been damaged and in some cases truncated, which I greatly regret. However, as I shall explain, I think that there is a way forward, and that the cause of what has happened is not necessarily as has been detailed and enunciated in London.

My joining in those tributes concludes the elements of my speech on which there is a degree of unanimity in the Chamber, as I take a different view from many of my colleagues. I want to caution the House about "groupthink" and the flawed judgment of the Foreign and Commonwealth Office with respect to our bilateral relations with Russia, both currently and over many years. I interrupted my hon. Friend the Member for Ilford, South (Mike Gapes) when he mentioned Ceausescu in passing, and I cheekily mentioned that we had given Ceausescu and Mugabe knighthoods. That is not irrelevant, as it is indicative of the flawed judgment of the Foreign and Commonwealth Office on a range of major matters in years past, and today, particularly in relation to the Russian Federation.

I am not giving references for the Russian Federation. I see the flaws in its democratic procedures and justice system, but it is a country in transition, which has moved on enormously since the collapse of the Soviet Union. When the history of these times comes to be written from a different perspective, it will be recognised that there was an advance for the Russian people, for the wider interests of the global economy, and in other respects, during the period of President Putin. Despite all the deficiencies that can perhaps be attributed to his period of office, we need some balance, and should not be extravagant in our criticisms. It does us no good, it starts to be misleading, and it contributes to the flawed groupthink that is going on in London in respect of our bilateral relations with Russia. I caution the House against taking such an approach.

All too often one hears Ministers, to some extent, but more often diplomats, who still think that they are dealing with the weak Russia of the immediate aftermath of the collapse of the Soviet Union. It is no longer weak. It is justifiably proud, and we should listen to it and acknowledge some of the great contributions that it is making to reducing the potential for conflict in a fragile and dangerous world. For example, Russia was the architect of the idea now being pursued by the United States, the European Union, the United Kingdom and others, that Iran should be offered a way of having civil nuclear energy through dealing with the fuel cycle outside its territory. Indeed, that might be a way forward

for many states that need cheap energy from nuclear sources. Russia initiated that, but we never give it credit for its role as an interlocutor in many parts of the world where we have mutual interests, particularly in conflict resolution between or within states.

Mike Gapes: My hon. Friend is making an interesting contribution, and he knows that other members of the Committee did not always agree with his view. He has said that Russia's efforts to stop the Iranian nuclear programme were not given credit, but the report explicitly focused on that issue and drew attention to the point that he makes.

Andrew Mackinlay: I like to think that in my small way I contributed to that report, and my frustration is that neither my hon. Friend nor I are Foreign Office Ministers. We are today debating the Foreign Affairs Committee's report, but also the stewardship of foreign policy by my hon. Friend the Minister. I am addressing my remarks to the Foreign and Commonwealth Office, buttressed by the Select Committee report, of which I am a co-author. There were areas on which I departed from its view, and I may refer to them.

To complete what I was saying, I think that we mistakenly dismiss Russia's geographical scale and the fact that it is federal. In any federal system—I can think of another great big federal Government—there are flaws and deficiencies in democratic regimes, especially at state level. Justice is not consistent throughout the United States. That is even relevant in a small country like ours, where we talk about parliamentary democracy. I remember one of the criticisms made of Putin was that he appointed the governors of each state. On the face of it, perhaps they should be elected, but we must remind ourselves that half our Parliament is not elected. We cannot see the beam in our own eye. People may say that that is irrelevant, but I say that it is not. We should be cautious lest we trespass and form judgments about other countries' constitutions, particularly when they are in transition.

At one point, a mood about Russia—a resentment that it was no longer weak—could be found in London. Then we had a change of ministerial team. That, unfortunately, coincided with the Litvinenko case, which we handled badly. I am not minimising the gravity of the crime—it involved loss of life and a threat to Londoners—but the Russian Government were found guilty and condemned by both the press and politicians here, and I think that that was foolish and mistaken. It aggravated the situation. It certainly has not resolved it, as there have been no trials.

We now have frosty bilateral relations, and there has been a vortex of falling-out between us. One of the innocent casualties, in my view, was the British Council; it and its staff lost out. There was also a ridiculous tit for tat of expelling diplomats. If the United Kingdom has four fewer diplomats in Russia, and Russia has four fewer diplomats in London, the only people rejoicing are the taxpayers of the United Kingdom and Russia. Either those diplomats were not fully and gainfully employed, or we ought to end the absurdity of making such meaningless gestures, which grab headlines in the newspapers but do not advance our bilateral relations or capacity for diplomacy.

We were extremely arrogant and dismissive about Kosovo. Many of us have laboured over that dilemma. We desire to permit and facilitate national self-determination and we are fully aware of what happened in Kosovo and the former Yugoslavia, but we dismissed all too easily the Russian Federation's view on granting Kosovo independence—or rather, acknowledging its independence, as it is arguable whether it is unilateral or whether Kosovo has recognition. It certainly does not have a seat at the United Nations. The Russian Federation's point was that it was a breach of the Helsinki accords—I think that we must acknowledge that it was—to which it has adhered since the former Soviet Union signed up to them. Even if Kosovo was a one-off—I do not accept that it was, but it is the British Government's case that it was sui generis—we should still recognise that it is a serious departure, and that the Russian Federation had a legitimate point. However, that was swept aside. Not only was that unfair, it has had consequences: it aggravates the situation.

Now we are paying a heavy price. The Russian Federation is withdrawing from participation in the treaty on conventional armed forces in Europe, and unless we use the window of political opportunity presented by the election of the new President to rebuild relations, there will be further deterioration and loss in our relationship with Russia.

Mr. Wilshire: I am fascinated and pleased to discover that in the seven years since I left the Committee, nothing much seems to have changed with the hon. Gentleman. It was enjoyable then, and it is enjoyable now. He said that he doubts that the Kosovo situation is a one-off, and I agree, but would he care to speculate as to what report or statement from the British Government we would have before us if the Russians were to say, "It's a one-off in Transnistria; what's the problem? We're only helping people who want to assert their own independence"?

Andrew Mackinlay: I am not sure that I follow the hon. Gentleman, but the fact is that there are other conflicts. One is in Transnistria and Moldova, where there is a Russian minority who could say, on the basis of Kosovo, that it, too, is a one-off case. There is a degree of agreement between the hon. Gentleman and me that that is a danger. We can say that it is a one-off, but other states, communities and ethnic groups might say, "Oh no it's not." That is why I think the British Government and the Foreign Office have been blind.

The hon. Gentleman says that I have not changed. I am not going to change, but one thing that I have learned in the many years in which he has known me is that some things I say that are scoffed at become fact. I was prophetic, I believe, during the preparation of the report. On the enlargement of NATO, to which my friend, the right hon. Member for Tonbridge and Malling (Sir John Stanley), referred, the report makes it clear that in our view, if Georgia's application to NATO is to be advanced, Georgia should resolve its conflicts with national minorities. I moved an amendment, which was defeated—in fact, I think that I was the only person who voted for it—saying that Georgia's resolution of such conflicts should be a precondition for its NATO membership.

I claim some skill in prophecy because it would appear that our Prime Minister has taken note of what I said. I believe that in his discussions this week with President Sarkozy—the Prime Minister is in Bucharest

[David Cairns]

will not allocate £34 million to help disabled children speaks volumes about his party's priorities. *[Interruption.]* The priorities are to spend money on a national conversation, to support a website that is a forum for every swivel-eyed, bigoted, anti-English lunatic in Scotland and beyond to spew forth hate-mongering and obscenities and to cast aspersions on the United Kingdom and its flag. It is a matter of profound shame that those are his party's spending priorities. This Government's spending priority is to ensure that money goes to disabled children and those who care for them.

Pete Wishart: Will the Minister give way?

David Cairns: I will give way to the hon. Gentleman. I hope that he makes a better fist of it than his colleague did.

Pete Wishart: For clarification, who was the Minister referring to when he came up with the phrase "the McChattering classes"? To which group of people in Scotland was he referring?

David Cairns: Actually, I had in mind the people who write opinion columns in the *Sunday Herald* and *Scotland on Sunday*. In fact, the newspapers could save money on those who write those columns. They could send an office boy around to St. Andrews house to collect press releases rather than have Ian McWhirter write them.

Those are the people who I had in mind. One individual wrote a column in which he said that antisocial behaviour did not really exist, that it was something that Labour politicians invented in order to stigmatise young people. I said to that gentleman, "Come to Inverclyde any day. Don't tell me when you are coming, just come. We will open a map together, and you can pick any street you want. We will go to it together and ask the people of Inverclyde whether antisocial behaviour is something that Labour politicians invented." Those who are endlessly obsessed with the constitution, with balances of power and with grudge and grievance going back 300 years are not prepared to address the real concerns of the people of Scotland. That is why I have nothing to fear from a commission that will look at how the Scotland Act has worked.

Pete Wishart: Have a referendum.

David Cairns: So we are to have a yes-or-no referendum. That is interesting back-tracking, as my hon. Friend the Member for Falkirk (Mr. Joyce) said, on the position that applied this past weekend. I was looking forward to hearing about that position. One has to hand it to the Scottish National party: one thing it does really well is come up with slogans that rhyme. Who can forget "Scotland free by '93", or "Scotland free by 2003"? Now we are to have "Scotland free by STV"—or single transferable vote.

To advance seriously a way of deciding the future of our nation that could result in its becoming independent through a first preference of 26 per cent. of voters is taking the Scottish people for granted. The arrogance that has been displayed by the present Administration for the past year was encapsulated magnificently in a half-hour speech by the hon. Member for Perth and North Perthshire. The arrogance that they have demonstrated shows that, in the end, they will be seen to be out of touch with the ordinary people of Scotland, whose concerns are different.

It has been 10 years since the Scotland Act was passed. We remember what things were like before the Act, when a handful of Ministers in Dover house took all the decisions that affected health, education and transport in Scotland. We remember that that was wrong, and we remember how hard we worked to change the situation, and to have democratic accountability so that decisions on the big day in, day out issues—health, transport, crime—could be taken by Scottish politicians in Scotland who are closer to the people who they represent.

That is why when Tony Blair came to office in 1997 the Labour Government put devolution at the heart of what they did: we now have a Parliament in Scotland, an Assembly in Wales, an Assembly in London with a directly elected Mayor, and an Assembly in Northern Ireland. We have put devolving power throughout the United Kingdom at the heart of what we do, because letting the people exercise power at a level that is closer to them is part of our core principles as a party.

Devolution was an enormous event. Those who say that it was not are missing the most astonishing change in more than 300 years in the way in which this country governs itself. Of course, it was an event, but it was an event that contained within it a process.

Mr. MacNeil: Ah.

David Cairns: The hon. Gentleman says, "Ah". He has just woken up to that fact.

Mr. MacNeil: Will the Minister give way?

David Cairns: No, the hon. Gentleman can sit down. He made a hames of his one shot at intervening. He has just woken up to the fact that, since devolution, since 1999, there have been 165 Scotland Act orders, 14 of them transferring significant powers directly to Holyrood Ministers, and 34 of them changing UK laws as a result of Acts of the Scottish Parliament.

This Government created the Scottish Parliament and protected it. The SNP wants to destroy devolution because it is obsessed with a dogmatic proposition to break up the United Kingdom. We are proud Scots. We are proud of our country, our history, and what we have achieved. We are confident about the future. It is because we are proud Scots that we have confidence to stand with our friends and colleagues in England and Wales and remain part of a united kingdom. That is the will of the majority of the people in Scotland, and no amount of bluster from Alex Salmond or manufactured grievance and fights with Westminster will change that.

Small Pharmacies (Chelmsford)

4 pm

Mr. Simon Burns (West Chelmsford) (Con): I am grateful to have secured this debate on an issue that is extremely important not only to my constituents

Sitting suspended for a Division in the House.

4.20 pm

On resuming

Mr. Burns: I am delighted to have secured this debate on the important subject of applications determining whether businesses can establish pharmacies. I start by thanking the Minister, who over the past few weeks has been extremely helpful in meetings and conversations and in looking into the problems that I have raised with her. I am grateful for her attitude and the co-operation and help that she has given me.

There is a problem up and down the country. There is certainly a problem in my constituency, and I do not think that it is unique. Constituencies up and down the country have a first-class network of pharmacies. They are mostly small pharmacies and many of them are family-owned and family-run businesses that have blended well with the larger contemporary high-street pharmacies such as Boots. My constituents and others know the pharmacist in their local area. They are familiar with the business, and the people serving in the pharmacy know their customers and can give them personal advice and help, not only when they go there to have their prescriptions fulfilled but when they are buying other medication over the counter. A pharmacy is a vital part of a local community.

Until recently, if any business, be it large or small, wished to open another pharmacy in an area, the criteria that had to be considered before a decision was taken on an application included whether it was necessary and whether it was desirable. Unfortunately, the National Health Service (Pharmaceutical Services) Regulations 2005 changed that level playing field, regardless of whether a small or large operator was making the application.

Let me refer to regulation 13. For obvious reasons, this will apply mostly to larger operators—supermarkets, Boots and so on. Under regulation 13, provided that applicants fill in the application form 100 per cent. accurately and completely and provided that they promise to open for 100 hours a week, the primary care trusts have no power other than to approve the application, regardless of whether that is necessary or desirable. The hands of the PCTs are tied.

Ironically, when an application is submitted, there is a 45-day consultation process whereby members of the public and other interested parties can make their views on an application known. The downside is that the consultation process is utterly meaningless, because 100 per cent. of the responses could be against the granting of an application by, for example, a large supermarket, but the PCT would in no circumstances be able to refuse the application, provided that it met the criteria that the form had been accurately and completely filled in and the applicant was promising that the pharmacy would be open for 100 hours a week.

That is unfair. It creates an unfair, unlevel playing field for considering applications. I do not want to distort a market. One should not automatically say on every occasion that pharmacy services should be provided only by a small outlet. In certain circumstances, there is a role for supermarkets to provide pharmacy services, but let the decision-making process for the applications take place on a level playing field where everyone has to compete in the same conditions without the system being loaded in favour of the big operators, which, for a variety of reasons, can promise 100-hour opening.

The reason that I raise this issue is that there are two particular problems in my constituency. There is a problem involving the small family-run Waldman pharmacy in Chelmer village, next-door to Asda the supermarket—its front door is 50 ft away from the entrance to Asda. Ironically, Asda owns the property that the family run their business from and is their landlord. They have been providing the local Chelmer village community with pharmaceutical services for the past 25 years. They are well known and well liked in the local community, and they provide a first-class service. They know their customers and they can give advice as well as fulfilling the prescriptions presented to them.

In almost 21 years as a Member of Parliament, I have never had a single letter from anyone in my constituency complaining that they have not been able to obtain prescription drugs or non-prescription drugs in Chelmsford out of hours. That is because the pharmacies have a system in Chelmsford: they will be open on a Sunday and late in the evenings to meet the needs of the local population. No one has complained to me about the current situation, but Asda has made an application to open a pharmacy on its site, with 100 hours being promised. If that application is granted, it will almost certainly put out of business the family-run pharmacy next-door, for no other reason than that the application has been granted on an unlevel playing field and a small pharmacy cannot compete in the same way as a large supermarket. That is unfair.

If there were a series of complaints about the service that the pharmacy provided, it would be justifiable to say, "Let's look at what's going on and see whether there's a way to improve the current system and the service being provided, or perhaps we will have to change the supplier," but there never has been a complaint. People are happy with the service that they receive. For that reason, what is happening seems unfair.

It now emerges that, further round the northern arch of my constituency, in the town of Chelmsford, the Pharmacy, in Clematis Tye in Springfield, faces a threat from Sainsbury's, which is located in that part of the town and is making its third application, under regulation 13, with a promise of 100 hours of pharmacy opening time. That small community pharmacy will be put out of business if the application is granted. Again, that is wrong. We are talking about ruining the livelihoods of individuals who are very dedicated and have worked extremely hard, in the public interest, to provide a first-class service that is welcomed by customers and the local community that they serve. They will be put out of business at a stroke simply because of the bulk-buying and market power of a large faceless supermarket.

In addition, the supermarkets will not be able to build up the same relationship with their customers, because of the sheer nature of their business. Their business is determined by turnover and getting customers

11.20 am

The Minister for Lifelong Learning, Further and Higher Education (Bill Rammell): I congratulate my hon. Friend the Member for Wirral, South (Ben Chapman) on securing the debate. He is a powerful advocate, both publicly and privately, for his constituents. Indeed, he raised this specific issue with me on the Floor of the House at oral questions last week. In the Wirral and throughout the country, we need to face up to the skills challenge and we see our further education colleges as crucial drivers. That is critical.

My hon. Friend referred to the fact that in the recent past, hundreds of thousands in communities throughout England have benefited from the Government's investment in the college infrastructure. Colleges such as Wirral Metropolitan have taken the opportunity given by our investment of more than £2 billion in the past 10 years to develop world-class learning buildings and facilities. That is in stark contrast to the situation 11 years ago, when there was not one penny of capital funding in the mainstream FE capital budget. In the past 10 years, the Government's investment of more than £2 billion has ensured that learners have access to the state-of-the-art buildings and facilities that are essential if we are to meet our skills ambitions and the needs of our local communities.

We have recently announced in our "Building Colleges for the Future" capital strategy that a further £2.3 billion will be invested in the college estate in the next three years. I have seen examples up and down the country of the transformation of college buildings, facilities and opportunities. That gives the lie to those who claim that investment and money do not make a difference manifestly, they do make a difference. That investment will benefit generations of learners to come, help to meet the skills needs of employers and act as a genuine catalyst for community regeneration. Capital investment plays a crucial role in the Government's implementation of our priorities for young people and adults as set out in the 14-to-19 reform programme and our response to the Leitch review.

Modernisation of the FE estate is about not only bricks and mortar but creating the best possible learning environments that are accessible to all learners; ensuring that young people are excited by learning, so that they stay on in education and training; creating greater specialisation, so that businesses have access to a wider range of industry-specific skills development opportunities for their current and future employees; and creating community-owned facilities that meet local needs and can provide the important kick start for local regeneration. Ensuring that such facilities are accessible to those who most need them is critical, as my hon. Friend said; it is absolutely necessary if we are to maximise the public benefit of our investment.

Before talking about the specifics of the Wirral Metropolitan college, I should like to talk about the process for capital applications. It is crucial that any investment plans by colleges underpin their core mission of reflecting and responding to the diversity of their local communities, to provide high-quality learning opportunities for people in all parts of society who need to further their knowledge and improve their skills. That is a requirement for all the areas that a college covers, not just some of them. It means that a college must engage with all sections of the community when it is starting to plan any redevelopment project, to take into account the needs of the population that it serves. To be considered for public funding support, colleges are required by the Learning and Skills Council to demonstrate that their proposals will serve the educational needs of people in their local area. That is a genuine test through which local colleges must pass. Colleges must go through a robust, multi-stage process, whereby the educational and business cases are scrutinised. Public consultation is rightly an important part of that process and is required even before the plans can be approved in principle. Further widespread consultation will take place before planning permission can be granted.

On the heart of the argument that my hon. Friend made, Wirral Metropolitan college has begun the journey – it is at the start and not the end of a process. It is a medium-sized general FE college which, currently, as he made clear, occupies three campuses: Conway Park and 12 Quays in Birkenhead, and Carlett Park in Eastham in the south of the borough. In January last year, the college was considering a new sports facility at Carlett Park. In the subsequent months, the thinking of the college management and board broadened, and the college board of governors agreed to defer any decisions until a full range of options for redeveloping the college estate has been considered.

Following considerable research and analysis commissioned by the board of governors, a number of options have been investigated to ensure that there is an educational case to underpin them. As part of that process, the options were discussed with other interested parties such as the local authority director of children services, local councillors, and the principal of Birkenhead sixth form college. On 5 March, the college governors reached their preferred option, which is to consolidate the colleges on the two sites in Birkenhead in north Wirral at the same time as developing the business case for maintaining a presence in south Wirral. The devil, as always, is in the detail, and I acknowledge that, as the consultation process goes forward, it is incumbent on the college and its governing body to explain clearly and precisely, locally, what is meant by "a presence in south Wirral", which is the very point that my hon. Friend made.

I should be clear that the college is at the earlier stage of the consultation process and no sites have been identified. The college's three recognised trade unions are supportive of the concentration option, which includes looking at the business case for "a presence in south Wirral". Since that in-principle decision, the college has begun to consult with current students and stakeholders, contacted Wirral's MPs, including my hon. Friend, and conducted a meeting with local councillors for Eastham. That is the minimum that needs to happen, and I urge that a fully comprehensive consultation process takes place.

The next stage is for the formal submission of the application in principle in June. It would be considered by the Learning and Skills Council's national property, local partnership, and regional finance teams. After that, it would require approval by the LSC north-west regional council and the LSC national capital committee. A full proposal is not anticipated until early 2009. I say that to communicate the point that an awful lot of water will flow under the bridge before a fully-fledged proposal comes forward. Within that, there must be

genuine opportunities for the local community, local stakeholders and, importantly, local MPs to make their voices heard. The director of the LSC for Greater Merseyside recently said that to be considered for funding support, the college must demonstrate that its proposal provides further education opportunities that meet the needs and demands of the Wirral to support education and training for the next 30 to 40 years.

A comprehensive prospectus for the whole of the Wirral community must be put forward. Clearly, the issue of access will need to be addressed. At the moment, 85 per cent. of learners at Carlett Park travel more than 3 miles in contrast to northern campuses, where more than half of learners live within 3 miles. The issue of access and transport must be addressed.

It is ultimately a matter for local decision and for the governing body of the college as an independent institution. It would be inappropriate for me to intervene directly. I am actually prohibited by legislation from doing so. Nevertheless, I strongly urge my hon. Friend to continue to engage on behalf of his constituents with the college governing body and the LSC to ensure that the college's plans meet the needs of all learners in the Wirral: in the whole of the community rather than just parts of it. Knowing my hon. Friend, I am sure that he will continue to make the case.

11.30 am

Sitting suspended until half-past Two o'clock.

Scotland Act 1998

2.30 pm

Pete Wishart (Perth and North Perthshire) (SNP): I welcome you to the Chair, Mrs. Dean. I am sure that you have heard that these excursions into Scottish politics are usually cosy, consensual affairs, and I expect that we shall see some of that. I have been looking forward immensely to the debate and cannot wait to hear some of the contributions of Labour Members. They did not have an opportunity to discuss this issue and their commission at their Aviemore conference, so I thought that I would helpfully oblige by supplying the debate today.

Is it not great that we are where we are now? Who would have believed that, in one short year, we would be where we are? Everyone agreed that devolution is a process, not an event. Everyone in this Chamber agreed that more powers are required for the Scottish Parliament. Who would have believed that the Conservative, Liberal, Scottish National and Labour parties would now demand more powers for the Scottish Parliament? It is remarkable, and we should take a moment to appreciate its full significance and importance. Of course, it was all started by the Scottish Government's national conversation. Now everyone is talking. We cannot shut them up any more.

In the past few days we have had significant contributions to that national debate. Sir Tom Hunter, Scotland's top businessman and entrepreneur, said that a referendum is required immediately.

Rosemary McKenna (Cumbernauld, Kilsyth and Kirkintilloch, East) (Lab): Did not Sir Tom Hunter say that the referendum should consist of only one question — yes or no to Scottish independence?

Pete Wishart: It took all of two minutes, so I am grateful for that intervention. Yes, of course it should be a one-option referendum — a yes or no. That is the Scottish National party's favoured position. If the hon. Lady had been paying attention she would know that that is exactly what we want. I shall come back to the issue of referendums.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): At what stage may we expect the SNP to take its national conversation to the Scottish Parliament?

Pete Wishart: The national conversation will go to the Scottish Parliament. Already we have had many significant and notable contributions: a succession of Labour former Ministers, Labour Members of the European Parliament and current Labour Members of Parliament have added to the national conversation in the past few days. The hon. Member for Midlothian (Mr. Hamilton), who is in his place now, said:

"We should have a referendum sooner, rather than later."

The hon. Member for Glasgow, North-West (John Robertson) said:

"We should go for it now, get this out of the way and then focus on the issues that matter."

The hon. Member for Linlithgow and East Falkirk (Michael Connarty), who wanted to attend the debate, but could not, said Labour

[Dr. Howells]

picture of the situation on the ground in Tibet. Of course we worry about the way in which the character of the country is changing, but some things can change for the better. Those will include, if some of the news that we get from Beijing, rather than from India, is true, building hospitals, schools and infrastructure. The Tibetan people should have the opportunity to have those things, but underpinning that must be the sense that their political aspirations and sense of identity should not be stifled and stymied in any way.

We welcome last week's organised visit by journalists and diplomats, but, given that the security situation is apparently calm, we see no reason for access to Tibet and the surrounding provinces to continue to be restricted for those who wish to travel independently. It happened in the past: why should not it happen now? More generally we have welcomed the media regulations that were put in place for the Olympics, which provide for freedom of movement for foreign journalists around most of China. However, we believe firmly that those should be expanded to cover the whole country and should be applied to domestic journalists as well as foreigners and be extended beyond October. We shall continue to urge China to lift all restrictions on freedom of access to Tibet and the surrounding provinces for journalists and others wishing to visit, as long as the security situation allows. That is in China's own interests.

It being Two o'clock, the motion for the Adjournment of the sitting lapsed, without Question put.

Westminster Hall

Wednesday 2 April 2008

[MRS. JANET DEAN *in the Chair*]

Pulmonary Arterial Hypertension

Motion made, and Question proposed, That the sitting be now adjourned.—*[Siobhain McDonagh.]*

9.30 am

Nick Ainger (Carmarthen, West and South Pembrokeshire) (Lab): I wish to declare an interest—I am a trustee of the Pulmonary Hypertension Association UK—which is listed in the Register of Members' Interests. I am grateful for the opportunity to bring to the House's attention the grave concerns of expert clinicians, patients and their advocates about the preliminary recommendations in the National Institute for Health and Clinical Excellence appraisal consultation document, "Pulmonary arterial hypertension (adults)". The NICE appraisal committee is meeting today to consider the submissions to its consultation, which ended on 20 March, and I hope that it will take account of our deliberations.

Pulmonary arterial hypertension is a condition that causes high blood pressure in the pulmonary arteries, which carry blood from the heart to the lungs. The condition causes those arteries to thicken and narrow, restricting blood flow in the lungs. As a result, the right side of the heart must pump much harder. The symptoms are breathlessness, chest pain, angina, fatigue and fainting spells. So far, it is not curable, and if not treated, it leads to premature death. Treatment aims to improve patients' quality of life and extend life, enabling lung or heart and lung transplants to be made in suitable cases. Pulmonary arterial hypertension affects children and adults. It is a rare condition: NICE estimates its prevalence to be between 15 and 50 cases per million, which means that, at the top end of the range, 2,165 adults in England and Wales may have the condition. Approximately 1,500 patients are currently being treated.

The vast majority of PAH patients are treated in specialist centres, of which there are six in England and one in Scotland. The centres were designated by the Department of Health in 2001, are recognised internationally as centres of excellence and are world leaders in the development of PAH treatments. As a result of the expertise developed in the specialist centres, PAH patients' quality of life and life expectancy have improved significantly. Many patients who had to give up work have been able to resume their careers. Women with PAH have been supported successfully through pregnancy, which might have proved fatal a decade ago. Other patients have lived long enough to have transplants. Those life-transforming effects have been achieved through the skill and dedication of expert doctors and nurses working in specialist treatment centres and developing drug therapies that are effective in tackling this life-threatening condition.

Last year, the Department of Health asked NICE to appraise the main drug therapies for adults in specialist centres: epoprostenol, iloprost, bosentan, sitaxentan and sildenafil. The NICE appraisal committee published its preliminary recommendations and asked for comments by 20 March 2008. NICE recommends sildenafil for the treatment of PAH in adults. Where sildenafil is not effective or causes side effects, bosentan and sitaxentan may be used. Epoprostenol and iloprost, known as prostacyclins, are specifically not recommended for the treatment of PAH. Patients currently using prostacyclins may continue to use them, but the recommendation prevents new or existing patients from moving to those proven and successful treatments or using the drugs in combination with other authorised drugs proven to be effective. The recommendations do not apply to children.

Patients and clinicians have reacted to the preliminary recommendations with shock and disbelief. According to NICE, its recommendations that the use of prostacyclins be stopped are based purely on grounds of cost-effectiveness. The NICE appraisal committee states in its report:

> "The Committee reviewed the clinical effectiveness of each of the technologies under consideration. It agreed that studies had demonstrated the efficacy of intravenous epoprostenol, inhaled iloprost and oral bosentan, sitaxentan and sildenafil in improving exercise and functional capacity and symptoms of PAH relative to supportive care alone."

NICE does not question the clinical effectiveness of the drugs; the problem is the cost of prostacyclins. They are expensive drugs. Even though the price has fallen somewhat, annual drug costs for some patients may exceed £100,000. In NICE's opinion, because quality-adjusted life year costs exceed its recommended £20,000 to £30,000 threshold, the treatment is not cost-effective.

David Taylor (North-West Leicestershire) (Lab/Co-op): I congratulate my hon. Friend on securing this debate. Like many people, I have been contacted by constituents, including Anna Baker, with pulmonary arterial hypertension, even though the number of PAH patients in my constituency is small. They make the point that for a relatively rare disease—although PAH is probably under-diagnosed due to its non-specific symptoms—it is not appropriate to use the £30,000 threshold. If the number of diagnoses were higher, the unit cost of treatment would no doubt fall to a level that NICE might find acceptable. Does my hon. Friend agree?

Nick Ainger: I agree totally, and I will make that point in greater detail later. In my view, it is a key factor that the appraisal committee, sadly, did not take into account.

Paul Flynn (Newport, West) (Lab): My hon. Friend will recall that at a meeting held in the House a few years ago, the manufacturer of the main beneficial drug justified its price not according to the costs of production but according to the drug company's problems—I believe that some of its other major drugs had failed and, in order to stay solvent, it had to charge an extraordinarily high price for the drug. Is it not true that, in many cases in which NICE must attempt to set a limit, the problem is not with the drugs' efficacy but with their excessive cost, which is intended to provide solvency to drug companies? Would it not be better if the patents were handed out to other companies so the drugs could be sold for a price closer to the cost of production?

Nick Ainger: That is an interesting way of looking at it, but we must remember that drugs cost many millions of pounds to develop. I shall touch on ultra-orphan

[Mr. Keith Simpson]

third planning inquiry. If it is unsuccessful, they are prepared to resubmit their scheme.

In today's *Eastern Daily Press*, Mr. David Linley, the project manager for Enertrag, said:

"We are going to go ahead. At the end of the day, logic has to rule. We think it is a good site".

So logic has to rule, but not the spirit of the law or the views of the local community. That logic is based on the Government's renewable energy targets, the proposed changes to planning and the fact that, under a subsidy system, developers can keep returning until they have worn down the inspectors and the local community.

I do not suggest that the Minister or his predecessors had that in mind when drawing up the present system, but that is the consequence and it is affecting my constituents and those of my parliamentary neighbours in Norfolk and elsewhere. My constituents are disillusioned, angry and out of pocket. Local residents have had to fund their own legal representation.

Mr. Richard Bacon (South Norfolk) (Con): I was interested to hear what my hon. Friend had to say about Enertrag. It is trying to do something similar in my constituency, and when I criticised it at a public meeting for failing to turn up, it threatened to sue me for representing the views of local residents. Does not my hon. Friend agree that one of the most offensive aspects of this, apart from the arrogance of saying , "We are going ahead", is not simply that local residents have to fund their campaigns but that, through taxes and subsidies, they are funding the potential despoliation of their landscape?

Mr. Simpson: Not only does my hon. Friend have constituency experience of this; he is also a senior member of that most powerful of parliamentary Committees, the Public Accounts Committee, and he knows only too well the financial and regulatory aspects. The point that he raises fits in nicely with the thrust of my argument. He is right. I am talking about one village and a small hamlet, but the people themselves raised £15,000 for the first inquiry, and the second inquiry cost them £20,000. If it goes to a third inquiry, it will probably cost them £25,000. As he pointed out, it is costing them twice over – first, through the money that they had to raise and secondly through the indirect costs. Through taxation and through their electricity bills, they are effectively funding the developers, as well as having to fund their legal representation. That is wrong and unfair.

I bring this issue to Parliament to ask whether the Government recognise that, through their renewable strategy and what I believe are subsidies for developers, they are allowing the developers to bulldoze through applications for wind turbines against the wishes of local planners and local communities. That is undemocratic and unfair. If local communities faced the prospect of those sites producing a massive amount of power locally, they would find their arguments undercut. How are the Government going to address that imbalance, which is down to the law of unintended consequences? Will they consider establishing a legal fund to enable local communities to gain access to legal representation? Taxpayers already fund the developers, so they could also fund local communities. Let us have a level legal playing field. People in Norfolk recognise that something is unfair and undemocratic about the matter.

The Minister can expect more widespread opposition to centrally imposed targets. We want a proper renewables strategy and to bring local communities along with us on that, but the way in which developers currently go about it – perfectly legally – is producing widespread resistance and cynicism. I do not want my constituents to face one, two or three more appeals by a developer, which will cost them tens of thousands of pounds, for what they suspect will be a renewables wind farm that will not produce a significant contribution to the national grid.

Mr. David Wilshire (in the Chair): I understand that both the Minister and Mr. Simpson are willing for me to call Mr. Fraser, which I shall on the basis that he wrote to me to indicate that he would speak for only one minute.

1.11 pm

Christopher Fraser (South-West Norfolk) (Con): I have spoken to the Minister about my concerns. I congratulate my hon. Friend the Member for Mid-Norfolk (Mr. Simpson) on introducing this debate. The issue is extremely important to people throughout Norfolk and, I dare say, the country as a whole. It needs to be addressed with great sensitivity to local communities.

Many of my constituents feel that they get a raw deal from the Government's green agenda simply because they live in rural areas. More often than not, large-scale onshore wind turbines are built in rural areas. There are 10 in South-West Norfolk, and proposals for at least 27 more are in the pipeline, which would affect my constituents considerably. It is not surprising that local people are anxious that a precedent has been set and that western Norfolk could be forced to take more than its fair share. People there put up with the noise, shadow flickers and other visual impacts of wind turbines, but they do not benefit from lower energy bills, as my hon. Friend articulated.

Mains gas is not universally supplied in the area, and people who pay massively more for using oil and electricity believe that they are being penalised. Does the Minister agree that the Government need to make the benefits of renewable energy alternatives such as wind turbines more tangible directly to those who are forced to live with their effects, particularly because huge Government subsidies already make them very profitable? Currently, there is little or no local benefit of having wind turbines virtually in one's back garden, as in Norfolk. Will the Minister address that issue?

1.13 pm

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): I congratulate the hon. Member for Mid-Norfolk (Mr. Simpson) on securing the debate. I should explain to hon. Members that my hon. Friend the Minister for Energy is out of the country today on ministerial business, but I shall endeavour to answer the points that have been raised.

I welcome the debate because the issue is crucial and important not only in Norfolk but, as hon. Members have said, more widely throughout the country. I suspect

that it will become more important as time goes on. Today's debate gives us the opportunity to discuss subsidies, planning and support, and to set the record straight on some common misunderstandings of how the system operates.

The Government are committed to meeting targets for renewable energy. They probably have broad support among the population and the importance of the issue is widely recognised. Meeting those aims means getting good quality applications through the planning system and looking at how to improve the system in the longer term. The proposals in the Planning Bill, to which the hon. Member for Mid-Norfolk referred, will play an absolutely vital role.

I should like to set out in more detail how the planning system deals with such applications. Currently, applications for onshore projects that generate fewer than 50 MW of electricity are decided by the local planning authority using its powers under the Town and Country Planning Act 1990. Any proposed onshore development for the generation of more than 50 MW is decided on by the Secretary of State for Business, Enterprise and Regulatory Reform. Whoever makes the decision must take account of a series of considerations including landscape, visual impact, habitation and so on. Projects that do not meet the planning requirements are refused consent. There is not an automatic presumption that projects will go forward; in fact, around a third of such planning applications are turned down. Even when development has been agreed, local opinion is often reflected in conditions or mitigating factors that must be taken into account.

Local authorities have improved the speed at which they handle applications, and three quarters now meet the performance objectives. However, the Government wish to tackle parts of the planning process without removing the important voice of the local community, to which the hon. Gentleman referred. The Planning Bill, which the House is considering, will make changes. As part of that package, the Government envisage a national policy statement on renewables. We are used to statements that give guidance to planning authorities in planning policy as a whole. The Government will introduce statements that establish the case for infrastructure development and integrate environmental, social and economic objectives. The Bill will also establish an independent infrastructure planning commission to take decisions on nationally significant infrastructure projects for energy, including proposals for large-scale renewable projects that will produce more than 50 MW. The commission will take that role from the Secretary of State.

The national planning statements will provide the policy framework for the infrastructure planning commission's decisions, and smaller-scale renewables will benefit from planning reforms. The clarity on national need and impacts will be set out in the proposed national policy statements, but it will also be helpful for decisions that are taken under the 1990 Act. We recognise that change is necessary to ensure that we get the system right as we go forward.

There is new guidance in the climate change policy planning statement, which contains a requirement on local authorities to consider renewables applications favourably, and not simply to use an argument that states that a project could be located elsewhere.

Mr. Bellingham: I am grateful to the Minister for his explanation, but is he aware that the 50 MW ceiling or threshold encourages a lot of applicants to go for that capacity automatically so as to take it away from the local authority planning process? Does he agree that that is a flaw in the current system?

Mr. McFadden: I do not agree with the hon. Gentleman's last point, but I shall address the matter. I should stress that proposals for projects that will produce more than 50 MW does not remove the local authority role entirely from the process at all. The planning system is about ensuring not only that appropriate and acceptable development comes about, but that the public's voice can be heard. We need to ensure that applications are properly decided and controlled.

The hon. Member for Mid-Norfolk raised the issue of the subsidy and support that is available to people who participate in the process. In fact, extra funds are being directed to individuals and communities so that they can use the planning system and have a voice in their local area, but not to developers. On 25 March, the Secretary of State for Communities and Local Government announced that planning aid funding will be doubled to £3.2 million this year. That will enable more people to benefit from free independent advice so that they can comment on proposals and make representations at inquiries. Planning aid funding can help people to understand and use the planning system, participate in preparing plans, prepare comments on planning applications and represent themselves at public inquiries. The hon. Gentleman is therefore right that subsidy is available, but it is actually available to members of the public to help them take part in the process.

To continue on the theme of the incentives in the system, I want to deal now with the renewables obligation, which is a major part of the Government's policy platform on this issue.

Mr. Simpson: I am interested in the Minister's comment that the Department for Communities and Local Government has established a fund, which is to be welcomed, but what happens in cases such as that of my constituents, who have already had to go to law twice? First, I suspect that there will be a problem about whether they meet the criteria laid down by the Secretary of State. Secondly, I suspect that if they get a financial contribution once, they will not get one a second time. I am not nit-picking, because this is a hard case in which such issues have already arisen. What advice can he give my constituents?

Mr. McFadden: The hon. Gentleman will understand it if I do not get drawn into a discussion about a specific application in his constituency, and there are good planning and legal reasons why I should not do so. On the general point, however, developers must also bear the costs and incentives in mind. If they appeal, that is not a costless exercise, and they might incur significant costs. In fact, if the case goes to judicial review, which the hon. Gentleman mentioned in his speech, the court will decide whether there are arguments to be heard. If the developer loses, the defendant can, in some circumstances, claim costs from them. That must be borne in mind.

[Mr. Hollobone]

they are allowing developers to put forward plans for unsuitable sites, and effectively granting them permission, because they say that the rolling five-year housing targets are not being met. Yet in north Northamptonshire more houses are being built than in the Thames Gateway or Milton Keynes, so the ability of local authorities to try to create the sustainable communities that the Government want is being undermined.

Tom Kelly was one of the Burton Latimer residents who worked hardest on behalf of the action group, and I want to quote from his closing statement to the inquiry about the application:

"This brings me to the last point I want to make to the Inquiry, and it concerns the Secretary of State and the housing minister. If we are to take seriously their stated intentions that they would like local people to have a greater involvement in planning matters, not deciding how many but where houses should be built, we feel there must surely be some mechanism by which this can happen. Just wishing will not make it so. We have seen in this inquiry that virtually all comments made by local residents are considered not to be compelling enough to have any weight when it comes to decision making about applications if they cannot in some way be related to one or other planning policy statement...We can understand that in situations where there is a real shortfall in housing delivery the feelings of locals may well have to be set aside in the interests of targets, but in a situation like Burton Latimer where there is no shortfall and no shortage of potential sites, these should be the ideal conditions for allowing local people to have some influence on the choice."

The Burton Latimer case is one in which local residents are saying they do not mind having lots of new houses built in their town. Between 700 and 900 new houses are meant to be built there, and residents do not object. The borough council has identified 17 potential sites where developers could build—100 houses here, 200 there. However, the Government inspector is saying, "We are not going to wait for the local development framework to be finalised"—something that is only a few months away—"but are going to allow a speculative application to go through, on a site that is not among the 17 identified sites, in the interest of getting as many houses on the ground as we can, as fast as possible."

It is even more worrying when such decisions come up against the infrastructure deficit that the relevant developments lead to. Many concerns have been expressed by Anglian Water about the inadequacy of the local sewerage system. Everyone knows in Burton Latimer and Kettering that local roads are full. The Government have effectively created a first-past-the-post system in which developers can make speculative planning applications and planning inspectors will nod them through on the basis that we must build as many houses as possible in the shortest period of time. People in Kettering are worried that that will be a green light for other speculative developments.

What I am saying is a warning to the Minister that the sustainability of his sustainable communities plan is being undermined by his own inspectors. It is simply not fair to impose housing targets on communities such as the borough of Kettering without asking local people if they agree with them. But if such housing targets are imposed on councils, for goodness sake allow them the time and space to make sure that the communities really can be sustainable.

Before I conclude, I want to highlight the role of the Planning Aid service in providing advice and guidance to residents who are worried about planning applications. I welcome the Government's recent grant of extra funding to the service, and hope that, when the Government advance their flawed eco-towns programme, they will ensure that as many residents as possible are advised of the help and support that Planning Aid can provide in resisting applications. It is important that there should be an independent source of high-quality, professional advice to local residents, who can all too easily be bamboozled by the complexity of the planning service.

If the Government really believe in the importance of local democracy, and if they believe that the best decisions are those that are taken locally by people who know what they are talking about, will they listen to parish and town councils, and local councillors. If we want sustainable communities to be built properly, sufficient space and time is needed to put the local development plans in place.

Several hon. Members *rose*—

Mr. Christopher Chope (in the Chair): Order. There is tremendous interest in the debate, and I hope that hon. Members will keep their remarks sufficiently brief to enable me to call everyone who wants to speak.

11.26 am

Mr. Jim Devine (Livingston) (Lab): I shall act on your kind instructions, Mr. Chope. I congratulate the hon. Member for Kettering (Mr. Hollobone) on managing to get the debate. I am in a position similar to his, because I represent the fastest-growing area in Scotland. I want to deal with planning applications in particular in relation to the factoring companies that now prevail in many developments in the United Kingdom.

In the past, councils adopted the so-called common land, but that does not happen now. Now companies are involved, such as Greenbelt Group, which is a land management company that is causing major problems to constituents of mine, and throughout the United Kingdom. As hon. Members will be aware, as part of the planning process developers are obliged to provide open spaces around new estates. They must show that long-term arrangements have been put in place to care for those areas. However, a new trend is emerging in which councils, developers and builders—particularly at the planning stage—are awarding companies such as Greenbelt lifelong access to the land. Land is being handed over to those companies, and it is very difficult for my constituents to get rid of them.

Some of the major developers in Britain, such as Bryant Homes, Glendale and Persimmon, are now transferring ownership of open spaces, and the sole responsibility for maintaining them, to companies such as Greenbelt. Greenbelt gets the exclusive right, for all time, to charge home owners whatever it wants, regardless of the service that it provides. That happens at the planning stage. The big problem is that that is set out at about the third to last paragraph in the title deeds of someone's house, and it is not being pointed out by lawyers or local authorities.

Regardless of the inadequate service that the companies provide, it is very difficult to get rid of them. For example, Greenbelt consistently failed to carry out maintenance work to the standards specified in the title

deeds. It is an extremely difficult company to deal with, to the extent that it reported me to Mr. Speaker last year for raising it in this place. There are many problems with health and safety issues and its duty to maintain play parks, which it does not do, with the result that many children have been injured. If people do not pay Greenbelt because they are receiving inadequate service, it quickly takes them to court. Because they are living on credit, they receive letters telling them that they will be blacklisted or taken to court.

Developers also charge for a variety of services, as I have heard in a case involving a company called Ross and Liddell. When a car was abandoned on a new estate, Ross and Liddell phoned the Driver and Vehicle Licensing Agency to find out about it. The cost of that telephone—

Mr. Christopher Chope (in the Chair): Order. *[Interruption.]* Will the hon. Gentleman resume his seat? This is a debate about consultation on large-scale housing developments. I am not sure that talking about an abandoned car or individual cases is in order. I hope that the hon. Gentleman will keep his remarks in line with the subject of the debate.

Mr. Devine: A crucial part of the planning process is which factoring company is involved. I am just pointing out the behaviour of some companies. Home owners become tied to them for life as a result of the planning process and cannot get rid of them. I am just giving examples of how bad service is. When one company found an abandoned car, it cost £2.50 to phone the DVLA, but the company charged all the house owners—

Mr. Christopher Chope (in the Chair): Order. I think that the hon. Gentleman is under a misapprehension. This debate is not about the whole planning process; it is about a specific part of the planning process, namely local consultation on large-scale housing developments. I hope that the hon. Gentleman will keep in order.

Mr. Devine: I think that I have said enough, Mr. Chope.

11.31 am

Mr. Peter Bone (Wellingborough) (Con): It is a great pleasure to follow the hon. Member for Livingston (Mr. Devine), who was making a powerful point relating to large-scale developments. It is something that I was not aware of, and I am glad that he has brought it to the House's attention. I congratulate my hon. Friend the hon. Member for Kettering (Mr. Hollobone) on securing yet another debate important to north Northamptonshire, and on explaining so eloquently in half an hour the problem that we face. I welcome the Minister, who is highly respected and is known to be a caring Minister.

One of the problems with consultation is that it is just not being done in north Northamptonshire—at least, not by the Government. I run a tracking survey called "Listening to Wellingborough and Rushden", which goes out continuously to different parts of the constituency so that we can gauge public opinion in snapshots, as well as tracking changes in opinion over time. Two years ago, overdevelopment was not an issue. It is now among the top three. There are eight different protest groups protesting against individual developments that will form part of the 52,000 new homes that must be built in Wellingborough. What those groups object to individually refers in total to a lack of infrastructure.

In one development, 1,000 homes are to be built on a brownfield site. Most people would say, "Well, that's a great idea. Let's build the homes on a brownfield site. It won't take up any green belt, as it's an urban area." The problem is that no infrastructure increase will accompany that development. The road leading to it is already far too busy. There are some airy-fairy plans to build a relief road some time in the future, but there are no concrete plans—pardon the pun. What we want is concrete first. We want new roads. I understand entirely where the Government are coming from. They recognise that there is a housing problem, and their solution is to get large areas and to tell the rotten Tory councils to get off their backsides and build some homes. I understand that the Government want the homes, but they are forgetting about the infrastructure.

In Wellingborough, we have an extraordinary situation. The last time that the Labour party controlled the county council, it knocked down the secondary school. We have lost our secondary school, we do not have a hospital, we lost six post offices during the first round of closures and we have just lost another five. The A45 is a huge problem at the moment, especially the interchanges in my constituency. The Chowns Mill roundabout is always clogged up, but there is nothing in the regional programme—even in the 15-year programme—to say that anything will be done about it. The council, the county council and the Highways Agency all say that it needs to be improved. Thousands of homes are coming, but it seems that local people are not being consulted and cannot influence decisions in any way. It is causing real hardship in many parts of my constituency. Schools are overcrowded, people cannot get a GP and it is impossible to find an NHS dentist. People are saying to me, "If local councillors can't decide this, what is the point of voting in local elections? What is the point of supporting political parties if decisions are dictated from Whitehall?"

The biggest problem at the moment is the Redwell north development. Wellingborough is a well-established market town, Rushden is a town in itself and there are a lot of villages between them on the way to Kettering—Little Harrowden, Great Harrowden and Isham—with clear countryside in between. The local plan agreed by the political parties in Wellingborough says that that is open space and not for housing, but a developer has taken options on all the land around that area. If that developer puts in a planning application and the councillors are bold enough to turn it down, they know that it will be overturned on appeal. That is destroying local democracy.

Last Friday I met the chief executive of Wellingborough council, who is concerned about the development process. She is concerned that Wellingborough's rail services have been cut, as have Kettering's, and she asked me to arrange a meeting with East Midlands Trains. I have spoken with Wellingborough Homes, which is responsible for the development of social housing and has concerns. The leader of Wellingborough council, not knowing about this debate, rang me to request a meeting to discuss development policies.

This argument may be regarded in some quarters as academic. The Government have decided. They will push through the homes, and tough luck to the people

Mr. Wilshire: I share that disappointment. I put a different perspective on it, but I do not stop criticising it.

Mr. Murphy: It is deeply disappointing that ODIHR was not able to oversee and monitor the elections. Although parliamentarians can witness and monitor elections, they can do so only for relatively short periods, and there is no substitute for the long-term, detailed, pre-election monitoring, and the monitoring of the election and its aftermath. That work should be carried out by ODIHR. A country as proud as Russia naturally is, with so much to offer the world, is belittled by not being open and allowing such monitoring. It is deeply disappointing.

It is important that we are clear about what we want from our relationship with Russia and that we recognise the wide range of foreign policy and global challenges on which we could make a valuable contribution by working more closely with Russia. Such an open and honest dialogue allows us to achieve our international objectives and to speak up when we disagree with Russia. It is a balanced approach, aligned to British and international interests, and I hope that the House will support it.

The House will continue to return to the issue, and some of the specifics that we have not had the opportunity to discuss today are deserving of further debate and consideration. Finally, I wish once again to put on record the Government's appreciation of the remarkably detailed work that the Foreign Affairs Committee has undertaken on the matter.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes past Five o'clock.

Westminster Hall

Tuesday 22 April 2008

[MR. CHRISTOPHER CHOPE *in the Chair*]

Metals Recycling Industry

Motion made, and Question proposed, That the sitting be now adjourned. — *[Mr. Alan Campbell.]*

9.30 am

Dr. Alan Whitehead (Southampton, Test) (Lab):

"As a society, we are consuming natural resources at an unsustainable rate. If every country consumed natural resources at the rate the UK does, we would need three planets to live on...Our aim must be to reduce waste by making products with fewer natural resources. We must break the link between economic growth and waste growth. Most products should be re-used or their materials recycled. Energy should be recovered from other wastes where possible. For a small amount of residual material, landfill will be necessary."

Those are very wise words. Unfortunately, they are not mine: they are from the opening paragraphs of the 2007 waste strategy, and they are right. The object of a waste strategy, in a world of depleting natural resources and given the urgent need to reduce energy use and carbon emissions, is to prevent waste from arising wherever possible—in other words, we must stop waste materials entering the waste stream. If we cannot do that, the next best thing is to ensure that they can be reused with as little energy expenditure as possible, thereby stopping the entry into the system of virgin materials that might have been produced at great energy cost with the consequence of the further depletion of natural resources.

Much of what we have called "waste" for a very long time is in reality nothing like it: it could, with relatively little processing, reappear in the resource chain as a raw material, ready to be used for whatever is needed. Projects such as the national industrial symbiosis programme, in which companies match what they consider to be their waste with another company's raw material requirements, have shown just how much value can be added. The Environment Agency has taken considerable steps down the road of recognising the importance of conveying a resource in the wrong place to one in the right place with the development of its waste protocols project.

Through the operation of protocols setting out how materials are to be stewarded and processed, we can prevent many materials from being categorised and treated as waste, and can make the transition from end of use for one purpose to the beginning of use for another purpose, without costly and deleterious processes intervening. Metal is one material that fits that description almost exactly. By recovering and reprocessing ferrous and non-ferrous metals, we can supply pretty much all that we need for remaking metal products, and we can do so over and over again with no real deterioration in the quality of the recovered material. That means that the energy that we use in the process—and hence carbon emissions—is hugely reduced in comparison with that resulting from the use of virgin material. For example, about 75 per cent. less energy is used in making something out of recycled steel than in making the same thing out of virgin materials.

In fact, the metals recycling industry has been doing that successfully for many years—long before anyone thought better of taking away in trucks most so-called waste and dumping it unsorted in big holes in the ground. That is partly because metals have always had value, and so offer advantages as a replacement source material, given the relatively clean and short processes involved in recovering and reusing them. Indeed, metals offcuts from stamping or milling processes require no processing at all.

The age-old image of metal recycling as a dodgy industry full of back-street breakers yards receiving furtive visitors armed with lengths of illicit copper pipe and wire arose because people stole metals in the past. Indeed, recent reports of people cutting up railway side cables at great danger to themselves to steal the copper simply update that long tradition. People have always stolen metals because they are valuable, so stealing and fencing them offers a reward that plastic bottles or composting materials has never provided. However, that old image is just that—an old image. Today, metal recycling is an efficient and, generally speaking, well-rewarded business, with large recycling companies investing substantial sums in reliable and effective stewardship of the collection and recycling process.

In fact, a range of companies—some are very large, many others are smaller family-owned concerns—maintain a high standard of recovery and reuse. Indeed, the metals recycling industry has risen superbly to the challenge of the European Union end-of-life vehicles directive and recycles 2 million cars a year—more than any other EU country. About 95 per cent. of metal recycling is undertaken by companies that belong to the British Metals Recycling Association—an excellent body which, among other things, underlines the professionalism and integrity of the modern metals recycling industry.

That is all good news. Problems remain with some small yards on the periphery of the business evading regulation, and of course there is the continuing problem of stolen metals, not least from regulated yards themselves. Apart from that, should we not just let companies get on with it, and rejoice in their relative success? The continuation of an effective and efficient metals recycling sector is vital to the achievement of waste targets, and increasingly to the effective decoupling of energy use from industrial production, but lurking dangers may prevent it from working as well as it should. To my mind, the chief danger arises from the fact that the metals recycling industry is still classed essentially as a waste industry, despite the overwhelming evidence that, with the right processes, and the existence of responsible companies to operate them—and those companies are responsible—protocols could be established that would class industry as a resource provider, with all that that entails.

There are no protocols, however, and metals do not feature on the list of materials for which the Environment Agency is beavering away to provide protocols. Not even metal shavings and offcuts escape that classification, with all the issues that are then involved—quite rightly for much waste—in the

[Andrew Mackinlay]

as we speak—he is following the line that there is no sensible prospect of Georgia entering NATO unless and until its conflicts are resolved. That is why I disagree with the right hon. Member for Tonbridge and Malling (Sir John Stanley), with whom I agree strongly on many matters: bringing Georgia in as it is, with its Russian minorities and frozen conflicts, would almost mark the end of NATO. Article 5 says that aggression towards one is aggression towards the whole, and that there should be an appropriate response. One does not invite into one's club people who have a territorial conflict with their next-door neighbour. It is stark staring bonkers.

We would not, of course, go to war over the frozen conflict in Georgia, but it would mean that article 5, a NATO cornerstone, could never be used as an implied threat. It would be a devalued currency. That is why we should not let Georgia in. It would provoke Russia, create areas of conflict in other states and set unwelcome precedents. Sometimes, even things that I say eventually come to pass, and that is one such thing. I believe that the Prime Minister and President Sarkozy have concluded that Georgia's membership of NATO would not be appropriate unless and until it has resolved its frozen conflict.

I am also concerned about our double standards. To listen to Foreign Office diplomats, Ministers and indeed Labour, Liberal Democrat and Conservative spokespersons, it is as though United Kingdom diplomats and our security and intelligence services were like the archangel Gabriel. It is as though we did not spy or engage in espionage. Paragraph 94 of the report draws attention to the accusations by

> "the FSB, in January 2006 that diplomats in the British Embassy in Moscow were engaging in espionage via the use of an imitation rock which allegedly hid electronic equipment. The FSB further accused the Embassy of using NGOs to which it was providing financial support for espionage purposes."

We put that in our report, and I was happy for it to be there, but I moved an amendment—it is in an appendix to the report—to add the words,

> "This is of course a preposterous suggestion".

but nobody supported it. I wanted to add that sarcastic comment, because clearly that rock was planted clumsily by our security and intelligence services. In my view, the suggestion that that was not the case is breathtaking nonsense, and we should not play such games. If we conduct such work, which is probably necessary, we should not pretend otherwise. We should acknowledge what is going on, because sometimes it is clumsy, our security and intelligence services do not work in consort with the mainstream Foreign and Commonwealth Office and, often, it can aggravate a situation, resulting in absurd tit for tats and the expulsion of diplomats. I think that that is a big mistake.

On prosecutions and extraditions, I can understand the United Kingdom Government requesting that the Russian Federation return to this country somebody whom they want to put on trial, but we must acknowledge that our Government have also received requests from the Russian Federation for the return of people from London to Russia. We say, "This is a matter for our courts and certain criteria must be met", but that is precisely what the Russians say. They, too, must act in accordance with their laws. Absurdly, we try and tell Russians what their laws are and why their legal judgment is flawed. To suggest that the traffic is one-way is insulting nonsense.

I have some sympathy with the Russian Federation, because I believe that we have allowed certain people to enter this country, and have given them asylum or citizenship when that was not always in the best interests of the United Kingdom. Arguably, some of them have entered not with their own money, but with Russia's money, and now the Russian authorities are catching up with them. There are legitimate criticisms to be made of the UK's financial regulatory services and oversight of money coming in. I believe that money is being laundered through London from Russia and other parts of the former Soviet Union, and we are not on top of that problem. If we are aware of it, that is even more disgraceful, because we are not facilitating the return of those people to answer in the courts of their land of origin for their stewardship and extraordinary wealth, which it is almost impossible to believe could have been obtained legitimately.

We allow those people to come to this country and then, from London, they wage a war against President Putin and the Russian Federation. That is crazy, illegitimate and foolhardy in the extreme. In the long term, we will lose as a result, and it is time that we examined much more rigorously people who come to this country and claim asylum, although some of those claims may be wholly justified. I intervened on my friend, the right hon. Member for Tonbridge and Malling, who explained why a recent applicant had been granted political asylum. However, if I ask the Foreign Office, as I have done in the past, to explain why certain people are granted asylum, it resorts to its stock answer: "We never discuss the reasons for granting asylum." Parliament is therefore unable to scrutinise the stewardship of Foreign Ministers or of the Home Office and ask why they judged a certain person to be fit and proper to receive political asylum. In the vast majority of cases of political asylum, nobody would ask any questions, but clearly some cases, personalities or relationships with certain states justify full, or at least partial, disclosure of the reasons for granting asylum, but the British Government refuse to make such a disclosure. They have therefore failed in their obligations to Parliament and the British people. On the basis of available evidence, I think that their judgments are far too often flawed, wrong and to our long-term disadvantage.

Flowing from this debate, and with the coming of the new Russian President, I hope that there will be a reassessment of what has gone on in the past. The Russian Federation has indicated, both publicly and—I understand—informally, that it would welcome some rapprochement and thawing of this ice-cold situation, which would require the British Government to respond in kind. If Ministers can acknowledge that, we will have an opportunity to draw a line under the Litvinenko case, for the time being at least—not permanently, but we need to agree to disagree—and to move forward. If at this critical moment we make the right signs, signals and responses, I am hopeful about the prospects of a restoration of many of the services of the British Council, in St. Petersburg and elsewhere, and of other things to our mutual benefit over the next 12 months. That would be to the good of both Russia and the United Kingdom.

3.45 pm

Mr. John Horam (Orpington) (Con): There is no doubt that, under the leadership of Vladimir Putin, Russia's foreign policy has been much more blunt and aggressive, which has fuelled a view perhaps exemplified by Edward Lucas's recent book about a new cold war breaking out between Russia and the west. I think that that view is overdone and I am very pleased that the Committee agreed. The latter took a much more balanced view of the relationship between Russia and the west. Even the hon. Member for Thurrock (Andrew Mackinlay) for once agreed with the group think that that rather apocalyptic view of the Russian situation is overdone. I am glad that he joined the rest of us in taking that view.

The assertiveness of Russian foreign policy during the Putin era—if we can call it that now—is perfectly understandable in the light of its recent history. It was defeated in the cold war, after which it was split—dismembered—into its various parts and, practically, went bankrupt. During that period—not more than 10 or 15 years ago—the phrase, "Burkina Faso with rockets" was contemptuously used to describe the state of Russia. It is no wonder that, out of simple national pride, which we can all understand, and given its new oil and gas riches, it has reasserted its national independence and defended what it regards as its understandable interests against what had been its mortal foe—the west. Given the history, what has happened over the past few years is totally understandable. Having said that, however, from our point of view, some parts of that have been ludicrous. The whole British Council affair is monstrous nonsense and I fully support the line that we have taken on that. The view about the British Council put, and still being put, across by the Russian authorities is ridiculous and complete nonsense. I am glad that the Foreign Office continues to take a robust line.

I take the view, therefore, that, as in other areas—the Committee produced a report more recently on Iran, in which this view was put forward too—we should continue to do business. Talking is important and is the way to deal with Iran and Russia. It is always sensible to talk and do business, whatever the nature of the difficulties, which of course there have been with Russia. Our report emphasised that point. However, that does not mean that we should not be robust. We should show an equivalent robustness to Russia in our dealings over issues such as that involving the British Council. After the remarks of the hon. Member for Thurrock, perhaps I can praise the Foreign Office for its good response to the British Council affair. I fully support the line that it has taken recently. It would be both naive and pusillanimous to take all that lying down. We must be assertive, as the Russians are. They would expect no less and would be contemptuous of us if we did not take a similar line.

However, I wish to draw the Minister's attention to two policy areas in which we could show more progress. The first is energy security. As we know, Gazprom has been flexing its muscles in a fairly brutal manner, and the Foreign Affairs Committee went to Bulgaria and Romania last year, I think—

Mike Gapes: It was 2006.

Mr. Horam: The Committee Chairman corrects me. The Committee saw at first hand what is happening in those countries: political interference. Bulgarian and Romanian Ministers warned us about the threat from Russia, and it was evident. Equally, Gazprom has been buying up companies in Serbia and Italy, and the attitude of the previous rulers of France and Germany has not been wholly satisfactory from that point of view. Herr Schröder has become the president of Nordstream, the company behind the proposed new pipeline between Russia and Germany, bypassing the Baltic states. Equally, ex-President Chirac was too pro-Russian and too inclined to give in to Russian interests in that area, so I am very glad that there has been a new approach since Frau Merkel took over in Germany and President Sarkozy took over in France—a new willingness to stand toe-to-toe with the Russians, call a spade a spade and not mess around.

We need a new, disciplined and more united approach to energy security in the European Union. I hope that the Foreign Office is doing what it can to bring that about, because it is a significant element of the whole approach. It is very much in Russia's interests that we do so, because, as one of my hon. Friends pointed out, the Russians are not protecting their long-term interests by being political about the development of their gas and oilfields. They are eschewing proper investment and development, which would be more forthcoming if they did not strong-arm BP and other British and American companies, as they have over the past few years. Russia's tactics are profoundly counter-productive economically, and we must pay attention to that.

Secondly, our foreign policy should be less subservient to that of the United States. My right hon. Friend the Member for Tonbridge and Malling (Sir John Stanley) rightly pointed out the business of the ballistic missile defence system. I shall not go into that at any length, because he admirably set out his concern about it, which I share. I, too, had a briefing—I do not think that he was present, but the Committee Chairman, the hon. Member for Ilford, South (Mike Gapes) was—by officials from the American embassy in London on the ballistic missile defence system, and at one particular moment, I caught myself thinking about that picture, "Dr. Strangelove". It was quite extraordinary—the way we were talking about bullet meeting bullet in mid-air at a certain point, and the parabola at which one would intercede with another. The whole thing is a fantastic piece of nonsense, and it is not entirely justified. The Americans insist on it, however. Despite every effort to disengage from, or modify, the situation, it is still a severe bone of contention with the Russians, and fouling up our diplomatic relations with them is an issue.

We should be concerned about that situation. We are aware of how damaging the effect of our recent subservience to American foreign policy has been in the middle east, Iraq, Iran and Afghanistan. In Europe, we should be no less concerned to strike—when we think it appropriate—an independent line that reflects our own interests as European nations, although, of course, we remain friends and allies of the United States.

That is also true of Kosovo. If I can dilute the particular interest of the hon. Member for Thurrock, let me say that, for once, I share some of his views and concerns. The Kosovo decision was forced through in the final analysis by the United States, and I am not

[Mr. Burns]

in and out swiftly, while ensuring that they buy the maximum amount of goods. Why are they putting in a pharmacy service? I am not sure that their wanting to provide prescription and non-prescription drugs for their customers is totally altruistic—of course, supermarkets already provide a range of non-prescription drugs. The motive is to get more people into their premises so that when they come in to change their prescriptions they will almost certainly, on the law of averages, purchase foods and other goods, which will increase and enhance the supermarkets' ability to make a larger profit. My argument is that such a change is not necessary and not in the interests of the local communities.

I also have one or two problems with what happens when the applications are granted. I understand that Penny Beck of Tesco recently came to the House to address an all-party group. She said that many supermarkets were putting in applications for pharmacies on the basis of the 100-hour rule because they felt that it was a dead cert that they would be successful if they completed the forms accurately. However, once the supermarkets are successful in their application, they then seek to reduce the commitment that they have given to open for 100 hours and try to change the terms and conditions to 80 hours or 60 hours. I can see one of the Minister's officials looking rather sceptical. I do not want to cross swords with them because they are far more knowledgeable than I am. Perhaps I could give them some evidence of where this is happening to substantiate my case.

I understand that Sainsbury's in Chafford Hundred in southern Essex has had a 100-hour application granted, and it has not delivered on those hours. It is not a question of seeking to get the terms changed; it has just not delivered the 100 hours even though the application was granted solely on that basis. Will the Minister tell me what action she, the Department of Health or the local PCT will take against those supermarkets or applicants that make an application on such a false pretence?

In south Essex, another pharmacy has been granted an application for a 100-hour pharmacy, but it is trying to reduce the conditions to 40 hours. If applications based on 100 hours are granted in good faith, and small pharmacies in the immediate area have been put out of business, it is a bit rich for the applicant to try to reduce the hours they have to open to 40, which is what the small pharmacies were already doing. We cannot then bring back the small pharmacies that have gone out of business. Will the Minister tell us what action can be taken against pharmacies that have been granted an application based on 100 hours but are not keeping to those hours, and how we can stop larger applicants, which have been granted an application solely on the commitment of 100 hours, from reducing their hours?

At some point in the not-too-distant future, the Government will publish a White Paper on pharmacy services. I have heard on the grapevine that the publication date is tomorrow. I do not know whether that is true, and I do not know whether the Minister is in a position to confirm it. However, when that White Paper is published, I hope that it contains some recommendations on the system of applications for running a pharmacy service. I assume, as is normal with many White Papers, that the Government will have a view about the direction that they want to take, but they may want a consultation process to hear other people's ideas.

If the Government accept my argument that there is something inherently unfair with the existing system and agree to change it and redress the imbalance between the larger and smaller providers, would the Minister be prepared to suspend the 2005 rules until she has made the necessary changes? That would save a number of pharmacies—not least the two in my constituency. They might be caught up in a situation in which the Government were minded to make the system fairer but were unable to make the changes for some time because of other parliamentary business—unless the Government used secondary legislation. It would be tragic if the smaller pharmacies then went out of business knowing that help was on the way, but time was not in their favour.

For those reasons, I hope that the Government will accept that the situation is unfair, and that it is morally wrong to weight a system in such a way that it affects people's livelihoods and businesses. I hope that the Minister will do something to help the smaller pharmacies that have played such a vital role within our local communities. In the majority of cases, they have provided a first-class service. Customers are, by and large, happy with the personal service that they receive and do not want it replaced by a highly impersonal service from a larger provider that, in other areas of the retail sector, is taking over more and more of our small shops and high streets.

4.36 pm

The Minister of State, Department of Health (Dawn Primarolo): May I congratulate the hon. Member for West Chelmsford (Mr. Burns) on securing this debate? I know that this is a matter that has caused him great concern and he has again highlighted the main issues that he seeks to bring to my attention and the attention of the House. I am also aware from the Department's postbag that other hon. Members from other parts of the country share his concerns. I will briefly outline the current position and respond to the points that the hon. Gentleman has raised.

As I am sure that the hon. Gentleman will agree, pharmacies are businesses, and the Department of Health did not address the question of fairness of competition. To give some background, in 2003, a report from the Office of Fair Trading recommended total deregulation of the retail pharmacy services in the United Kingdom, with the abolition of the regulatory restrictions on NHS pharmacy applications, known as the controlled entry. The Government responded to that substantial report, which called for total deregulation, with a cautious move in the directions recommended, but announced a balanced package of reforms for England in July 2003. They recognised many of the points that the hon. Gentleman has raised and stopped quite a long way short of the original recommendations. The measures were largely introduced from April 2005. The hon. Gentleman has again asked me—as he has in private—whether I have the power to suspend the 2005 regulations. I have to tell him that a simple suspension is beyond my powers.

The reforms had a number of aims. They were designed to open up the NHS pharmacy market to greater contestability to improve patient choice and access to pharmacy-led services and to drive up the quality of the services in tandem with the new contractual framework for community pharmacy. The hon. Gentleman would accept all those principles.

The reforms included four specific exemptions to the controlled entry system, one of which was for pharmacies prepared to open for at least 100 hours a week. When introducing those reforms, the Department made it clear that pharmacies that benefited from those new regulatory freedoms would also have to meet obligations and safeguards. The hon. Gentleman touched on that point, and I want to answer him.

Pharmacies that commit themselves to opening more than 100 hours a week must stick to that commitment. They must also agree to provide the services that the PCTs require them to provide locally – for instance, helping people to stop smoking, or providing emergency hormonal contraception. We have also ensured that PCTs have the power to remove contractors from their pharmaceutical list that consistently fail to meet those terms with no good reason.

The hon. Gentleman asked me for information about those pharmacies that, in his view, do not stick to their commitment. They will be monitored by the PCT, which will require regular returns on opening hours, monitor complaints and take action under the regulations to impose further conditions. Ultimately, notice of removal to a contractor can be given; if default occurs, it can be removed from the list.

The hon. Gentleman also asked whether companies that committed themselves to 100 hours were automatically given agreement. It is not automatic; in the two years since March 2007 about one fifth of applications for 100-hour pharmacies have been refused by the PCT or withdrawn. I know that the hon. Gentleman's PCT will be considering the application that concerns him at its May meeting. He may want to make further representations on the issue. The PCTs have the necessary powers.

Mr. Burns: The Minister said that PCTs have the powers necessary to refuse an application. I have had meetings with the Mid Essex PCT, and I am assured that if the form is completed 100 per cent. correctly and a commitment given to opening for 100 hours, its hands are tied. On what other grounds can it refuse an application?

Dawn Primarolo: It is difficult for me to deal with that specific application, as I have not seen the details. However, I am happy to go back further with my officials to find out; we have that option before May. I make two points. First, there is the power to refuse applications. Secondly, there is the power to monitor for a failure to deliver; if necessary, that can result in the removal of the agreed contract.

Mr. Burns: On the second point, the removal of the contract would be too late. If the application was granted and the small pharmacy went out of business, it would no longer be in business. On the first point, I would be extremely grateful if the Minister were to let me know as soon as possible on what grounds Mid Essex PCT might be able to refuse an application. I would be pleased to pass on that information.

Dawn Primarolo: I undertake to get that information to the hon. Gentleman.

I know that the hon. Gentleman is committed to patient choice, so I remind him that the Department undertook a complete review, which was published in January 2007. It specifically considered patient choice. With respect, I say gently to the hon. Gentleman that, if the pharmacy of the patient's choice was providing all the services, the patient could continue to use it regardless of whether a 100-hour service was provided nearby. That is certainly my personal practice when using a pharmacy; I use the local community pharmacy in return for services that I value.

There was no evidence of a detrimental impact on access to pharmaceutical services. I remind the hon. Gentleman that we are talking about what is legitimate for businesses in competition. None the less, the service is valuable and it is important to take matters forward. The review of the 100-hour pharmacy contract showed that through their extended opening hours they can and do make an important contribution to expanding access to NHS services. They are certainly popular with patients, as is the community pharmacy.

The national data produced by the NHS information centre show that pharmacies exempt from the control of entry requirements provide proportionately more locally commissioned services, such as the minor ailment schemes, nicotine replacement therapy and emergency hormonal contraception, than existing pharmacies. I agree with the hon. Gentleman's focus on those issues with regard to pharmacies that are already flourishing, but such pharmacies should not need to worry.

However, our report also drew attention to some drawbacks. The impact of the reforms was found to be uneven, with pockets of greatest activity in certain parts of the country. The NHS found the new system difficult to administer, and exempt applications sometimes hampered their efforts to plan strategically and to commission more clinical services. As the hon. Gentleman eloquently said, business reaction was mixed, with many being concerned about the operation of the exemptions and the 100-hour provision alongside community pharmacies.

I said earlier and in previous weeks that the application that the hon. Gentleman raises today is to be decided by the PCT's pharmaceutical services committee at its May meeting. If the application were to be approved – it can be approved only if the PCT thinks that the specified services will be provided – there will be up to nine months before the pharmacy opens and the monitoring process starts.

I assure the hon. Gentleman that we are continuing to keep the provision under scrutiny. It is popular, and it can increase access to services both generally and out of hours. Despite his eloquent arguments, there is insufficient evidence to support the withdrawal or amendment of the exemption. However, I have listened closely to what he had to say. Although I cannot tell him what is in the White Paper – it will be published tomorrow – I can say that the strength of feeling that he expressed today will be noted. The White Paper will touch on some of those issues, and the debate about the benefits and the drawbacks will continue, so that we can find a sensible solution. I hope, in time, to deal with the issues raised by the hon. Gentleman in relation to his local pharmacy.

[Pete Wishart]

"should not be afraid of a referendum"

and that

"the independence option should have been put to the people at the time of the devolution referendum"

I could not agree more. Welcome to the club. The national conversation has got everybody speaking.

Mr. David Hamilton (Midlothian) (Lab): I hope that the hon. Gentleman does not think that I am part of his national conversation. The first conversation that I have with him will be the last.

Pete Wishart: A conversation occurs when people talk about things, and they may even happen to agree. The most notable contribution was from the abominable no-man himself, former Scotland Office Minister Brian Wilson, who said in his usual robust way,

"I'd rather have a referendum rather than this incremental nonsense of fiddling about with powers as if that's what politics depended on."

It is incredible that we are where we are. Of course, Mr. Wilson was referring to the Scottish Constitutional Commission that has been put together by all the Opposition parties in the Scottish Parliament, independently chaired, we are led to presume, by Sir Kenneth Calman. It is an uneasy alliance of the three Opposition parties in the Holyrood Parliament, but an even more uneasy alliance between those parties in Holyrood and the parties here in Westminster.

Mr. Carmichael: That commission process has been endorsed by the Scottish Parliament. When will the Scottish Parliament get the same opportunity to consider and vote on the hon. Gentleman's so-called conversation?

Pete Wishart: The motion in the Scottish Parliament deals with increased fiscal powers, but it does not deal with returning powers from Holyrood to Westminster. I am looking forward to hearing the Liberals' position on that in the debate. I am sure that we shall have it. *[Interruption.]*

Mrs. Janet Dean (in the Chair): Order. Can we have a slightly more disciplined debate and less barracking?

Pete Wishart: Thank you, Mrs. Dean.

Willie Rennie (Dunfermline and West Fife) (LD): I note that the hon. Gentleman is not outlining exactly when the SNP will take the national conversation to the Scottish Parliament. In the interest of clarity, will he say when that will happen?

Pete Wishart: I know that the hon. Gentleman cannot wait for his opportunity to have his say in the national conversation—and for his colleagues in the Scottish Parliament to do the same. It will come to the Scottish Parliament when it comes to the Scottish Parliament.

To deal with the constitution, I know that the Minister will say that the national commission is still in its early stages; it has still to report, and some of the membership is still outstanding. Nevertheless, we must hear from the House today, especially if the commission is not to have a democratic mandate from the Scottish people. The House has responsibility for the constitution and the hon. Members present will have the final say. We need to hear from Labour Members whether they have bought into the process. Are they enthusiastic champions of the commission? We must hear that from them.

Mr. Jim Hood (Lanark and Hamilton, East) (Lab): Will the hon. Gentleman give way?

Pete Wishart: If the hon. Gentleman is going to say that he is totally behind the commission and that he supports it in its entire remit, I shall gladly take his intervention.

Mr. Hood: The hon. Gentleman will take it under false pretences, then. I welcome the national conversation, but I should like it better if we could have it in Westminster. Will the hon. Gentleman explain why his former Westminster leader—perhaps his present Westminster leader will tell us—did a deal with the Government not to have Scottish Grand Committees, in which we could discuss Scottish issues a lot more than we can in this forum? If he wants a conversation, will he explain that?

Pete Wishart: I shall leave the hon. Gentleman to conduct his one-man crusade to resurrect the Scottish Grand Committee, but I welcome his contribution to the national debate. I look forward to the first intervention from a Labour Member wholeheartedly and enthusiastically backing the commission set up by the Scottish Parliament.

Mr. Hood: Will the hon. Gentleman just answer the question? Is it true that the SNP did a deal with the Government not to have Scottish Grand Committees? Yes or no?

Pete Wishart: If the SNP did any such deal with the Government, I certainly never heard of it. If the hon. Gentleman wants to continue his campaign to resurrect the Scottish Grand Committee he is more than entitled, and is welcome, to do so. However, I am still waiting to hear one intervention in support of the commission and enthusiastically championing the idea.

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): I enthusiastically support the commission because it will develop the Scottish Parliament in a very positive manner. Is it not the hon. Gentleman's intention to destroy the Scottish Parliament at the end of the day? That is his real agenda.

Pete Wishart: That is one of the most ridiculous interventions that I have heard so far, but I am sure that we shall get some more like it in the debate. We want to make our Parliament a normal Parliament, with the same powers as the Parliaments of every small nation in Europe. There is nothing wrong with that. I respect the hon. Lady's position on independence, and I have my position. Those are the things that we agree on. We should be putting our positions to the Scottish people and then conducting the debate and the argument. The hon. Member for Midlothian thinks that that is the right thing to do. I do not know the hon. Lady's position, but I suggest that she possibly does not think that.

Mr. Adam Ingram (East Kilbride, Strathaven and Lesmahagow) (Lab): I want to support the commission that is under way—for one good reason. It allows us to review the whole gamut of the Scotland Act 1998,

which allows powers to be taken back from the irresponsible Administration that currently exists in the Scottish Parliament. The relevant powers, quite clearly, are on energy policy and energy security, which is vital to all of us. I do not want my country to have a gap in energy provision in the years ahead because of policies that have been adopted. Does the hon. Gentleman want that?

Pete Wishart: I was waiting for the first point about taking powers back. There is support for independence in the Scottish Parliament. I am sure that the right hon. Gentleman accepts and appreciates that—and for more powers for the Scottish Parliament, but there is no support whatever for taking powers from the Scottish Parliament to the Westminster Parliament. If he pursues that agenda on the commission, he will have the same discussion with the Liberals. They have made it abundantly and absolutely clear, as the hon. Member for Orkney and Shetland (Mr. Carmichael) said, that there will be no clawback of powers. The Liberals must be clear that, if they do not get an assurance from the Minister that a clawback is a non-starter, they should walk from the commission today. If they are going to be sincere about their intention.

Mr. Ingram *rose*

Pete Wishart: I do not wish to take another intervention. I want to make some progress if that is all right with the right hon. Gentleman. I have given way to him in the debate.

Stewart Hosie (Dundee, East) (SNP): Before my hon. Friend moves on—[Hon. Members: "No!"] How many interventions from Labour Members has my hon. Friend taken? He has been very generous.

The right hon. Member for East Kilbride, Strathaven and Lesmahagow (Mr. Ingram) spoke about an irresponsible Administration. The UK Government have a £581 billion cumulative deficit, £44 billion net debt, £87 billion deficit in trading goods and £189 billion liability on private finance initiative projects. The Government's economic irresponsibility logically insists that economic powers should be immediately handed over to Holyrood.

Pete Wishart: As always, my hon. Friend makes a very powerful point and I can see blank faces on the Labour Benches in response to it.

How did we have arrive at this very satisfactory situation? Has there been a Damascus-like conversion from Labour Members? Did they wake up one morning and, all of a sudden, think that the Scottish Parliament needs fiscal powers and autonomy to do its job properly, better to represent the people of Scotland? Alternatively, maybe—just maybe—it was something to do with a certain day in May when an SNP Government were elected and the Labour party lost power for the first time in a generation. Perhaps it had something to do with that.

I have imagined the scene in the Scottish Parliament when the commission idea was first suggested and mooted. I can imagine the Labour Members of the Scottish Parliament sitting in their weekly meeting, despondent and depressed. They have been completely shattered by their Scottish leader getting involved and embroiled in the donations scandal; bruised by the continued popularity of an SNP Government riding high in opinion polls; and monstered on a weekly basis at First Minister's questions. I can see the former, sacked, disgraced, over-refreshed adviser going to the meeting and saying, "I've got an idea to get one over on the Nats. Let's take the whole issue of the constitution to the SNP." One can imagine all the back-slapping following such a suggestion.

However, Labour MSPs did not account for hon. Members here in Westminster. I can imagine the steam coming out of the ears of the hon. Member for Lanark and Hamilton, East (Mr. Hood) and others when they heard the plan for more powers for the Scottish Parliament. I can imagine mutterings of "Over my dead body" from the right hon. Member for East Kilbride, Strathaven and Lesmahagow and the state of apoplexy induced in the hon. Member for Livingston (Mr. Devine). The call would have been met less than enthusiastically, and I understand why those people are less than enthusiastic about powers being transferred from Holyrood to Westminster. Labour Members are not intervening to support the idea, so I am looking forward to their speeches. They once ruled the roost and had powers absolute in Scotland.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): Is it not a sign of the times? We want all powers transferred from Westminster to Holyrood, and Labour are coming along with us. They want some powers to be transferred—they do not yet know which ones—but they are on our territory.

Pete Wishart: Absolutely. I have tried to be as consensual as possible. All of us in the Chamber are agreed that the Scottish Parliament needs more power. We should welcome that.

Rosemary McKenna *rose*

Pete Wishart: I should like to make some progress if that is all right. I have a lot to get through. I shall give way to the hon. Lady later.

We are where we are and we are trying to move forward. After the Scottish group meeting, the hapless Minister was dispatched. His call was to inform the Scottish press. In his best Kelvin MacKenzie-speak, the Minister said that no one was interested in further constitutional change other than the "McChattering classes"—an odious and offensive term. Had it been used by the metropolitan press—

Anne Moffat (East Lothian) (Lab): Hear, hear!

Pete Wishart: The hon. Lady says, "Hear hear!", but had the phrase been used by the metropolitan press, it would have been subject to a number of complaints.

Unbeknown to the hapless, unfortunate Minister the McChattering classes were just about to recruit their most notable and significant member—his boss, the Prime Minister. I would not like to have been the Minister on the day when he found that his boss, the Prime Minister, was a member of the McChattering classes.

[Nick Ainger]

drugs, which include the drugs that we are discussing. NICE and the Department of Health should consider such drugs differently, and perhaps even support their production, so that people with rare conditions such as PAH are not prevented by the cost of the drugs and the scarcity of patients from getting a life-saving treatment.

David Simpson (Upper Bann) (DUP): I welcome you to the Chair, Mrs. Dean. I congratulate the hon. Member for Carmarthen, West and South Pembrokeshire (Nick Ainger) on securing this debate. In relation to drugs and the treatment of PAH, does he know which of the drugs considered by NICE are used regularly in the United States and other countries?

Nick Ainger: I am well aware, as I am sure NICE is, that the drugs are used universally for the treatment of PAH. I am also aware that the cost of prostacyclins in the United States eight years ago was between one eighth and one tenth of the price in this country. There was a huge difference in price. Epoprostenol—its brand name is Flolan—which is manufactured in GlaxoSmithKline's plant in Dartford in Kent, was exported to the United States, where it was one eighth to one tenth of the price charged in this country. The situation has improved, but, as my hon. Friend the Member for Newport, West (Paul Flynn) said, the unit price of such drugs is an important matter, to which I shall return later.

On 10 March, the Pulmonary Hypertension Association UK organised a hearing in the House of Commons that took evidence from patients, clinicians, patients' advocates and a health economist. I am sure that hon. Members who attended that hearing will wish to catch your eye later, Mrs. Dean. The patients and clinicians who gave evidence explained that, for patients with advanced PAH, prostacyclins are the only effective treatment and that without them they would die—there is no alternative.

Ms Sam Kahn, who is a PAH patient, described the history of her diagnosis and treatment, illustrating how she started with relatively inexpensive treatments, but how, as her condition worsened, those early treatments became ineffective. She now uses inhaled iloprost, which NICE recommends should not be used. However, thanks to that treatment, she has managed to keep working and has a good quality of life. Professor Andrew Peacock, of the Western infirmary in Glasgow, which is one of the designated specialist treatment centres, told us:

"We are concerned that if you take away the best drug, the patient still has to be treated—they will be in hospital very sick, having other sorts of therapies but not the one that they need. The cost will still be large; it may be even larger."

Ian Armstrong—he is here today, listening to our debate—is chairman of the Pulmonary Hypertension Association UK, and a specialist nurse at the Royal Hallamshire hospital in Sheffield, which is also a specialist treatment centre. He told us:

"If we are not careful, the NICE proposals will allow any clinician anywhere in the country to say, 'All we can do is give you a cheaper medication, Sildenafil, and if that does not work then there is nothing else we can do'".

He also quoted a survey of PAH patients in which 83 per cent. of respondents said that their symptoms and quality of life had improved since being treated with prostacyclin.

Lisa Needham, an NHS manager at the Royal Hallamshire hospital, said:

"If we are not going to keep that specialist expertise, why have we invested for 12 years or 14 years in developing the world renowned care that we ... in the UK"

have delivered in our specialist treatment centres? Finally, Adam Lloyd, a health economist, told the hearing:

"NICE has recommended withdrawing the prostacyclins, which have been the treatment of choice for almost 15 years and there is no recognition that this is not a case of preventing a new therapy or of preventing a new drug from coming into use, we are actually withdrawing something that has been the standard of care."

I am not here to attack NICE, which does a very difficult and important job, but the recommendation is wrong. I am sure that all Members agree that NICE should appraise the cost-effectiveness of treatments—no one would dispute that it should do so—but when there is no alternative to a proven, clinically-effective drug used to treat a very rare condition, different criteria should apply. Such drugs are known as ultra-orphan drugs. Indeed, the principle that such drugs should be appraised differently was accepted by NICE, but it has not been applied in the appraisal that we are discussing.

Paragraph 4.9 of a NICE paper dated 16 March 2006 and entitled, "Appraising Orphan Drugs"—it is still available on the NICE website—states:

"If the Institute is to appraise ultra-orphan drugs, and be prepared to accept substantially higher ICERs [incremental cost effectiveness ratios] than those hitherto considered to be cost effective, then separate decision rules (ie the range of ICERs considered 'cost effective') will need to be developed and adopted for these products. The Institute proposes that these ultra-orphan drug decision rules are based in the ICERs of those ultra-orphan drugs currently on the UK market."

It continues:

"The further work would determine a rationale for a new ultra orphan-drug threshold. However, it appears that at current prices indicative ICERs for ultra-orphan products are in the range of £200,000 to £300,000"

not £20,000 to £30,000

"per QUALY [quality adjusted life year] (ie a ten-fold increase on the decision rules currently applied in conventional appraisals)."

I have three concerns about the appraisal committee. First, inexplicably, it made no mention of the ultra-orphan status of PAH prostacyclins. Under NICE's own criteria, prostacyclins are orphan drugs, and its March 2006 draft report would permit their continued use. The use of the £20,000 to £30,000 threshold for common diseases such as diabetes is understandable, as millions of patients are involved, as my hon. Friend the Member for North-West Leicestershire (David Taylor) said. However, it is not right to do so when only 1,500 patients receive treatment for PAH, fewer than 400 of whom use prostacyclins either as a monotherapy or in combination with other drugs.

My second concern about the report relates to the way in which the appraisal covers the clinical use of the two drugs. Specialist centres assess what is the right therapy for the individual patient. In the majority of cases, particularly where there has been an early diagnosis of the condition, other therapies are used. Prostacyclins are not the first drug therapy to be used, unless the patient's PAH is well advanced, and cheaper therapies are used until they are no longer effective. However, the appraisal evaluates the prostacyclins as first-line treatments and compares them with the cost-effectiveness of other

therapies. However, that is wrong. The treatment of PAH changes as the condition changes, and according to the patient's reaction to the treatment. The appraisal does not take that into account.

My third major criticism of the appraisal is that prostacyclins have been used in the treatment of PAH for 15 years. It is the main weapon used by clinicians to tackle the disease in its later stages. Clinicians are genuinely shocked that NICE is removing an effective treatment from their armoury, and they are not aware of any other decision that removes drugs that NICE accepts as being clinically effective and for which there is no alternative.

It is estimated that the cost of using all available treatments, including prostacyclins, is £20 million to £25 million a year. All that clinicians and patients are asking is that the best available treatments be used. They want to be able to use all the tools in their toolbox, as my hon. Friend the Member for Stockton, North (Frank Cook) put it at the hearing on the 10 March. Prostacyclin's effectiveness was shown in a withdrawal trial. Clinicians do not like withdrawing treatment, but in that trial, all patients who had their prostacyclin withdrawn showed a significant deterioration in their condition before the treatment was restored.

I recognise that NICE is independent – it should remain so – but I ask the Minister to raise with it a number of issues: first, why were those drugs not treated as ultra-orphan drugs in the appraisal? Secondly, will she ask it to reconsider how prostacyclins are used in the progress of the disease? Thirdly, will she ask it to explain what effective alternative there is to this treatment? I also urge her to raise with NICE the fact that every expert clinician in our treatment centres is appalled at the prospect of ending the use of prostacyclins. They are the acknowledged experts, and only use prostacyclins when that is in the patient's best interests. They are well aware of the costs involved and do not prescribe them unless they are effective and there is no alternative. They are saying, quite simply, that if the preliminary recommendation is confirmed, not only will patients' quality of life suffer, but their lives will shorten substantially.

Mr. David Drew (Stroud) (Lab/Co-op): One worry that I have is about the knock-on effect in the care sector. A friend of mine does not get all the care that she deserves, but if we downgrade the condition, people will need additional care. I worry about whether the care agencies will recognise that fact or further downgrade the condition.

Nick Ainger: I do not know whether my hon. Friend's friend uses prostacyclin, but if prostacyclins are not available to clinicians to prescribe, there is no question but that the quality of life and the condition of PAH patients will decline dramatically. Their care, whether it is delivered at home or in hospital, will increase substantially, so there will be an enormous increase in the resources needed to care for them. It is a serious issue, and it is a cost that the NHS and social services have to bear. I do not think that the appraisal committee has taken that factor into account.

David Taylor: Does my hon. Friend acknowledge the statistic that, correctly diagnosed and treated, two thirds of PAH patients survive for more than five years, and that without that treatment, more than half will die in less than two years?

Nick Ainger: That is the dramatic difference that the treatment can make to people's lives. Not only does it improve the quality of their life, but it keeps them alive. That is what has shocked those expert clinicians, who are world leaders in the treatment of the condition. NICE, without proposing an alternative, has suggested that the drugs be withdrawn.

Ann Winterton (Congleton) (Con): I wonder whether the hon. Gentleman is aware of the Raynaud's and Scleroderma Association, which was founded in my constituency and based there. Only a very small group of people suffers from those conditions – scleroderma in particular – and the drugs to which he refers are the only ones that can give any relief at all. The alternative is death. Will he ask the Minister to explain when she makes her winding-up speech why, on that one and only occasion, NICE has denied patients a life-saving drug when it has not done so for any other condition?

Nick Ainger: Indeed. I think that I have already made that point to the Minister. I have great sympathy with her in this case, however, because so far, it has nothing to do with the Department of Health; it is purely a preliminary recommendation by the NICE appraisal committee.

The Minister must be aware that if the decision is confirmed, it may well – returning to the point that I made to my hon. Friend the Member for Newport, West – discourage the pharmaceutical industry from investing in research to find treatments for rare conditions such as PAH. If that is the climate in which orphan drugs are treated and NICE does not take account of the far higher costs of treating rare conditions such as PAH, what incentive is there for the industry? My hon. Friend the Minister should consider asking her officials to open negotiations with the two drug companies, GlaxoSmithKline and Bayer Schering Pharma, to see whether the price of the drugs can be reduced.

I became involved with the Pulmonary Hypertension Association because of a constituency case. One of my constituents, the father of a seven-year-old patient, wrote to me saying that he was very worried that the funding for epoprostenol, the drug that was keeping his son alive, would stop. That was in 1999, and he said in his letter that the drug cost £120,000 a year. I wrote to my friend, Jon Owen Jones, who was the Wales Office Minister with responsibility for health, and I put a PS at the bottom, saying, "I'm sure he's got it wrong. It must be only £12,000." Jon Owen Jones wrote back to me, saying, "No, the figure is correct, and with the likely increase in dosage, next year the price for the drug will be £165,000."

I took up the case and discovered, as I said to my hon. Friend the Member for Newport, West, that the price of that drug in north America was between one eighth and one tenth of its price in the United Kingdom. I made an arrangement with the pharmacist at Withybush hospital in my constituency, and we started to import drugs from north America at one eighth of the price that was quoted in this country. There is room for serious negotiation. I know that the price has come down; I do not dispute that. I know also that, because they are ultra-orphan drugs, they are extremely expensive. However, the price that is quoted in the NICE appraisal must be examined to check that it is the actual price,

[Mr. McFadden]

I want, however, to deal with the renewables obligation, because it is important to explain it. The Government do not pay a subsidy to onshore wind farm developers at any stage in the delivery of the project, but all eligible generators of renewable electricity can benefit from the renewables obligation. The renewables obligation is administered by the regulator, Ofgem, and places an obligation on licensed electricity suppliers to source a specific and increasing proportion of their sales from renewable sources. Ofgem issues renewables obligation certificates—ROCs—to generators for every megawatt-hour of eligible renewable generation. That means that developers receive support only once the project is up and running.

It might help to illustrate what has happened so far if I give some of the facts and figures from last year. Up to that point, approximately 750 MW of renewable energy capacity were operating in the country and about 375 MW had been rejected by local planning authorities, which translates into about 50 plans being approved and roughly 25 not going forward. The reasons for their not going forward often included environmental considerations, as well as visual impact, aviation issues and noise concerns.

The renewables obligation therefore operates on the same level playing field as any other proposed development and does not negate the need for proper planning decisions. For example, it took more than 500 days on average for applications for onshore wind farms to be decided, although in some cases it can take considerably less time. I quote those figures to stress to hon. Members that although the Government have a serious and deep commitment to their renewables targets, we are not setting aside planning considerations or the proper voice of their constituents and others around the country in judging applications. The planning framework facilitates renewable energy, but also safeguards landscape and nature conservation.

The hon. Member for North-West Norfolk (Mr. Bellingham) said that offshore wind might be a preferable option, and there is subsidy and support for it. The truth, however, is that we need both offshore and onshore development, and we should not be forced into a choice between them. Offshore developments will tend to be more expensive to establish, although they will benefit from higher wind speeds and fewer obstacles, which will make up for some of the cost. However, we will need both onshore and offshore applications going forward.

Mr. Bellingham: I am grateful to the Minister for referring to the point that I made. In Norfolk, we have about 500 offshore turbines under construction or subject to planning permission, which will create serious critical mass, with Centrica building the biggest offshore wind farm in Europe. My point was very simple: putting small clusters of eight, nine or 10 turbines onshore does untold environmental damage, for very little gain, whereas offshore turbines can allow us to achieve critical mass and make a gain.

Mr. McFadden: I suspect that the hon. Gentleman's point about the comparative value of such projects is somewhat subjective. As I said, there are advantages to offshore projects, but we will need, both offshore and onshore projects going forward.

The hon. Gentleman also referred to the question of whether the local authority voice was removed when it came to applications for wind farms of more than 50 MW. In fact, local authorities can trigger an independent public inquiry into applications for wind farms over that size if they object to the proposed development.

Christopher Fraser: Could the Minister address the important point I raised about local communities enjoying a local benefit as a result of wind turbines being sited near where they live? Despite everything that he has said, he has not addressed that.

Mr. McFadden: The whole country will benefit from our meeting our renewables obligations and the whole country is committed to our getting the right energy mix going forward.

To return to the subject raised by the hon. Member for Mid-Norfolk, local communities look to the system to provide reassurance that the use of their space is being properly considered. Confidence in the system is essential to pave the way for future, high-quality development. That is what the planning changes that we are making to the current regime are designed to achieve. It is important to get the balance right. As a country, we have a major commitment on this issue and we have a major obligation to ensure that the voices of our constituents are heard. That will be our aim going forward.

Mr. David Wilshire (in the Chair): The hon. Member for Plymouth, Sutton (Linda Gilroy) and the Under-Secretary of State for Communities and Local Government are here for the next debate. I trust, Minister, that you had a good, but brief lunch after you escaped. Welcome back.

Plymouth Growth Plans

1.28 pm

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): I am very proud of Plymouth and the progress that it has made over the past 11 years. Like many MPs, I have spent the past two weeks meeting constituents and hearing their stories, as well as meeting those involved in public, private and community organisations in my city.

I have spent a lot of time walking around my constituency, and what a difference a decade has made. In North Hill, we have our first medical school for 30 years, and a dental school is going up in Brickfields. The wall in Devonport has come down, and there is a new heart to that town within the city. The city centre has an award-winning business improvement district. There is an award-winning east end renewal project, too, which includes new business, community and health centres. The Mount Gould local care centre has been established, and the university has grown in numbers and reputation. However, it is a question not just of buildings and jobs, but of people. Lives have been transformed, and many more people are passing their GCSEs, taking apprenticeships and going into further and higher education. Far fewer people are waiting in pain for treatment for one, one and a half or even two years.

All that has not come about by chance, but because of the choice that people made 12 years ago to elect a Labour Government, who have created economic stability and reordered the priorities that affect not only buildings but people and their life chances.

Those priorities made many more Plymouth children, women and families count; they made communities that were among the poorest in England, including the poorest ward in England on the 1995 index of local conditions, count. It is not surprising, given the starting point, that there is still a great deal to do, but with the cranes, the can-do attitude and the buzz that has infected life in Plymouth, there is no going back.

Plymouth is the 15th largest city in the country, the second largest city in the south-west and the largest city on the south coast. We welcome the Government's recognition of the importance of cities in driving national and regional economies, and we accept that Plymouth is not punching its weight. It is still true that we have lower incomes and less available skill in the work force than we could and should have. The disparity between the far south-west and the rest of the region is far greater than the differences between our region and other regions. Gross value added in the south-west is 93 per cent. of the UK average, but in Devon, it is only 82 per cent., and in Cornwall, 69 per cent. of the south-west average, so Plymouth has a major role to play in lifting the whole sub-region, including the neighbouring county of Cornwall, which is a European funding convergence area. Our urban population base does not give us the critical mass to support the range and quality of facilities found in other major urban areas.

For all those reasons, the city is planning an increase in population from just under 250,000 to 300,000 or more by 2026. That means that about 30,000 new homes have to be built in that period, 30 per cent. of which must be affordable—that is more than 4,000 by 2016—and at least 80 per cent. of which must be on brownfield sites. We have a plan for the built environment by world renowned town planner David Mackay, and our local development framework won a Royal Town Planning Institute prize. The economic aspects of the urban renaissance are being carried forward by our new city development company, which will build on the concept developed in the city growth strategy; some seed corn money from the Department for Trade and Industry made us look at our strengths in the knowledge and creative sectors, health and marine science and technologies, and established and growing industries in digital media. We have the biggest digital media cluster outside the M25, one of only four art and design colleges in the country, and the world-class TR2 facilities for sets, costumes and rehearsal, where rehearsal for major London theatres takes place.

Our city is already a centre of world-class expertise in marine science and technology. Marine sector development will remain the core of our economic strategy. The south yard at Devonport, which is to be released from the naval base estate, offers enormous potential to support the realisation of that growth sector, which is essential to our city's aspirations to provide an additional 42,500 jobs over the same time scale as the growth about which I spoke earlier. That knowledge and creativity base is complemented by well-established partnerships. Plymouth 2020, the local strategic partnership, has progressed from poor performance and become a national exemplar of how to drive rapid improvement. I am pleased to tell the Minister that my concerns about Plymouth's potential not being properly recognised at regional level, which I raised when I spoke about the plans in the House three years ago, have been replaced by confidence that it is now well understood.

Plymouth's importance is recognised in the draft regional spatial strategy, and it has been given greater emphasis in the panel's report. The regional economic strategy and "The Way Ahead"—the region's response to the sustainable communities plan—identify the city's potential for accelerated housing and economic growth. The Government have designated Plymouth as a new growth point, within which the city is developing a delivery infrastructure that will enable us fully to maximise the opportunities presented by the sub-national review. We are, however, under no illusions. Delivery is, and will be, challenging. We shall effectively create the equivalent of a small new town over the next 20 years, and at the same time turn round an economy that has underperformed for decades, to the extent that it has needed European aid.

Plymouth has a robust and innovative delivery framework, by way of statutory and non-statutory plans. The local development framework, as I have mentioned, is further advanced than that of any other urban area. The core strategy and four area action plans have already been formally adopted. The LDF is fully aligned with neighbouring authorities' plans. Our local transport plan is constructed around the Government's shared transport priorities. A new local economic strategy, prepared with economic and community partners in the local strategic partnership, provides a shared focus for action by a range of public and private stakeholders. We have a world-class skills strategy, through the LSP, which will be implemented by the city's new skills and employment board.

[Mr. Peter Bone]

of Wellingborough. That is wrong and unfair, and there should be proper consultation, but my point is that it is more serious than that. Two or three weeks ago, we held a local council by-election in Redwell. The Conservatives won by a country mile. That is nothing new; we always win by a country mile. The problem was which party finished second. It was not the traditional party—Labour, which ruled Wellingborough and controlled the council for a considerable number of years—but the British National party. It was the first time that the BNP had stood in Wellingborough, and it scored more than 15 per cent. of the votes, pushing Labour into third place.

The BNP did not come into the area screaming racist chants; it put a reasoned case about the overdevelopment and concentrated on that. People said, "It's no good voting Labour or Tory. They're not listening. They're not going to do anything about it. They've been in power all this time, and all these houses are coming." That is what I want to convey to the Minister. If proper consultation is not held and the views of local people are not taken into account, extreme parties will come in, which is something that I do not think any of us want.

11.38 am

Tony Baldry (Banbury) (Con): In the dying days of any Government, Ministers think that they need to introduce initiatives to keep the media at bay. Before the right hon. Member for Pontefract and Castleford (Yvette Cooper) trucked off to the Treasury to explain how the Government are raiding money from one group of poor people to fund another, she came up with what she thought was a whizz-bang idea for eco-towns. She thought that eco-towns had everything—they were green and gave the impression that the Government were building more affordable housing on brownfield sites.

The difficulty is that eco-town programmes have absolutely no public participation. I have with me the 2008-11 regional housing strategy for the south-east in which there is absolutely no mention of any eco-town. That strategy was developed by the Government office for the south-east, the Housing Corporation, South East England Development Agency, English Partnerships and every local authority in the south-east. How in God's name is anyone meant to plan anything and involve local people in a bottom-up planning system, if suddenly the Government come along and say, "Hey guys, we're going to impose on you a number of so-called eco-towns"?

Eco-towns are just that—towns. The one proposed in my constituency, Weston Otmoor, will be larger than Bicester, which is already one of the fastest growing towns in the UK. If it is built, the Weston Otmoor eco-town will be home to 25,000 people, growing eventually to 35,000, with 10 schools—two secondary and eight primary—and 15,500 properties. Apart from the fact that such a development might well undermine the vitality and viability of a town such as Bicester, it seems bizarre that it is to be imposed by Ministers with no local consultation or involvement. Effectively, developers bought options on land, produced pretty maps and said to the Department for Communities and Local Government, "Give us a run on this."

In fact, the only brownfield land on that site consists of a former RAF airstrip still used for adventure training and parachute jumps by the RAF. The developers have not even secured it, and some 25 per cent. of the site is green-belt land. It straddles a main road, over which developers have proposed to build something like the Ponte Vecchio—they say—with shops that will go over the A34. It is absolutely crazy that the Government are threatening to develop a whole new town largely on green-belt land, and on very little brownfield land, undermining the viability of one of the fastest growing towns in the UK—Bicester. Unsurprisingly, organisations such as the Campaign to Protect Rural England and the local naturalist trust are aghast. The CPRE estimates that the development, if it goes ahead, will lead to at least 7,500 extra car movements a day on the A34 and M40.

I can never persuade Ministers to visit my constituency, which I really do not understand—it must have something to do with my aftershave. However, I would welcome a visit from the Minister to the site of the proposed eco-town. He would observe the congested A34 where it meets the slow-moving M40, and its nearest junctions—9 and 10—which are already a nightmare, as a result of traffic from the south coast and Southampton travelling towards Oxford. It takes a dogleg down the M40 and up towards Northampton. Those two junctions are congested, and begging meetings with Transport Ministers have been held to discuss proposals to enhance them. The idea of putting a whole new town in the midst of that traffic congestion defies belief.

The Berkshire, Buckinghamshire and Oxfordshire Wildlife Trust is tearing its hair out in despair, because it is concerned that

"the scheme would result in the loss of one of its most important nationally-designated wildlife sites, threatening an ancient woodland site, a nature reserve and numerous protected and priority species.

For the proposed site includes Woodsides Meadow Nature Reserve, and other meadows owned and managed by BBOWT. The grassland habitats found at this site are extremely rare, supporting important species including orchids, snipe and curlew."

The BBOWT said:

"We just don't understand how development that would result in damage to a nationally important, protected habitat can be called an 'eco-town'.

It makes a mockery of the term 'sustainable' development."

It takes some skill to propose a massive new site on primarily greenfield land and sites of special scientific interest with the only brownfield land being a grass-covered runway, used by the RAF for parachute drops, that the developers have not even secured.

The involvement of local people in the proposal is absolutely zero, but that is the world in which we live. I hope that, in the dying days of this Government, Ministers will stop thinking up ideas and concentrate on sorting out the mess of last year's Budget and the 10p rate, and back away from ideas about imposing 42 day's detention on us. Successive Governments have developed a planning system that is not perfect, but which is at least plan-led and under which local people have the opportunity to make contributions at different stages, leading to local development plans and regional spatial strategies. In these eco-town proposals, Ministers are threatening to overthrow, undermine and destroy all of that. Why on earth should any local authority or councillor make any

contribution to the development of things such as the regional spatial strategy when Ministers who just want a headline dream up eco-towns?

11.47 am

Mr. Mark Lancaster (North-East Milton Keynes) (Con): It is a pleasure to follow my hon. Friend the Member for Banbury (Tony Baldry) who made a passionate speech on behalf of his constituents. As ever, I am sure that he will be proved right. I also congratulate my hon. Friend the Member for Kettering (Mr. Hollobone) on raising this incredibly important debate, which affects our broad region a great deal. It is the key issue on which I have been campaigning for the past few years.

For us at least, the situation began in 2004 when the then Deputy Prime Minister, the right hon. Member for Kingston upon Hull, East (Mr. Prescott), announced that the Government intended to expand Milton Keynes over the following few years by some 70,000 houses—up to 370,000 by 2031. Ever since, I have campaigned for "I before E"—infrastructure before expansion, which I am sure that the Minister will assure me will come to Milton Keynes. We had a consultation of sorts in Milton Keynes, between July and September 2006, but just 1,600 replies were received. Ubiqus, which produced a report on the consultation, said:

"Most general comments on the consultation were from respondents who questioned whether their input would make any difference, and criticised the involvement of the unelected Milton Keynes Partnership. Others said that people who lived in MK and not 'so-called experts' should determine growth."

In the short time available to me, I want to make some quick points. If the Minister takes nothing else away from this debate, he must understand that the Opposition wants a bottom-up approach, not a top-down one. Certainly in Milton Keynes, in 2004, there was a belief that the right hon. Member for Kingston upon Hull, East was rather like a world war one general with a very small map and big hands saying, "I want houses there, there and there", without any genuine feeling about the impact on local communities. That is further demonstrated by the fact that English Partnerships, which is charged with delivering those houses, and Milton Keynes Partnerships, our local delivery agent, have become the planning authority for the eastern and western flanks. While Milton Keynes council maintains control of central Milton Keynes, the planning authority for the new expansion areas in the east and west of the city is an unelected, unaccountable quango that is responsible only to central Government, and not to the local people. Does the Minister understand why people feel so strongly about the decision being taken out of their hands and imposed from above?

The density in Milton Keynes is increasing rapidly. New developments such as Oakgrove are far denser than previous developments in the city. When it was first developed some 40 years ago, Milton Keynes was flagged up as great city to which to move because it had vast areas of open space. Housing density was not high. People were encouraged to move out of London and into Milton Keynes. However, that is changing as housing densities continue to increase. People feel very strongly that their city motto of "By knowledge, design and understanding" will be lost, because they are no longer in charge of their destiny. Central Government are dictating how local people should lead their lives.

I want to return briefly to "I before E", or infrastructure before expansion. I am sure that when the Minister replies, he will assure us that all the infrastructure that we need will be delivered. However, I want to give two examples to show how we are failing. This year, we have a £65 million deficit in the basic needs allocation for our new schools. To match new housing levels, we have to build or extend 12 new primary or secondary schools. However, the deficit means that we may not be able to build many of those new schools, so can the Minister suggest where all the children from the new housing will go to school? We have put in an application for the safety valve mechanism to get some of the money back, and we should have heard three weeks ago whether or not we would get some £15 million back. Surprise, surprise, it appears that the decision, or the announcement of this money, will be delayed until after 1 May. I have no idea why that should be—perhaps the Minister can enlighten me. He will be aware that in Milton Keynes, we pay the Milton Keynes tariff, which is known locally as the roof tax. Some £18,500 for each property will be delivered—not directly, but indirectly—back to the community to build infrastructure, but I must tell the Minister that that represents only 10 or 15 per cent. of what we need.

When I spoke to John Lewis, the new chief executive of the Milton Keynes Partnership, he told me that 50 per cent of his budget for infrastructure is a direct grant from central Government and that 50 per cent. comes from the Milton Keynes tariff. The problem is that because of the economic downturn, we are not building the expected number of houses. There has not been a major land deal in the area for more than seven months. When it comes to infrastructure, the one thing that is probably saving us is the fact that we are failing to deliver the quantity of houses that the Government want. We have therefore had to reduce our projected income from the Milton Keynes tariff, because we are not building the houses and will not receive any money. That 50 per cent. of budget that John Lewis expected to use to build new multi-storey car parks around the city has had to be downsized, and all the projects are being moved to the right. Although the Minister promised us that infrastructure would be delivered, that will not happen because of the failure to deliver the money from the Milton Keynes tariff as a result of the economic downturn.

I have one final question for the Minister. Given that his Government have constantly promised the people of Milton Keynes that the infrastructure will be in place before the houses are built, and given that it is clear that the money will not be delivered to the extent that he was hoping from the Milton Keynes tariff, how exactly will he replace that money to ensure that we secure the infrastructure that he promised?

11.52 am

Dan Rogerson (North Cornwall) (LD): I congratulate the hon. Member for Kettering (Mr. Hollobone) on securing this important debate. It has given us the opportunity to hear about a number of local circumstances. In particular, we can look at the underlying trends and problems that are faced by hon. Members in their constituencies and, of course, by the people who are living in the areas that are directly affected by housing development.

[Dr. Alan Whitehead]

operation of the EU waste framework directive, including handling restrictions, processing precautions and the certification processes that accompany waste on its way to landfill, hazardous waste tips or inert disposal. Hardly any metals go along this route, and yet they are classified as if they do.

That is a continuing problem for the handling of recycled metals, and it causes difficulties, given that one of the unsung achievements of the metals recycling is that it ranks as one of the more important of Britain's export industries. Recycled metal is not just shipped out and dumped, but goes as a high-quality raw material to markets all over the world. In fact, of the 15 million tonnes of metals recovered each year, some 60 per cent. is exported, most of it to countries outside Europe. Indeed, if that export trade were unsustainable, or no longer possible, the UK would simply have to dump recycled metals in landfill, because every year, we have a surplus of recovered metals over and above that which could be used in the UK's steel and metal foundries. That material is high quality, partly because that is what the companies purchasing it require, but in UK terms, it is regarded as exported waste.

Stringent EU regulations are in place—again, in general, rightly so—to ensure that waste is not dumped in receiving countries and that the EU does not simply pass on its waste disposal and hazardous waste management problems to countries less able or willing to ask questions about its origin and safety. The European trans-frontier shipment of waste regulations state that waste may be shipped to countries outside the OECD only if the country concerned agrees explicitly to accept it. If a country has not notified the EU of its conditions for acceptance—120 countries have not done so—extensive pre-notification requirements on shipments must be fulfilled and considerable details on the receiving company must be logged. Arguably, a declaration of otherwise commercially-confidential material is required.

It is, perhaps not surprising that under such circumstances, British exports of clean metal resources should be rejected in favour of sourcing from other countries in which specified quality recycled metals are not classified as waste. If metal were not so classified and there was an industry onus on quality and, perhaps, export protocol, none of those difficulties would arise. However, we continue to classify metal as a waste, and at the heart of the problem is the fact that the European Court of Justice says that it is a waste. That was confirmed in a case relating to the EU packaging directive, which is widely regarded across Europe as setting an inappropriate precedent, but it will take a new waste framework directive to change matters. The revised EU waste framework directive has now completed its Second Reading in the European Parliament, and it will allow metals to be reclassified, but that will only happen after the small print is finalised. The "comitology" process, in which the Commission decides on the small print, is reasonably swift. On the other hand, co-decision, which is joint action between the Commission and the EU Parliament to decide on the small print, will take far longer—perhaps four years or so. It is important that the UK Government press for the early adoption of the revised waste framework in the first instance.

Miss Anne McIntosh (Vale of York) (Con): Would the hon. Gentleman prefer the comitology process to discuss the fine print to be held behind closed doors, where there is no possibility of the involvement of Ministers or MEPs, or would he prefer the matter to be decided by co-decision, so that it is completely transparent and we can see exactly how the details are discussed? He did not say which procedure he preferred.

Dr. Whitehead: The hon. Lady intervened just before I reached the sentence in my speaking notes that clarifies what I mean by choice, but she makes an important point. On the one hand, it is important that the small print of directives is clarified in as public a way as possible. On the other hand, in this particular instance, the principles are fairly clear. The changes in the framework directive start to give a clear idea of what recycling is and, more importantly, of when waste is not waste: the point at which waste becomes a renewable resource. I am not sure that a further process of co-decision making on the directive would add a great deal. However, it would take away, over a considerable period of time, the ability of the UK Government, and of the industry, to make the necessary changes to greatly advance the passage of metal from a recyclable form into a new resource. On balance, therefore, I would prefer the directive to be decided by comitology, because the difference in time scale is enormous. The gain arising from the implementation of a new waste framework directive is so considerable that it is worth going down that particular path. However, that is not to take away from the hon. Lady's point about the need to ensure that the directive is framed in a transparent and coherent way, and should be scrutinised and examined properly.

Having said that, the UK Government could act even more swiftly on the vexed category of waste offcuts. It is as plain as a pikestaff that offcuts are not waste and do not need to be treated as such, as there is no danger to anyone from their not being treated as waste. They can literally just be gathered up and reused roughly in the way that one uses the pastry left from making mince pies to make more mince pies. I make mince pies and am familiar with the process.

In anticipation of the passage of the revised directive, the EU Commission has produced a draft report on an end-of-waste scrap metal case study. I will not say what the communication clearly states because I think that the phrases "clearly states" and "Commission communications" are not always natural bedfellows. Hon. Members will have to take it from me that it suggests that if excess material from a primary production process can be used directly in a further primary production process it can be considered as falling outside the definition of waste and is in effect a by-product. The UK should take up forthwith what is effectively an open invitation safely to reclassify shavings and offcuts in advance of a decision on the new framework, and I hope that the UK Government will be able to do so.

I have mentioned the efficiency of the metals recycling industry in coping with the challenge of the European end-of-life vehicles directive. Hon. Members will recall the time when local authorities scraped burnt-out vehicles from the tarmac of community car parks in which they were dumped. The introduction of the directive and the reception of end-of-life vehicles

for comprehensive treatment by metal recycling plants have largely changed that situation. I have visited several large recycling yards and seen just how comprehensive that treatment is. The task is to receive the vehicle and separate it out safely into all its constituent parts; and recycling companies have invested substantially in the technology to do so successfully. Consequently, the UK has been able to reach the current ELV target of 85 per cent. recovery, including 80 per cent. recycling and re-use.

Mr. David Drew (Stroud) (Lab/Co-op): I congratulate my hon. Friend on calling this debate. I know that he has talked about Europe, but one of the problems in this country is ensuring that there are sufficient sites for vehicle capture and recycling. Will he go on to talk about the planning system because the main site in my constituency, which is currently leased, is subject to the continual pressure of not knowing whether it will be able to stay there? If we lose that site, we will have to recycle cars through Gloucester, and that will not be environmentally friendly.

Dr. Whitehead: My hon. Friend tempts me to go on at length about the planning system, which I was not intending to do. However, he is absolutely right. If we look at what we, as a country, will need over the next decade to achieve a substantial changeover from the vast majority of waste going into landfill to the vast majority not going into landfill, we will need a variety of resources of so-called MRFs—materials recycling facilities—and of car reception end-recycling facilities. Those facilities either exist at the moment and are under threat, or do not exist and need to be brought about by the effective use of the planning regulations. They will be needed to shift the enormous body of material away from landfill and into other forms of waste processing. The problem is that, in many instances, the planning process will impede the development of those sites rather than enabling them to be achieved on a planned basis.

My hon. Friend tempts me to set this issue into perspective. In the south-east, we need to find and develop effectively one MRF every fortnight between now and 2015. That does not look likely to happen. There is a real issue over the whole question of planning and the siting of such facilities and an underlying issue of waste. It is up to the politicians, among other people, to emphasise that if we drive our car into a part-exchange garage and get a new car, it is not the end of our car. It is the same as putting our waste outside our front door and expecting someone to deal with it regardless of the consequences. Emphasising that point should be a watchword of domestic waste disposal.

We all have a responsibility to recognise that our communities should be involved in the processing and recycling of waste. Saying that we want the efficient distribution, collection and disposal of waste, while also saying that we, collectively, are not prepared to provide the necessary sites and arrangements to make that happen is a dereliction of our understanding of the whole process.

Before my hon. Friend tempted me down the planning route, I was talking about the processing and disposal of 2 million vehicles a year. However, the targets are set to move upwards over the next few years to the challenging target of 95 per cent. recovery, with 85 per cent. recycling and reuse, by 2015. The challenge is not so much in finding the vehicles to make the recovery target, but in ensuring that the vehicle components that are to be recycled or reused can be successfully retrieved, separated and put to good use.

Currently, 75 per cent. of a vehicle's volume is its metal, pretty much all of which can be recycled and reused. The main issues with recycling vehicles are cleaning the metal, separating its ferrous and non-ferrous elements so that they are ready for smelting, and effectively retrieving the remaining components. Separating rubber, plastic, textiles, glass and some wood components to meet the higher targets will require not only additional investment but a substantial role for metal recycling yards beyond dealing with metal in its own right. Some of that additional material is recycled, and that is reflected in the overall figures, but much of it is placed into piles and sent to landfill. There does not exist, it seems, a systematic strategy to cope with that residue.

In the absence of effective post-shredder sorting, there is no real alternative to landfill, except, perhaps, the energy-from-waste route, where metal recycling and other forms of recycling meet. Can provisions for co-firing and the development of a more effective, banded renewables obligation certificate market for energy from waste, in tandem with combined heat and power, start to take up the slack? If it cannot, it is hard to see how the UK can move from its present, impressive international position on vehicle recycling to the level anticipated for 2015. It is important to address this issue early; we should harness different strands of the recycling industry and government with a task force, perhaps similar to the recent biomass task force, to resolve the issues of moving post-shredder non-metal vehicle residues out of landfill and into the recycling system.

One aspect of end-of-life vehicle disposal is of concern, and touches on the underlying theme of metal theft: ELV certificates of destruction. The certificate system is not effective because it allows considerable numbers of vehicles to go missing in the system, and not just literally into hedges. It under-records the vehicles that have been properly disposed of, and therefore under-reports the UK's performance on vehicle recycling. Having destruction certificates that travel more effectively with the relevant vehicles, so that vehicles do not slip through the system, would be an important part of the drive to meet the higher 2015 targets.

I started by quoting, with approval, some paragraphs from the beginning of the 2007 waste strategy. If one looks at the list of actions at the end of that document—there are 94 of them—one sees that the words in the opening paragraphs are not really reflected in those actions, at least as far as metals are concerned. Indeed, only one action mentions metals, and that is a partial sentence devoted to aluminium. I do not particularly criticise the Department for Environment, Food and Rural Affairs for that apparent omission. It is a testimony to the success of the metals recycling industry and its genuine achievement in dealing effectively with metal wastes—rapidly and efficiently turning them into quality raw materials—that the waste strategy largely considers they can be left

[Mr. Horam]

sure that it will play well—so far it has not played well—in the international sphere, because Kosovo has secured less support for its independence than it might have hoped for. It is an issue on which, again, we paid too little attention to the views of the Russians.

I must disagree with my right hon. Friend the Member for Tonbridge and Malling about NATO, Ukraine and Georgia. He rightly pointed out what those two countries have done to make themselves acceptable to NATO, but once again, we must look at the situation from Russia's point of view—not simply to take account of Russia's point of view, but, in our own interests, to have reasonable relations with Russia. Clearly, the situation is provocative from their point of view. If Ukraine becomes part of NATO, Russia will regard NATO as coming right up to its very frontiers, which is something, historically, that it must be concerned about. We all accept that Ukraine in particular, but also Georgia, has legitimate reasons for being part of NATO, and we would welcome it to NATO. The question, however, is when? Our Government and the Governments of the other European countries were right to say, "Not yet." It may be next year or the year after before those countries start the process of entering NATO, but we must be concerned about Russia's current interests.

Sir John Stanley: Does my hon. Friend not agree that NATO has been up to the Russian frontiers for many years—notably north Norway?

Mr. Horam: I understand that point, but Norway is not like Ukraine. Ukraine is part of the whole Russian identity. Kievan Rus is part of the history of Russia, and Ukraine is much more immediate to the Russians than Norway, which is a fringe country in European terms. The situation concerns Russia. I understand why, and we must understand their attitude and approach matters carefully. We will get there in the end, and it is right that we should, but we must proceed with caution.

Those are the two caveats about the approach of the Foreign Office. We need to be less subservient to the United States and get together on energy security in Europe. There is a great possibility for a new and much healthier relationship with Russia.

3.56 pm

Mr. Nicholas Soames (Mid-Sussex) (Con): I find myself, unusually, in a unique position, being practically the only person in the room today who is not a member of the Foreign Affairs Committee and who has not had the benefit of taking part in this tremendous exercise. I congratulate the Committee on an excellent report, and the Government on their response.

I shall speak about a broader range of issues. I shall not touch on NATO or on any other big issues, because they have already been dealt with. I find myself, again uniquely, in almost complete agreement with all the speeches that have been made so far this afternoon. It has been a knowledgeable and informative display of clear and pragmatic thinking. I particularly endorse what my hon. Friend the Member for Orpington (Mr. Horam) said about the necessity for this country to rebalance its relationship with the United States of America. One sad thing about the way in which our relationship with Moscow has festered recently is that Moscow thinks that we are not much use to them bilaterally because we do not have any influence in Washington as it is, which in itself is a rather galling thought.

The reasons for the unsatisfactory state of our relations with Russia are well known and have been well rehearsed this afternoon. Many of them are based on unnecessary misunderstandings and an increasing habit of ill temper and bad communication. There are, and always will be, issues upon which we have substantial differences, including NATO enlargement, all the other issues of international relations, and the other grit in the oyster, the well rehearsed problems that the report highlights.

In spite of that political bilateral coolness, however, British and Russian business—I am glad to say—seems to be flourishing. Russian companies continue to see the City of London as the preferred location for planned public offerings, and they manage to raise considerable sums of money from the capital markets to develop those businesses. Britain also continues to be one of the largest foreign investors in Russia. If the political situation worsens, however, there is a likelihood that Russian companies will be persuaded to look elsewhere to further their business growth, and that the pressure on British companies operating in Russia will grow—for example, as is happening with TNK-BP.

Without a coherent political dialogue, or the means to achieve those ends, it becomes very difficult for both Russian and British businesses to appeal to a higher body to resolve their potential grievances. It is particularly important that the British Government's policy on Russia should seek to protect and promote those bilateral business interests and capitalise on the fantastic know-how of the City of London in those sectors. That is important if we are to achieve that aim, and other aims that we have, to minimise the political and diplomatic differences such as have occurred over the past two years. The moment has now come when it is in Britain's interests and, I would like to think, in the interests of Russia, to redefine our relationship together across the whole piece and to make a new and more positive attempt at establishing a consistent and agreed dialogue that has the structure and framework to survive the inevitable shocks that will come along the way.

It is often difficult under this Government to define any clear strategy in British foreign policy, but our national interest obviously dictates that it is foolish not to have a more workable and substantial relationship with Russia. I am not in any way talking about appeasement. I am talking about a more frank, clear-eyed and productive relationship that clearly would be of benefit to both sides.

It is important for us to understand that President Putin is hailed in his own country as the saviour of modern Russia and if that salvation has been achieved at some cost, in my view Russians see that cost as worth while, indeed a price well worth paying. The regime has indeed become more authoritarian. Power has been consolidated in the Kremlin, and of course a relatively small political elite makes all major policy decisions, which is not so different from this country. To be frank, this is a matter for the Russians and not something that we need to have a nervous breakdown about.

Of course we need to continue to make a robust case on human rights and all the other issues that concern us and about which we feel very strongly. However, we need to be more self-confident and open in our dealings with Russia. As I have said, it is essential that our Russian policy is not open to the accusation that we are seeking to appease the Russian Government or that we are apologists in any way for a Government who are rightly described as being extremely authoritarian. Cultural, political and other differences between the United Kingdom and Russia mean that the bilateral relationship will regularly suffer setbacks and be a constant challenge to maintain. A skilful Government, one with a confident, clear strategy, would find a serviceable way to navigate these shoals.

The President-elect should not be regarded as a "softer touch" than his predecessor; indeed, there is every indication that he may well adopt as tough a stance or an even tougher one than that adopted by President Putin. His immediate concern will be to consolidate his power base and to send a clear message to the competing clans within the Kremlin that he is the new boss. In so doing, the perception abroad may well be that Medvedev is no different from President Putin. That is not the case. Medvedev is from the St. Petersburg liberal elite and not, it must be noted, from the security services. Nevertheless, that label should not mislead the west into thinking that there will be an immediate sea change in the Kremlin's policies. However, a different type of dialogue should be sought and support shown for the President-elect.

This is now the moment when we need to recast our policy and to let the Russians see and know that we are interested in having a better relationship with them. It makes little sense that we are perceived as being likely to treat Russia as a constant adversary. As one of my hon. Friends said, after going to Moscow recently:

"It is more a cold sore than a Cold War."

We face an assertive Russia which is prepared to flex its muscles on the international stage and to disagree with western policy, particularly American policy. Talk of a new cold war is extremely unhelpful and misleading, and such loose tongues merely inflame the debate and make it much harder to have a sustainable relationship with Russia.

I have three suggestions for steps that I believe we should take to improve relations and to try to restore, at whatever level, some substance to our bilateral engagement. First, we should consider how we can renew attempts at intelligence-gathering on a case-by-case basis. Such intelligence gathering fell into disrepair after 9/11, but there are areas where co-operation was extremely beneficial and it could be again. Secondly, this great Parliament does its work very well overseas. However, a much broader series of parliamentary visits and exchanges needs to be arranged. Thirdly, it would be good to create a standing forum of some sort for the exchange of commercial ideas, rules and norms across a broad field of endeavour. I would encourage the lord mayor of London to create such a forum himself.

It should not be beyond the wit of man to manage the disputes and disagreements that, in my view, are caused more by mutual misunderstandings than by anything else. The Government should make a major effort to improve this very important relationship. I also warn the Government that, without a proper strategy, the relationship will suffer, as many others have suffered under the stewardship of this Government, if they just muddle through. That is not good enough.

I would like to conclude by reading a quotation from an article in the *Financial Times*, written by a great former British ambassador to Moscow, Sir Rodric Braithwaite. Sir Rodric said:

"Although Russians today do not enjoy our kind of democracy, they do enjoy an unprecedented, if precarious, degree of personal prosperity, of access to information, of freedom to travel and even - within limits - to express their views. To argue that they cannot go on to construct their own version of democracy is a kind of racism. It may take decades, even generations, the construction of democracy always does. But if the Indians can do it, so can the Russians. George Kennan, that great Russia watcher, got it right when he wrote in 1951, at the height of the cold war"

and these are wise words

"When Soviet power has run its course ... let us not hover nervously over the people who come after, applying litmus papers daily to their political complexions to find out whether they answer to our concept of 'democrats'. Give them time; let them be Russians; let them work out their internal problems in their own manner. The ways by which people advance towards dignity and enlightenment in government are things that constitute the deepest and most intimate processes of national life. There is nothing less understandable to foreigners, nothing in which foreign influence can do less good."

4.7 pm

Mr. David Wilshire (Spelthorne) (Con): Thank you for calling me, Mr. Caton. It is a pleasure to be speaking in the Chamber, rather than sitting in your chair in this particular room. It is also a great pleasure to meet up again with some old friends who were on the Foreign Affairs Committee when I was a member. I was on the Committee until seven years ago, they still serve on it, and it is a pleasure to be in the Chamber with them today.

I listened with great care to the hon. Member for Thurrock (Andrew Mackinlay) I am tempted to call him my hon. Friend if that does not wreck his future career - and I agreed with everything that he said, apart from his comment that his accurate prophecies had not resulted in his becoming a Minister in the Government. I am sorry to tell him - and I hope that this does not hurt his feelings - but I am rather glad that he did not become a Minister, because the first thing that the Government would do is gag him. The one thing that we do not want is that voice of sanity and that willingness to challenge to be quietened. The only other problem that I have with what he said this afternoon is the fact that he pinched most of what I was about to say in my speech, so I shall be briefer than I originally thought.

I would like to explain to the House why somebody whose constituency is next door to Heathrow airport should suddenly turn up to take part in a debate on Russia, as that is not what some people would expect. The reason is as follows: I lead the Conservative members of the delegation to the Council of Europe Parliamentary Assembly. I promise that I am not about to make a Conservative party political speech, but the significance of being a Conservative is that we belong to our own separate group, rather than the European People's Party, or EPP. Before you call me to order, Mr. Caton, I am not going to enter the European Union debate that the Conservatives love to have. I would simply like to say

Mr. Michael Burke

4.49 pm

Barbara Keeley (Worsley) (Lab): It is a pleasure to speak under your chairmanship, Mrs. Dean. I wish to present the case that my constituent Michael Burke and his family have been making since December about problems with his trial and imprisonment in Italy.

Michael Burke, a Manchester United supporter, travelled to Italy to watch his team play Roma in the champions league on 12 December 2007. On that day, violent clashes involving fans and the Italian police occurred before the game. Mr. Burke and three other men—Kyle Dillon, Nicholas Lukacs and Richard Wimmer—were arrested by the Italian police. After an abbreviated trial and court hearing, the four men were convicted of resisting arrest and assault, and all were handed custodial sentences. Michael Burke was sentenced to two years and four months in prison. Appeal on his conviction and those of the other three men will be heard on 2 May.

My hon. Friend the Minister will recall that I contacted him about the case on 24 December. He was helpful in obtaining some comment about the case from consular staff in Rome, but some of the information that he received appears not to match the statements made by my constituent and other men since then. At the time, there was a feeling in the UK that the violence in Rome should be condemned. English fans travelling abroad have earned a poor reputation over the years, and what happened with some Manchester United fans last December seemed to underline that.

It was initially reported in the media that the Italian police officers who arrested the four were helped by spotters from the Greater Manchester police who identified the men as known troublemakers. That was not the case. I have it in writing from the late chief constable of Greater Manchester police, Michael Todd, that no GMP officers were involved in the arrest. The Greater Manchester police also confirmed that they have not provided any evidence to the Italian legal system, and that the Italian authorities never requested any. Michael Burke has said in a statement that he was actually at the receiving end of a violent attack rather than having caused one. It seems clear that Michael Burke and the other fans were in the wrong place at the wrong time.

I turn to my concerns about legal representation and the trial of Mr. Burke. The right to a competent interpreter for anyone who does not understand the language of the court is considered a fundamental rule of justice, and one of my chief concerns about the trial is that Mr. Burke was not offered effective or competent interpreting or translation services. That also affected the quality of legal assistance. The court-allocated lawyer did not speak English, and Mr. Burke and the other fans do not speak or understand Italian. Mr. Burke and the other men met the court-appointed lawyer in the holding cell immediately before their first hearing, and no interpreter was present. Mr. Burke has commented that he had no idea what was happening or what he was being charged with.

Tom Levitt (High Peak) (Lab): My hon. Friend is making a strong case on behalf of her constituent and of mine, Nicholas Lukacs. I apologise that I will not be able to stay for the full debate. Will she raise with the Minister the conditions in which the four men were held in prison, particularly during the first two weeks after the events that she has described? They were denied access to towels, toiletries and a change of clothes. They were confined for 23 hours at a time without breaks and at no time during those two weeks were they given access in English to the information that she mentioned.

Barbara Keeley: Indeed I will. I thank my hon. Friend for making that point. I shall return to it later, although I know that he will not be able to be here.

Article 6 of the European convention on human rights states:

"Everyone charged with a criminal offence has the following minimum rights:

(a) to be informed promptly, in a language which he or she understands and in detail, of the nature and cause of the accusation against him; (c) to defend himself in person or through legal assistance of his own choosing; (e) to have the free assistance of an interpreter if he cannot understand or speak the language used in court."

Language translation and a court interpreter are clearly of the utmost importance to British citizens arrested abroad.

Further difficulties in the case relate to differences in the legal systems. The Italian legal system is inquisitorial and allows for abbreviated trials, which are unfamiliar to those here in the UK. My constituent and the other defendants accepted an abbreviated trial without understanding the consequences. Mr. Burke has written since then that the men were told only that an abbreviated trial represented their best chance of being released and that, if they agreed to one, they would be home quickly. Given that it happened only a few days before Christmas, it was understandable that they accepted. Indeed, they do not appear to have been given another option. My constituent has learned since then that agreeing to an abbreviated trial implies a guilty plea, but he has never admitted guilt and says that he would not do so. I feel that he accepted an abbreviated trial only because its implications were not properly explained to him.

My constituent and the other three men were first given access to an interpreter only when they entered the court for their first hearing. Mr. Burke has written that the interpreter did not communicate any of the exchanges between the judge and the prosecution. In fact, when Mr. Burke asked to be told what was happening, the interpreter told him to be quiet. Mr. Burke has also written that he had no confidence that his statement was represented fairly in court, and that the interpreter spoke in quite broken English that he and the other men found difficult to understand.

Before the trial, Mr. Burke and his fellow defendants requested a more competent interpreter. Their lawyer apparently agreed to it, yet when they returned to court for the trial hearing, the original interpreter was again present. My constituent says that they again asked the interpreter to explain what was happening in court and that the interpreter again refused to interpret the proceedings, saying, "I'm not here to tell you about the trial, only to tell you whether you're going to prison or not." In fact, the next time the interpreter spoke to them was to tell Mr. Burke and Mr. Lukacs that they had been sentenced to more than two years in prison.

The trial process appears to contravene article 6 of the European convention on human rights. How can my constituent have received a fair trial if he did not understand a word of what was being said and if his interpreter refused to interpret the court proceedings for him? Case law of the European convention on human rights makes it clear that the obligation towards the defendant also extends to ensuring that he has translations of all the relevant documents in the proceedings in order for the trial to be fair within the meaning of article 6.

In March 2003, Stephen Jakobi, a lawyer and the founder and former director of Fair Trials Abroad, told the European Scrutiny Committee:

"I am hoping that resources will be found in Europe to have an efficient, European level justice system that works. We have not got one in the European Court of Human Rights, I am afraid."

Referring to a landmark judgment in Kamasinski v. Austria 1989, which is seen to have set the standard for court interpretation, Stephen Jakobi said that

"about three countries actually made the effort to get the standard of interpretation and translation right, including, I am glad to say, the United Kingdom. As for the rest, nobody is anywhere near it. It is no good having a court of last resort that supposedly is setting standards for the whole of Europe if nobody listens to it."

A duty is placed on the court to provide defendants with effective interpretation and translation, but Fair Trials Abroad feels that that duty is not being taken seriously in much of the EU.

Of the first hearing, Michael Burke writes:

"The interpreter asked me to tell the court my account of what happened. I did this. It took me about five minutes or so. The interpreter then translated this in about 30 seconds."

Even allowing for differences in language and speed of delivery, it seems unlikely that the interpreter provided the court with an accurate interpretation of Mr. Burke's words. Summarising Mr. Burke's statement to that extent must have resulted in the court hearing only a truncated version of what he said.

The European convention on human rights also states that the accused has the right to full knowledge of the charges against him. As I have mentioned, my constituent writes that he did not know the charges against him until after the first court hearing. By that time, Mr. Burke had made a statement to the court about what happened without knowing the charges against which he was defending himself. Also, the four men did not meet their court-appointed lawyer until minutes before the first hearing, and the lawyer was unable to offer them competent legal assistance because of the language barrier. I understand that Mr. Dillon requested that the four men have the use of a private lawyer, but the request was refused, so the men were represented by a lawyer who did not provide them with sufficient information to understand that accepting the abbreviated form of trial meant effectively pleading guilty.

Although the solution to the problems lies in the Italian justice system, I hope that my hon. Friend the Minister will take any steps that he can to ensure that my constituent and the other men receive a fair hearing when their appeal comes to court on 2 May. We need to think about the problems created for the families of Michael Burke and the other fans arrested who will be missing their loved ones and suffering financially: the appeal lawyer is costing the families many thousands of pounds each; each visit to Italy costs many hundreds of pounds in flights and accommodation; and the four men are not, of course, working or earning. Together, that causes great distress and worry to the families.

I would like to thank my hon. Friend the Minister for his involvement in the case and for keeping in touch with me over it. To some extent, consular visits have helped to ensure that my constituent's welfare is adequate, although it is worth returning to the comments of my hon. Friend the Member for High Peak (Tom Levitt) about the fact that standards in Italian prisons are nothing like even those that people complain about in this country. Food, exercise and finding things to do are all issues. Straight after the trial and conviction, the four fans were together in one prison, but disturbingly they have now been dispersed across different prisons, some quite a distance from Rome, which again makes travelling for the families very difficult. Given that none of those fans speaks Italian, they are now stuck with nobody to talk to, which is a very difficult situation to be in. Standards in those prisons fall short of what we would expect to find in prisons in the UK. Michael Burke and the other three men are to be in Italian prisons for up to two and half years, because they got caught up in violence not of their own making.

I ask the Minister whether he can take his involvement in the case further and make important interventions before the appeal on 2 May. Will he write to the Italian authorities urging them to provide my constituent and the other defendants with translations of court documents and an effective court interpreter? They did not have those during their first case, but given everything that I have said today, there is no reason why they should not have them at their appeal hearing.

Mr. Burke's partner has booked flights and accommodation to visit him on 1 May—the day before the appeal hearing—but the families have just been told that 1 May is a public national holiday in Italy and that, as a consequence, prisons are closed to visitors. It is a pity that they have made all their arrangements already, because clearly it is key for the families to visit before this vital appeal and it is, of course, very difficult to change those arrangements. Will the Minister urge the prison to allow Mr. Burke's partner to visit? I should add that, when I ask him to make the case for Mr. Burke, I mean him to include the constituents of other hon. Members, including of my hon. Friend the Member for High Peak.

More broadly, will the Minister look into this case as a matter of urgency to see whether anything else can be done to ensure that my constituent and the other three British citizens get a fair hearing, particularly at the appeal? If the appeal fails—none of us wants to think that way, or hopes that we will need this solution—can anything be done to allow my constituent and the other fans to be repatriated to the UK, so that they can be closer to their families? That would at least release them from some of the financial distress being experienced from travelling to Italy. We understand that that is done from time to time, but that very often there is a delay of something approaching 12 to 18 months. We realise that that could not be considered until after the appeal. However, it could be considered then—but not if it will take 12 to 18 months and involve all that financial distress.

Mr. Jim Devine (Livingston) (Lab): The hon. Gentleman said that increasing the powers of the Scottish Parliament is a priority. Never in one of my surgeries, or when I have walked around on the streets, or at community and public meetings, has one single constituent of mine come up to me and said: "The No. 1 priority is more powers for the Scottish Parliament". It would be helpful if someone gave the hon. Gentleman some advice. Has he met such people?

Pete Wishart: It is the hon. Gentleman's No. 1 priority. Labour have set up a commission to look at what powers should be moved. He is looking at the process of transferring powers from Holyrood to Westminster. If it is not an issue of interest to the Scottish people, why has a commission been set up? I find the hon. Gentleman's remarks bizarre.

To placate hon. Members, the idea of two-way traffic—the prospect of some powers being taken from Holyrood and repatriated to Westminster—began to emerge. For about three weeks, they could not even bring themselves to call the body a commission. Only at the last possible moment, grudgingly, did they decide to call it a commission, which is remarkable. Two-way traffic has absolutely no support. It exists only in the fevered imagination of Labour Members. Nobody has mentioned the issue and there is no public support for it—if it were put to the people, it would be overwhelmingly defeated. I say to Labour Members: it will not happen.

Willie Rennie: The hon. Gentleman spoke about parties' support for different positions, but he has not referred to the result of last May that overwhelmingly rejected the cause of independence. The independence parties could not get a majority in the Scottish Parliament.

Pete Wishart: I remember the SNP taking seats from the Liberals in practically every part of Scotland. *[Interruption.]* As comments from a sedentary position suggest, that has particularly been the case in Argyll and Gordon. I shall take no lessons from the Liberals about who did best in last year's Scottish parliamentary elections.

Exactly what powers would Labour seek to return to Westminster? The right hon. Member for East Kilbride, Strathaven and Lesmahagow mentioned some. Powers in relation to terrorism, foot and mouth and, I believe, bird flu have been mentioned by one Minister or another. However, terrorism is already a reserved matter for Westminster. I am sure that Scottish farmers would not thank the Labour party for taking powers over the management of foot and mouth from the Holyrood Parliament to Westminster when the Department for Environment, Food and Rural Affairs, which is a Westminster Department, initiated the last foot and mouth outbreak and never properly compensated farmers.

Mr. Russell Brown (Dumfries and Galloway) (Lab): The hon. Gentleman is mistaken on the issue of terrorism. The point that was made at the time was that terrorism was not an issue in 1997 when we drew up the Scotland Bill.

Pete Wishart: In that case, I am desperately trying to understand what that point was about. In a debate yesterday on counter-terrorism, I made the point that the only terror power that the Scottish Parliament has available to it is the right to try terror suspects. I am beginning to believe that that has now been caught up in the talk about the transfer of powers from Holyrood to Westminster. I do not know what is being referred to—the Gentlemen has further confused the issue—in the talk about transferring powers over terrorism. Certainly, Scottish farmers will not thank Westminster for taking responsibility for foot and mouth and bird flu, for example. I have no idea what Ministers are talking about.

Mr. Ben Wallace (Lancaster and Wyre) (Con): Perhaps I could help the hon. Gentleman by clarifying what the hon. Member for Dumfries and Galloway (Mr. Brown) said. The counter-terrorism legislation says, in response to the Association of Chief Police Officers Scotland, and the most senior counter-terrorism policeman in Scotland, that it is for the safety of the island—the British Isles—that suspects are tried, when appropriate, where specialist prosecutors and investigators are best suited to get a conviction to keep our island safe. If the SNP objects to that, it should say that it is prepared to put politics before the safety of this island.

Pete Wishart: I find the hon. Gentleman's intervention curious. He and I were both at the debate yesterday and heard considered arguments being put forward. We have no problem with terrorist suspects being tried in the most appropriate places. Indeed, the Glasgow terrorist suspects were transferred to English jurisdiction last year. What we will not do is sacrifice the independence of the Scottish courts in order to achieve that. We will stand up to ensure that that is maintained.

I return to the transfer of powers. The Liberal party must make it abundantly clear to Labour Members that it is not prepared to go through with the process unless it gets a cast-iron commitment and guarantee that there will be no taking away of powers from the Scottish Parliament to Westminster. We all look forward to hearing that from the hon. Member for Argyll and Bute (Mr. Reid), who will be speaking for the Liberal party. No one believes that there is any requirement for a return of powers to Westminster; it exists only in the fevered imagination.

The biggest problem with the commission—there are many—is what I would call the democratic deficit. The only thing that it will not consider is independence. If it is to consider Scotland's constitutional options, it is absurd and inconceivable that independence should be left out of a review of further powers for the Scottish Parliament. What are Labour Members afraid of?

Gordon Banks (Ochil and South Perthshire) (Lab): In that case, the hon. Gentleman obviously does not agree with the chairman of the commission, who said that there is no appetite for independence in Scotland.

Pete Wishart: We do not know. The hon. Member for Midlothian would certainly like to test that proposition. We look forward to ensuring that there is a referendum. If Members believe that the chairman was right, why do they not want a referendum on independence—especially if they believe that they would win it?

In response to the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch, East (Rosemary McKenna), our preference would be for a yes-no referendum. That is the position of Brian Wilson, as it is of MEPs, former Ministers and hon. Members. That is what we want – a yes-no referendum. If the commission can come forward with a constructive and viable proposal, why cannot it be tested? Why should the Scottish people not have a say? If Labour Members do not want a yes-no referendum on independence, why not have a referendum on all available constitutional options? We are democrats. I believe that Labour Members are democrats. Why will they not let the Scottish people decide?

Mr. Eric Joyce (Falkirk) (Lab): I do not know whether the hon. Gentleman saw his party leader being interviewed by Andrew Marr on Sunday, but he unequivocally said that it should be done under the single transferable voting system – that voters should have three choices. Did the hon. Gentleman not hear that? Is there no significance in the fact that his party leader said that?

Pete Wishart: Absolutely. Our preference is for a yes-no referendum, but if it is to be a multi-option referendum, that is what we shall have. A multi-option referendum has previously been supported by the Labour party. An early-day motion from 1992, signed by 12 Labour Members, said that a multi-option referendum was necessary to secure Scotland's constitutional future. The Prime Minister agrees that a multi-option referendum would be the most appropriate way to settle Scotland's constitutional future for ever. Donald Dewar believed that a multi-option would be required to settle the matter. If it was good enough for them, it should be good enough for Labour Members – and it should be good enough for the House.

Mr. MacNeil: Does that not show the difference between the approach of the Scottish National party and that of the Labour party? We include all points of view, but the aim of the Labour party is to seek to exclude other points of view and other voices, not letting the people of Scotland tell us what they want. Labour is a self-selecting bunch of politicians who think that they know better than the people of Scotland. It is shameful.

Pete Wishart: I could not agree more. My hon. Friend makes a powerful point. It is we who believe in letting the Scottish people choose. It is Labour Members who seek to exclude the Scottish public. They are not prepared to engage with them, and they are not prepared to consider all options.

Mr. David Hamilton *rose*

Pete Wishart: I will give way one more time and then conclude my speech.

Mr. Hamilton: On three occasions, the hon. Gentleman has said that I, the hon. Member for Midlothian, am involved in the conversation. Is that the national conversation that he and his party are promoting, saying that they take all views into consideration? However, the hon. Gentleman says that he will not consider moving powers from Scotland to Westminster. How can it be open dialogue if he is refusing that? He was better as an organ player than he is as a politician.

Pete Wishart: I know that the hon. Gentleman has all my albums, so I am grateful for that. Does he not realise that it has never been suggested that there should be a movement back to Holyrood? No one supports that position. No one has raised that as a serious proposition. It exists only in the fevered imaginations of Labour Members. That has never been raised before as an issue, and it is a deal-breaker with the Liberals.

Mr. Wallace: Will the hon. Gentleman give way?

Pete Wishart: I said that I would not give way again. I want to ensure that everyone else has time to contribute to the debate.

We believe that the Scottish people have the right to choose on this important question. It is unfortunate that Labour Members do not feel the same way. The Scottish people will have a choice. They will have their say. Neither time nor the Minister will stem that tide.

2.55 pm

Miss Anne Begg (Aberdeen, South) (Lab): The tradition is to thank the hon. Member who initiates such debates. Indeed, I do thank the hon. Member for Perth and North Perthshire (Pete Wishart) because he has given us the chance to explore some of the myths and falsehoods being perpetrated about what the Scottish people want.

If what the hon. Gentleman says is true – that everyone in Scotland wants this national conversation and that they all want the chance to vote in a referendum, multi-question or not – why does his party not put that position to the democratically elected body of the Scottish people, the Scottish Parliament? There is nothing to stop his party from doing that. He may say that it is legislated for here in Westminster, but surely the first step that anyone who wants a referendum should take is to get the principled agreement of the legislative body that will carry it through. I challenge him to say why his party not only does not put the national conversation to the Scottish Parliament but will not put forward the idea of a referendum to it.

Mr. Carmichael: Does the hon. Lady not agree, having endured so many lectures from the SNP over the years about the Government ignoring Parliament and concentrating on the powers of the Executive, that it is curious that the SNP is not prepared to put its own core principle and belief to the very Parliament that it always accused other parties of side-lining?

Miss Begg: I always look to the hon. Gentleman to sum things up succinctly. He does so in a far better way that I ever could.

Mr. MacNeil: I am struck by the impatience of the Labour and Liberal Democrat parties to get on with a referendum, which is welcome. They must know, of course, that the matter will come to the Scottish Parliament, in the terms of the Scottish Parliament, but I thank them for their impatience. Its importance to them is witnessed by the number of Labour Members who have come here today to join in the conversation.

Miss Begg: Before anyone thinks that the hon. Gentleman's interpretation of what I said is correct, I have just said that it is for the SNP, if what it is saying is

[Nick Ainger]

because the appraisal committee's report refers to the fact that prices are negotiated locally. I cannot see why we should not have national negotiations for an ultra-orphan drug. We do not leave it up to individual pharmacists or hospitals to negotiate a separate deal, so surely, with only 400 patients, we should be able to negotiate a far lower price with those two companies, and perhaps compensate them by putting a penny on the price of aspirin or on something else.

Chris Ruane (Vale of Clwyd) (Lab): I congratulate my hon. Friend on securing the debate and on his sterling work over the years on this important issue. He makes the eminently sensible suggestion that we should negotiate a national price, but would he consider negotiating an international price—perhaps throughout the European Union—and using EU buying capacity to reduce the cost of the drugs?

Nick Ainger: I do not care whether negotiations are national, international, universal or whatever. The important thing is that they are ultra-orphan drugs that are used on a very small number of patients. That is the only difference. The things work. There is no question about the clinical efficacy of the drugs; it is purely about their unit costs. If that is the issue, we need to address it nationally, and ideally, internationally.

Paul Flynn: I am fascinated by my hon. Friend's enterprise as a drug importer, and I should like to know how successful it was. My hon. Friend the Member for Vale of Clwyd (Chris Ruane) points out that there is an international market in drugs, which are accessible through the internet and other sources internationally. Is it not possible to get around the extraordinary difference in the price that GlaxoSmithKline charges in this country and in America? Is it possible to do so by investing in the enterprise to which my hon. Friend the Member for Carmarthen, West and South Pembrokeshire (Nick Ainger) referred? If so, I shall buy shares in it first thing tomorrow.

Nick Ainger: Circumstances have changed since 1999-2000. Nevertheless, there is no question but that at the time the arrangement saved the national health service about £120,000 on that one patient, compared with the price that it would have paid the following year. The situation illustrates that throughout the world, different prices are charged for the same product. The irony was that we imported from the United States something that had been produced 250 miles away in Dartford, Kent.

That was nonsense. It was obscene that a system could operate whereby in the United States, which is not a developing country by any stretch of the imagination, the cost was one eighth to one tenth of the price in this country, because of the arrangements that were made there. I also learned that, for individuals who are on Medicaid in the US, once their Medicaid ended, the deal was that the drug supplier would give the hospital the prostacyclins free of charge, which was a very generous arrangement. Perhaps that arrangement is indicative of the different deals that can be done with the drug companies.

For 15 years, prostacyclins have significantly improved quality of life and extended the lives of PAH patients. If the drugs are withdrawn, patients will die unnecessarily. To withdraw prostacyclins on the basis of a flawed appraisal and prevent their future use is medically unsupportable, and I trust that NICE will take on board all the submissions that are made today and reverse its preliminary recommendations.

Mrs. Janet Dean (in the Chair): I remind hon. Members that I intend to call the Front-Bench spokespeople at 10.30 am.

10.1 am

Sir Nicholas Winterton (Macclesfield) (Con): May I congratulate the hon. Member for Carmarthen, West and South Pembrokeshire (Nick Ainger) on securing this debate and on the very balanced and reasonable way in which he has advanced his case? I attended the meeting to which he referred in his speech and I am a sponsoring signatory of the early-day motion that he has tabled.

This is a very important debate. The Minister, with her nursing and medical experience, will take what is said today very seriously and I hope that she will ensure that NICE is made well aware of the strong feelings on this subject in the House of Commons.

As the hon. Member for Carmarthen, West and South Pembrokeshire said, there is understandably great concern among the health community and the pulmonary arterial hypertension community in this country about future treatment in the United Kingdom for this rare—he was right to describe it as such—but deadly disease. Patient organisations are not only disappointed but extremely concerned for their members about NICE's preliminary recommendations on the treatment of PAH.

To take up another point made by the hon. Gentleman, it would appear that there has been a complete lack of understanding of the implications for patients, particularly those with connective tissue disease-related PAH, such as Raynaud's and scleroderma, to which my hon. Friend the Member for Congleton (Ann Winterton) drew attention in her intervention.

PAH is the greatest single cause of death in people with connective tissue diseases, of which scleroderma is perhaps the most deadly. It causes a most distressing form of death. Until approximately 10 years ago, the only standard treatment was parental prostanoid. As the hon. Member for Carmarthen, West and South Pembrokeshire said, intravenous prostacyclin still remains the accepted therapy for very advanced cases of PAH in all treatment centres, not only in the UK but in the United States of America, Canada and many European countries.

Hope, in the form of oral therapies, has made a tremendous difference to a patient's quality of life. Therefore, endothelin receptor antagonists, or ERA, should be the first line of treatment for use in cases of connective tissue diseases associated with PAH, for which it is considered to be the best treatment option. When patients deteriorate despite oral therapy, they should have the choice of using intravenous prostanoids or possibly combinations of oral therapies, as evidence of their success increases.

The hon. Member for Carmarthen, West and South Pembrokeshire has already stated this, but let us be clear that we are only considering a very small number of patients—approximately 1,500—of which a third

have connective tissue disease. Without the option of prostacyclin, patients will have no option other than palliative care when their condition deteriorates. They will then be condemned to six to 10 months of what one can only describe as a miserable existence: being breathless, suffering progressive right heart failure, and experiencing recurrent prolonged hospital admission, with all the costs that the hon. Gentleman outlined in his speech.

That would not be the case if the treatments shown to be effective in other countries were standard in the United Kingdom in future. NICE has accepted that the therapies are effective, again, I take up a point made by the hon. Member for Carmarthen, West and South Pembrokeshire. The problems arise from the assertion that there is no difference between scleroderma and idiopathic PAH in terms of individual drug efficacy or modelling of cost-efficacy and that the appropriate cost comparator should be palliation. The standard therapy is intravenous prostanoids, which was proven more than 10 years ago to be effective, and which all guidelines accept is the gold standard therapy for the condition. I highlight that to the Minister.

As the hon. Gentleman also said, the model developed by NICE to determine cost-efficacy is not fit for purpose, I stress that to the Minister. The NICE appraisal acknowledged that the model failed to predict the actual outcome in the treated population. In fact, the national survey shows a 6 per cent. mortality rate every 12 weeks for patients with class 3 scleroderma-associated pulmonary hypertension on treatment. Surely it is totally irrational to choose to ignore real data and to determine the treatment of the condition on the basis of a model that is acknowledged to fail to accord with reality.

The PAH centres in the UK are the envy of the world, as was stated at the well-attended and well-informed meeting organised recently by the hon. Gentleman. However, should the NICE recommendation be implemented, very sick people will continue to die unnecessarily. Surely the Minister must accept that message and take it to NICE.

How can NICE even consider taking away the only hope from this small group of patients, who, through no fault of their own, have developed a highly lethal condition? It is tantamount to condemning them to a death sentence. That is a very harsh thing to say, and I am sure that that outcome is not what NICE wants, but if its recommendation is acted on that is precisely what it will be doing; it will be condemning a small number of people to a death sentence.

With that small patient population, it is estimated that appropriate access to all available treatments would cost the NHS between £20 million and £25 million per year; again, I quote the figures given by the hon. Gentleman. Surely that is a very small sum. Moreover, patient outcomes are vital. The importance of getting people back to work, with their subsequent financial contribution to the economy as a whole and the reduced costs for the NHS, together with the patient's improved quality of life, are factors that do not appear to have been taken into account at all. That is an oversight, and a very sad one.

NICE must be urged to review its provisional guidance to ensure that patients continue to receive life-saving treatments and to maintain the UK service record as the envy of the world in this area of health care; that status was highlighted at the meeting to which the hon. Gentleman referred in his speech. I trust that NICE will reconsider this unbelievable and extremely serious recommendation and make patients, not just money, its main priority in its considerations on this critical matter.

10.9 am

Frank Cook (Stockton, North) (Lab): This is the first time that I have had the opportunity to speak under your authority, Mrs. Dean, and I promise to do my utmost not to attract your displeasure.

I, too, offer the customary congratulation to my hon. Friend the Member for Carmarthen, West and South Pembrokeshire (Nick Ainger) on securing the debate, and I couple that congratulation with a commendation for his determination, because it is not easy to acquire these opportunities. Sometimes, one has to try and try again, and he has been an exemplar in that regard. I commend him heartily for that.

My hon. Friend said that he did not want to attack NICE, but I cannot promise to maintain the same degree of passivity. I have tangled with NICE before, when it issued its diktat that drug-eluting stents should not be used any more. As I have three of them in my left anterior descending artery, I felt a bit peeved about that decision. They might need replacing in the future, but the fact that they are drug-eluting has made their replacement less likely. I also thought that everyone, including me, should be able to have the same degree of comfort. Having taken issue with NICE, I looked at its systems of econometric assessment and found them to be somewhat lacking. The issue that we are discussing today is a similar example of accountants having gone mad. We have heard from my hon. Friend the Member for North-West Leicestershire (David Taylor), who is a well qualified accountant, but who is different from all the other accountants whom I have met in that he has a degree of compassion. Most accountants do not, so I think that we should put him in charge of NICE or in a similar position.

There is a mega weakness in NICE's attitude to assessment. I am sure that it approaches its medical analyses in a professional way, but perhaps it gets so bogged down with them that it forgets other aspects. It is our job, in this place, to fight for individuals in our constituencies and throughout the nation, and it is with that intention that my hon. Friend the Member for Carmarthen, West and South Pembrokeshire secured the debate. I am pleased to join him in seeking to push the issue forward.

Thomas Woolley is 13 and a half years old, and he lives in my constituency on the Wynyard estate. His parents wrote to me and asked me to attend a meeting, which was convened by my hon. Friend. I had to struggle to get there; we always have lots of petitioners and people who are lobbying on this, that and the other, and it is not always possible to find out how important a matter is until one gets there. Had I not received a letter from Mr. and Mrs. Woolley, I probably would not have arrived at the meeting, but when I got there, I was stunned by the presentation, which was remarkably controlled. It had a great impact on me that people who live with such a problem could relate their difficulties in such a measured manner and with such politeness. That is why I have committed to give every kind of support that I can summon, meagre though it be.

[Dan Rogerson]

The hon. Gentleman has been consistent in raising such issues over a great period of time. In preparation for today's debate, I have looked at some of his parliamentary questions. It is clear that this is a matter of great concern to him. Whenever an issue impacts on an hon. Member's postbag in such a big way, it is quite easy to see how it can dictate their workload.

The hon. Gentleman set out the impact of large-scale housing developments, and such developments are huge in his part of the country. At the risk of testing your patience, Mr. Chope, some of the issues that he talked about are also reflected in some of the smaller developments around the country. The great strength of the planning system should be about genuine involvement and consultation. When people share in the future vision for their community, we can achieve social cohesion. We can raise the aspirations of local people and encourage them to participate in their community in all sorts of ways. They can feel confident that their voice matters and that their opinions count. They can also see that development is not always a bad thing.

New housing can offer opportunities for other family members who may have been struggling to find places in which to live. It can offer a good message about inward investment; companies might want to come to the area to invest and to contribute. As regards infrastructure, there are projects that may have been on a wish list for a local area for many years, and if development is carried out successfully and in a way that is in accordance with the wishes of local people, it presents an opportunity to deliver some long-cherished aspirations for infrastructure.

The hon. Gentleman referred to the concept of a referendum in areas in which large-scale housing developments are being proposed, and I am referring to the creation of whole new towns and communities. That is an interesting point. The right hon. Member for Oxford, East (Mr. Smith), who is no longer in his place, was right to point out the potential problems with that. It enfranchises the people who are already in a more fortunate position, and potentially disfranchises those who are not able to participate in that debate.

Mr. Bone: Surely on the argument about the referendum, it would be up to the Government, or whoever is proposing the houses, to put the infrastructure plans on the table to encourage people to vote for the proposal. I may have a lot more houses in Wellingborough if I knew that I was going to get the district hospital that we so richly deserve. It is not just one-sided, is it?

Dan Rogerson: The hon. Gentleman is right. This measure could prove to be a useful tool in the hands of the local community to exert pressure on those who have it within their gift or their power to influence those questions. The other problem is the simplistic nature of the "yes or no" vote. I will expand on that point as other hon. Members have done. Consultation and involvement of the local community is crucial. I am cautious about the concept of a yes/no option as opposed to more open-ended questions about the future of a local community. However, I share common ground with the hon. Members for Kettering and for North-East Milton Keynes (Mr. Lancaster) on the issue of a bottom-up approach. I have referred to that in many debates. I have benefited from seeing the parish plan process in my constituency, which is planning at a very local level. That then feeds into the local development framework process. Some councils do that very well and are very good at involving their local community. It is about raising aspirations and saying that development can be beneficial if done sensitively, correctly and with a view to achieving a sustainable community for the future. Development can deliver housing for people who move to an area and those in the area who are in need of housing, as well as helping to meet the hopes and wishes of people already in the community.

The process that we are in the middle of has involved raising people's hopes and telling them that their voice matters and that their opinions will be taken account of, but, as hon. Members have outlined, something external has then been imposed on that process. There are several problems with that, such as the issue that the hon. Member for Wellingborough (Mr. Bone) referred to regarding the local by-election and the parties with different agendas that might try to exploit the situation. It is possible that people will reject the political system out of hand and not bother to vote; they may not want to participate in society by trying to put their views across because they become cynical about doing so. All that means that the planning process as a whole gets a bad name and planning becomes a dirty word. If planning becomes a byword for developers doing what they want, people will not see such processes as an opportunity to move forward and to deliver things for their communities.

The hon. Member for Banbury (Tony Baldry) raised the issue of eco-towns, of which there might be one in my region of Cornwall. The announcement about eco-towns, when the term was first shared with us, might, as he said, have been made to distract attention from other things that were going on. There is a nice ring to the name, and a utopian vision of what an eco-town might be. I do not say that that vision cannot be delivered, but if it is to be achieved, it has to be genuinely sustainable. Eco-towns should have the very high standards that the Government are, I hope, advocating. Those standards must not be watered down when the towns are built. They must also be sustainable in terms of the impact that they have on existing communities in their areas. I remain to be convinced that that will be the case, and I think that all hon. Members will watch the process closely to see how it develops. So far, it has been sketchy on consultation and involving local communities. I am sure that that will lead to a backlash that washes over any benefits that might arise.

The hon. Member for North-East Milton Keynes talked about his "I before E" campaign. That is a useful catchphrase, and I am sure that other hon. Members who are campaigning on similar issues will have taken note, and that it might appear elsewhere around the country. I am keen that the issue of infrastructure is tackled. Clearly, the Government are attempting to do that through proposals such as the community infrastructure levy; we shall see what emerges in that regard as the Planning Bill continues its progress through Parliament and the other place. The consultation on that is ongoing. It is a good idea, but there are concerns that people are not yet sure what it will mean, how it will work or how it will interact with section 106.

We are dealing with big questions about the future of communities around the country, who will be watching closely to see how the Government respond to the problems and issues that they are raising. With that in mind, I shall bring my remarks to a close, so that the Minister has the maximum time to respond to the queries that have been raised.

Finally, I reiterate that we could have a planning process that delivers the affordable housing and market housing that this country needs in a way that takes local communities with developers. The result should be a strengthening of the hand of local communities and not of developers. With the way that Government policy is going, all the signs so far do not reinforce the idea that that will be the result.

12.3 pm

Mr. Stewart Jackson (Peterborough) (Con): It is a pleasure to have you in the Chair, Mr. Chope. I congratulate my hon. Friend the Member for Kettering (Mr. Hollobone) on securing the debate on this timely and vital issue. He has raised this and related issues on several occasions, and I pay tribute to his diligence and dedication as a constituency Member of Parliament, not least in his capacity as a borough councillor in Kettering. I pay tribute also to all my hon. Friends who have spoken for the eloquent way in which they have put their cases.

My hon. Friend the Member for Kettering has previously raised several related issues, including housing development in December last year, transport infrastructure in July 2006 and overdevelopment in October 2005. He is, if nothing else, extremely consistent on this matter.

Since 1998, the Labour Government have paid lip service to having proper consultation on large-scale housing developments. As has been made clear by my hon. Friend the Member for North-East Milton Keynes (Mr. Lancaster), they originally rejected the simplistic predict-and-provide approach, but the reality is that local people, elected councillors and local planning authorities have continued to be overruled by planning inspectors and the Secretary of State. We have heard that 13,100 new dwellings are being forced on the constituency of my hon. Friend the Member for Kettering over the next 13 years, and that there will be 52,000 new homes across the four districts and boroughs of north Northamptonshire in the same period. Those plans arise from the Milton Keynes and south midlands growth area plan that dates from 2003.

[Mr. David Wilshire *in the Chair*]

Looking back to 2003-04, the Campaign to Protect Rural England was already commenting in that period about the efficacy of the consultation process. It said that formal scrutiny of the plan was limited and that consultation was severely lacking. Even before the public examination ended, in 2004, the Government had announced that a committee with planning powers that were separate to those of the local planning authority would be set up to deliver growth in Milton Keynes. They had also moved to establish an urban regeneration company to take planning powers from local authorities in west Northamptonshire and begun recruiting board members. They had also already established an inter-regional board, chaired by Lord Rooker, whose declared main function was "to support growth", and the board had already met before the consultation process had ended. It is a key issue that the Government have gone ahead with the plans without properly soliciting the views of local people.

As a result of the Planning and Compulsory Purchase Act 2004, the top-down culture of centralised housing and density targets has been entrenched and formalised. Sections 9 and 10 of the Act allow the Secretary of State to direct that changes be made to the regional spatial strategy, notwithstanding significant consultation that has already taken place locally. County plans have been abolished and local plans under section 21 of the Act are subject to the direct control of the Secretary of State. Furthermore, since July 2007, and the publication of the "Review of sub-national economic development and regeneration", regional assemblies—which at least had a vestige of legitimacy, although they are an imperfect form of democracy—are to be abolished and regional development agencies are to take over as the regional planning bodies, with no local democratic accountability. The consultation document that was published last month contains little, if any, detail about regional spatial planning.

Local councillors, residents and other key stakeholders know that consultation is a sham in Brown's Britain. How can it be otherwise? Even parking spaces are heavily prescribed by Whitehall under planning policy guidance note 14. Let me provide an example of the ludicrous and prescriptive nature of housing targets, and I shall restrict my comments to north Northamptonshire. Despite the area being forced to accommodate an enormous number of new dwellings, it is only now, in 2008, that the north Northamptonshire strategic housing land availability study—that is quite a mouthful—is pushing ahead with identifying 40 key sites for development in the area, but without considering the problem of the A43 link road, south-east of Corby and north-west of Kettering.

In a written answer to a parliamentary question asked by my hon. Friend the Member for Kettering on 29 November last year, the Minister failed to give any reassurances that the capacity of the vital A14 trunk road had been considered when allocating huge housing targets in north Northamptonshire. That is despite several promises from the Department and a visit from the former Transport Minister, the hon. Member for South Thanet (Dr. Ladyman).

Let me focus on planning policy statement 12 in relation to consultation. The Campaign to Protect Rural England has made a very important point and it bears repetition:

"The lack of encouragement to local authorities who wish to draw up development control policies is of serious concern and could undermine the ability of local planning authorities to effectively manage development, particularly in areas where development pressures and environmental challenges are greatest."

It is no wonder that civic leaders and other key people in Northamptonshire feel marginalised and excluded by the Government's relentless drive for inappropriate and damaging house building targets. I quote Councillor James Hakewill, leader of Kettering borough council, who said last year:

"Development in the county should not just be a homes-led agenda to relieve pressures in the south-east, but a genuine infrastructure approach which could deliver benefits to our existing residents, businesses and visitors."

I would like to go back to the point that the right hon. Member for Oxford, East (Mr. Smith) made about an "asymmetric" consultation. What he fails to recognise

[Dr. Whitehead]

alone to get on with the job. However, as I have demonstrated today, there are challenges and impediments to continuing that effective job and to achieving even greater, more effective performance.

It is a mistake to assume that metal recycling is the same as generic waste recycling and involves simply dealing with metal. The danger of applying regulation to metal recycling that applies rightly to other waste streams but is inappropriate to metals is that it becomes an impediment to be overcome, rather than a device that shapes our approach to good waste management. Recent discussions about the review of exemptions for metal recycling sites underline this issue. Changes in storage limits, such as the reduction in exempted storage from 50,000 tonnes to 16,000 tonnes, and reductions in inspection seem to reflect general assumptions about waste and not the specific issues of metal recycling, and they may result in a regime of storage and inspections. Those changes might produce additional regulation with no clear environmental benefit, while introducing an inspection regime that encourages the less compliant, smaller fringe sites that can be a problem to fly in the face of the standards that are common among most of the industry.

The metal recycling industry needs a little regulation and a little encouragement to perform outstandingly over the next decade. We will need that kind of performance across the waste industry in the next decade to meet challenging environmental targets and to bring about a rapid reduction in the disposal of waste to landfill. The metals recycling industry can and will play a strong part in that process. I hope that it will receive the necessary support, through legislation, regulation and inspection, to enable it to do so.

9.55 am

Tony Baldry (Banbury) (Con): It is a pleasure to have you in the Chair, Mr. Chope. Metal is the most recyclable of materials. High-quality metal can be made from recovered metals and used time and again. In the UK, metal recycling is a well established, £4 billion to £5 billion industry. Recovering 15 million tonnes a year, it is the UK's biggest recycling industry. As we process far more metal than domestic manufacturers need, we are one of the world's largest exporters of recovered metals. In short, metal recycling is a UK success story, but I suspect that because the industry tends to be scattered across the country and is not concentrated in individual constituencies, it goes unrecognised.

The industry faces several challenges, and I shall raise five issues of concern—fairly briskly, I hope. First, as the hon. Member for Southampton, Test (Dr. Whitehead) made clear, there is the problem—resulting, rather bizarrely, from a European Court judgment on the EU packaging directive—that recovered metal is classified as waste under European law. That approach means that the industry has been subjected to an increasing burden of waste regulation, which applies even when metal has been fully separated and prepared as secondary raw material. The need for re-definition has become urgent with the introduction of the new 2007 regulations on trans-frontier shipment of waste, because they are creating trade barriers, shipment delays and advantages for non-European competitors. It is somewhat bizarre to provide opportunities for non-EU states. Given the UK's leading position in export trade, the situation is particularly damaging to UK metal recycling.

The revised EU waste framework directive, which is currently having its Second Reading in the European Parliament, creates an opportunity for long-term change. The directive will enable reconsideration of the point at which certain materials cease to be waste. Reclassification is urgently needed, and the European Commission has carried out a metals case study in anticipation that metals will be one of the first materials to be considered. However, I understand that there are attempts, to do with steel interests in Italy, to make last-minute amendments to the draft waste framework directive. The amendments threaten to introduce new administrative hurdles, and could prevent the "end of waste" outcome. An interesting point for the House to consider is how better to interact with the European Parliament, because our only locus in this issue is for us to lobby or make submissions to the Minister, who has a locus through membership of the Council of Ministers. However, there is no forum in which we get alongside Members of the European Parliament and say to our colleagues there that this issue is of significance to the UK and to UK industry.

Reclassification is urgent. I therefore hope that the Government will seek to impress that upon other members of the Council of Ministers, and will press colleagues at the European Parliament to agree the directive swiftly to ensure that the mechanism for determining the end of waste is comitology. My Front-Bench colleague, my hon. Friend the Member for Vale of York (Miss McIntosh), who is a former Member of the European Parliament, will be able to explain lucidly and clearly to the House the distinction between comitology and co-decision. However, the basic fact is that co-decision would simply take several years longer. If comitology can be the mechanism for determining end of waste, it would just be speedier.

Materials deemed to have reached "end of waste" under this procedure are also deemed to be "recycled" for the purpose of meeting the directives for end-of-life vehicles, the waste electrical and electronic equipment directive, and the directives relating to packaging and batteries. We also need to ensure that a simple definition of "recycling", as proposed by the Council of Ministers, is maintained.

Secondly, trade in recovered metals takes place in a well-established global commodity market, which often relies on a chain of brokers and traders between source and reprocessor. Prices may be several thousand pounds per tonne. The value of the material means that there is little doubt that the metal will, at the end of the chain, be melted into equally high-value new metals, using established reprocessing methods. Furthermore, the UK is a world leader in this market.

However, because recycled metals are classified as "waste", the industry is subject to the European trans-frontier shipment of waste regulations. These regulations were revised in July 2007 to address growing concerns about the dumping of problem wastes, but today we are discussing not such wastes but recycled metals of high value. These waste regulations now require that

commercially confidential information be publicly stated and that advance certification be obtained from overseas recipients to confirm that reprocessing will be "broadly equivalent" to EU standards. So material can only be shipped to countries outside the OECD where the Government of the country in question has confirmed that it will accept this "waste". In addition, Europe has imposed additional pre-notification requirements on shipments to the 120 non-OECD countries that have sent no reply.

Applying these controls to metal shipments provides no additional environmental benefit. The new waste regulations are designed for problem wastes such as complex products where materials are not yet separated, or materials for which there is no clear market. However, recycled metal does not get fly-tipped or dumped. Indeed, high market values mean that theft is by far the greatest risk.

The new waste regulations are therefore wholly inappropriate to recycled metals, but such metals get caught up in them because they are currently classified as "waste". The metal recycling trade will suffer if these barriers are not lifted. The situation is very straightforward: recovered metals should be reclassified as non-waste, which would remove recycled metals from these regulations entirely, and we should also seek revision to the EC annex VII form in order to remove the requirement to state commercially confidential information about suppliers and customers. Of course, if one is dealing with complex waste, one can see that there is a need to discover where it has come from and where it is going to, so that it does not end up being dumped in a hole in a developing country. However, in the case of metals of high value, all that we are doing in giving our commercial competitors information about the value of the waste, who the customers are and where it is going is giving them a commercial advantage. That is crazy.

Generally, we should ensure a light touch in implementation of the regulations to minimize the costs, delays and administrative burdens that fall on metal recyclers, particularly in relation to obtaining "evidence" of overseas reprocessing.

Thirdly, as with every other matter, regulation should be proportionate. Metal recycling is very different from the waste sector. The UK has been recycling for generations; it sells a valuable product all over the world in an established market, and the industry has a mature structure. However, a one-size-fits-all approach designed for the waste sector means that the average metal recycling company must comply with some 15 different sets of environmental regulations, as well as the Scrap Metal Dealers Act 1964. Each set has its own procedures, costs and paperwork, which obviously amounts to a substantial red tape burden, particularly for small businesses. That degree of regulation is neither proportionate nor risk-based.

I submit that we need a more proportionate approach to regulation that takes into account the needs of the industry as well as the environmental needs. There should be a full review of regulation affecting metal recyclers—involving the industry, the Department for Environment, Food and Rural Affairs, the Department for Business, Enterprise and Regulatory Reform, and the regulators—that considers the needs of both industry and the environment. There should be some risk-based training requirements, and sites with waste management licences must demonstrate that their managers are competent. Nearly three quarters of metal recyclers now do so by deemed competence—in other words, by showing proven experience or by completing a simple assessment process.

The environmental permitting programme will introduce new certificates of technical competence for licensed sites, and these certificates must be designed to meet metal recycling needs, not the needs of the waste industry, with adequate time allowed for their introduction. As the hon. Member for Southampton, Test said at the start of this debate, industrial off-cuts need to be recognised as by-products and not as waste. In short, the Government collectively must try to ensure that this industry is not regulated out of competitive existence.

Fourthly, illegal operators must be got rid of. I suspect that one reason why this industry does not have the public recognition that it deserves, given its turnover and value, is that there is still something of the Steptoe image about it—the image of the scrap metal yard. In reality, most scrap metal yards are run very efficiently. They are, of course, subject to statutory controls, they must be licensed by the local authority and there is specific legislation relating to them. However, there are illegal operators out there and they need to be stamped out, because freeloaders operating outside the regulated system threaten to undermine those within the industry who are behaving responsibly. Tackling those freeloaders requires adequate resources to be provided to aid regulators in closing down illegal operators and in imposing appropriate fines. There needs to be a joined-up certificate of destruction system for end-of-life vehicles, so that the vehicle's last registered owner must obtain a certificate of destruction when it is scrapped. An incentive for, or penalty on, the last owner, together with a robust Driver and Vehicle Licensing Agency monitoring system, would make that happen, driving out illegal end-of-life vehicle operators completely.

In addition, there should be a requirement for a waste carriers licence disc to be displayed in trade vehicle windscreens, to ensure that they can be properly identified on sites. There must also be recognition that more regulation in itself will not necessarily solve metal thefts. Legitimate operators are not the problem; it is those who are acting illegally.

Finally, as well as driving out freeloaders, the Government need to get together with the industry to examine how the UK can improve its recycling performance. If the UK is to meet its future recycling targets under the end-of-life vehicles directive and other directives, there needs to be more joined-up thinking involving the recycling industry. That is a challenge, because this issue straddles a number of Government Departments. A recycling taskforce therefore seems sensible—a partnership between Government and the recycling industry to plan for achieving future EU product recovery targets and landfill reduction. That taskforce must take into account all the relevant factors, such as post-shredder technology developments, landfill targets, landfill tax, research and development assistance, and generating industrial energy from waste capacity. What we are talking about here is a raft of new European directives, not just on recycling metals but on developing advanced separation techniques and new solutions for residual wastes.

5.3 pm

The Minister for Europe (Mr. Jim Murphy): I am delighted to have the opportunity to respond to this debate under your chairmanship, Mrs. Dean, and to say that I am pleased that my hon. Friend the Member for Worsley (Barbara Keeley) was successful in securing this debate on such an important subject. Right from the beginning, she has taken a tenacious and personal interest in this matter. She wrote to the Foreign Secretary the very day that her constituent visited her to explain Mr. Burke's predicament. She has also contacted me personally on numerous occasions, here in the House, and on Christmas eve, when I was pleased to have the opportunity to talk to her and to put additional energy into the process.

My hon. Friend raised a wider point about the right of British, and all citizens, following football teams across the European Union, to do so safely, although that can never be guaranteed, and with the full protection of domestic law, and of European law as a residual protection. As somebody who has travelled as a football supporter—not a Minister—of Glasgow Celtic, I know that that is a live conversation among the many thousands of supporters who increasingly travel across the continent to support their football team. That includes the four gentlemen who are the subject of this debate.

I shall respond to some of the points raised by my hon. Friend who secured this debate and by my hon. Friend the Member for High Peak (Tom Levitt), who made particular reference to Mr. Lukacs. She raised a number of important issues and shared with the Chamber some details about the timeline of the case. As Minister, however, it is incumbent on me to put on public record those specifics, particularly in relation to Mr. Burke's case. As she said, Mr. Burke was arrested prior to the Roma versus Manchester United match in Rome on 12 December 2007 and subsequently charged with assault and resisting arrest, along with three other Manchester United followers. Consular staff present at the match made contact with Mr. Burke to check on his welfare. He asked that we did not notify anyone of his arrest, but subsequently asked that we contact his partner in the UK, Ms Carmon Ducker, which we did on 14 December.

As my hon. Friend alluded to, on 14 December, Mr. Burke appeared before the magistrate and at that hearing his court-appointed lawyer, avvocato Lupino, requested that the hearing be adjourned to allow more time to prepare for the case. The magistrate rescheduled the hearing for 21 December and in the meantime remanded Mr. Burke at Regina Coeli prison. During this time, consular staff provided Mr. Burke with our prisoner's information pack, which included details of English-speaking private lawyers in the Rome area, should Mr. Burke not wish to be represented by the court-appointed lawyer.

My hon. Friends both raised wider points about the welfare of all the gentlemen, but particularly about that of Mr. Burke and Mr. Lukacs, during that first period. During those first days, the men raised a number of concerns identified by my hon. Friends, such as the lack of toiletries and reading material, the cold and some medical concerns. My understanding is that British authorities provided toiletries and reading materials to all four and a warm jumper to the one who only had a T-shirt. We raised the medical concerns with the Italian prison authorities, as is standard practice in such cases. If hon. Members representing any of the men in question have further welfare concerns, on top of the residual and continuing ones before the appeal, I invite them to bring them to my attention, so that I can seek to ensure that they are addressed.

Barbara Keeley: The families of three of the men were in the House today lobbying their respective MPs and we now have a list of concerns—in particular, there seem to be some considerable concerns about the prisons. On top of everything else that I have raised with the Minister today, we would take up the opportunity to put those concerns to him.

Mr. Murphy: If my hon. Friend wishes, I would be pleased to meet her later this evening, after she has gathered that information, to discuss those specific concerns. Ultimately, the families will be comforted only by the release of their loved ones, but in the meantime, it would offer some small reassurance if the men could enjoy at least basic minimum welfare standards before the appeal. Happy is the wrong word, of course, but I am certainly very willing to meet her later this evening to discuss any specifics that the families might have raised with her and other hon. Members.

To continue, on 20 December, the court-appointed lawyer visited Mr. Burke in prison to discuss his case. With Mr Burke's agreement, the lawyer decided to opt for a short trial. At the hearing on 21 December, as my hon. Friend has said, Mr. Burke was sentenced to two years and five months' imprisonment. On instruction from his client, the lawyer immediately appealed the sentence. At a hearing on 24 December, the day that my hon. Friend contacted me, judges considering whether Mr. Burke could be released pending the appeal hearing on 2 May were unable to reach a decision and remanded him in custody again until 27 December, when they rejected that request. At that time, Mr. Burke decided to appoint a private lawyer, avvocato Cesschini, to represent him.

Since that time, consular staff have worked hard to assist Mr. Burke and his partner, Ms Ducker. We have raised specific concerns with the prison authorities about Mr. Burke's welfare. I understand that the prison authorities originally refused to allow Mr. Burke's partner permission to visit him, because they were not married; the fact that they were not married raises specific complications in terms of visits, under Italian rules and regulations. However, following our representations, the prison authorities granted Ms Ducker that access to visit. Assistance was also provided in respect of other details about the visits to Mr. Burke, including information about transportation from Rome and hotel accommodation.

My hon. Friend asked a specific question about visiting rights on bank holidays. Because she raised that point, I will of course undertake to investigate to see whether anything can be done. However, in advance of today's debate and in anticipation that my hon. Friend might raise this issue, I specifically asked the relevant officials about the details of prison visits on bank holidays in Italy. I was informed by those officials that a set of rules is in place not in respect of U K nationals but in respect of everyone who is currently imprisoned, awaiting appeal or sentence in Italian prisons and it is because the prisons have a skeleton staff of prison

officers on bank holidays. So I do not wish to give my hon. Friend and her constituents false hope, but I will undertake to see what more can be done, notwithstanding the fact that there will be a skeleton staff in that prison and every other prison in Italy at that time.

Following my hon. Friend's conversation with officials in London on 22 February, when she raised specific concerns that her constituent was forced to sign a document under duress, consular staff in Rome visited Mr. Burke and asked him to provide a written account of events following his arrest. Mr. Burke did not refer to being forced to sign any documents, but, along with the other three gentlemen arrested at the same time, he raised other concerns about their representation at the time of the trial.

I know that it will be frustrating for those who are following our proceedings closely when I say that it would be wrong for a UK Government Minister to seek, today or at any other time, to interfere in court proceedings in another country, in the same way that it would be entirely inappropriate for a Government Minister of another country to seek to interfere in court proceedings in the United Kingdom. Nevertheless, my hon. Friend asked about the appeal and argued with great care about some of the specific flaws that have been identified by her and relatives of the four men. Many of the points that she has raised today are, of course, the substantive points that form a large body of the argument in respect of the appeal that will take place on 2 May. So it would be unhelpful for me to seek to intervene in the specific details of the court case. However, we have considered how best to address those concerns with the Italian authorities and, with the agreement of avvocato Cesschini and the men's families, we have decided to wait until after 2 May, when, of course, we will know the outcome of the appeal hearing.

My hon. Friend also speculated about what more could be done in the event of the worst outcome on 2 May. I say to her that, if the worst should occur, there would be a need for us to have a conversation about what more could be done. She has identified a substantial list of concerns that she and the families have, and I understand that many of those concerns are shared by Mr. Burke's new private lawyer. Therefore, without wishing to second-guess that appeal process, there is great hope that the outcome on 2 May will be much more favourable than the outcome of the proceedings in December.

More generally, my hon. Friend asked about what more could be done now and in the longer term. As she is aware, the Foreign and Commonwealth Office's primary role in assisting British nationals detained or arrested overseas is to support them and to consider their welfare. We can take up any justified complaint about an individual not being treated in line with internationally accepted standards or if they have been ill-treated or discriminated against. Of course, as my hon. Friend knows and will fairly acknowledge, as will all those campaigning on behalf of the four gentlemen, we cannot seek preferential treatment on the basis of nationality; I think that that is generally accepted and nobody is arguing that case. That is not the business that we are in; we are in the business of ensuring the guaranteeing of minimum standards of protection.

I would like to reassure my hon. Friend that we have monitored Mr. Burke's case since his arrest in December and will continue to do so right up until his appeal on 2 May. Consular staff in Rome and London have provided assistance, and I would like to put on record the Government's appreciation of the work that they have provided in regard to this case. They have provided full consular assistance to Mr. Burke and his family. Staff have visited him on three separate occasions; provided information on Italian prison procedures; assisted in arranging family visits; and taken up welfare concerns, as I have already mentioned.

Again, my hon. Friend fairly asked about access to translation services, including immediate verbal translation and the translation of court documents. I must tell her that the practice of the UK Government in all such matters is not to translate documents on behalf of UK citizens. I realise that that may disappoint her, but it is not the practice of the UK Government to fund or organise the translation of court documents, in a court in Rome or in any other city across the world, on behalf of UK citizens. What is offered is access to information about translation services that may be available in the city where the proceedings are taking place. If such a service would be helpful or is required, of course it can be offered, if it has not already been offered.

We will continue to seek ways to provide Mr. Burke and his family with all appropriate consular assistance until such time as he returns to the United Kingdom, which may be as early as May, as we all hope, depending on the outcome of the appeal hearing on 2 May.

In the same determined way that she has carried out the campaign in Parliament, my hon. Friend entirely reasonably asked what would happen if the appeal on 2 May is unsuccessful, including the potential transfer of the four gentlemen back to the United Kingdom to serve any outstanding sentence. Of course, none of us wants that scenario to happen and we are all hoping for the most positive outcome possible. However, if that were to be the case and the appeal were unsuccessful—again, it would be wrong for me to second-guess the appeal today—my offer to her is for us to meet again to specifically discuss what the options would then be. By that time, my hon. Friend and other hon. Members would have had the opportunity to reflect with the four gentlemen and their families, support networks and lawyers. As I say, I would certainly be willing to meet my hon. Friend again to discuss what would happen next in the proceedings. However, I think that we all hope that we do not get to that situation and that, without wishing to second-guess the court proceedings, the appeals are successful on 2 May.

Finally, I would like to congratulate my hon. Friend once again on the remarkably determined way in which, from the day that this case was brought to her attention, she has campaigned on this matter.

Question put and agreed to.

Adjourned accordingly at nineteen minutes past Five o'clock.

[Mr. David Wilshire]

that the European Democrat Group, or EDG, has 27 MPs from Russia, all of them members of the United Russia party, including the leader of the Russian delegation, Konstantin Kosachev, who was mentioned in paragraph 24 of the Government's response to the report. He is Chairman of the Foreign Affairs Committee in the Duma and someone I know well. For my sins, I have ended up as the deputy leader of the EDG in the Parliamentary Assembly and my boss; the leader of the group, is the other person mentioned in paragraph 24, Mikhail Margelov. I therefore report to a Russian, which is quite curious and very challenging.

I was an election observer in the Duma elections just before Christmas, when I led a small, international team of MPs in far-off Vladivostok, of all places. I reflected on the fact that it was a closed military city until fairly recently, whereas now there is no problem in getting there. Well, there is a problem, because it is in a remote part of the world, but once one is there, there are no problems at all. Indeed, a Pullman train now takes tourists there on the trans-Siberian express. Those who say that Russia has not changed should reflect on what has happened in Vladivostok. There have been criticisms of the elections—we have someone in the Chamber from the OSCE who is far more expert than I: the right hon. Member for Walsall, South (Mr. George)—but no restrictions or problems of any sort came my way during the inspection of electoral mechanics. Indeed, they were quite good, and have become a great deal better. Given that there were hundreds of thousands of polling stations across the federation, it is hardly surprising that there was the odd hiccup. We get the odd hiccup in the UK with about 40,000 polling stations, so we should be careful about criticising the Russians for that.

I am a not infrequent visitor to Russia, and from time to time, Russian MPs come to see me in the UK, and we talk about things from our perspectives. I hope that does not make me sound like an apologist for Russia and Russians; it gives me an insight, and I thought that it might be helpful to share that insight with the Chamber in this debate. I should like to use the insight that I have gained in the past few years to ask a couple of questions. First, how should we as MPs interact with Russians? Secondly, how do things look when seen through Russian eyes, rather than British eyes?

Those questions lead me to make three suggestions. First, the time has come to ensure that we look forward, rather than for ever looking back and thinking about what went wrong in the past. We need to engage with Russians as well as Russia. All too often in these debates, we talk about Russia and the United Kingdom, but I would rather talk about Brits and Russians getting to know each other, because that is one way forward. We should work with parliamentarians as well as Ministers, diplomats and civil servants. There is a role for parliamentarians in future relationships with the Russian Federation.

On the first question of interaction, I meet a lot of Russians and Russian MPs, and the message that I receive is that they want to engage more fully in the world community. They know that that is important and that they are not there yet, and they accept that it will require change. They also accept, on a one-to-one basis, that they need help. When I talk to Russian MPs individually, they are willing to say that they have much to learn, and they are keen to get help. That is why MPs from the United Russia party come here to talk to people such as me—some might say foolishly—because the British Conservative party can help them to develop their democracy. I am sure that other members of the Russian delegation to the Parliamentary Assembly for the Council of Europe do just the same and come here to talk to the Labour party, as they want that help.

When we talk about democracy, human rights and the rule of law, I tell myself that the Russians have not been at all this for long. We cannot quite count the years on the fingers of two hands—but we are not far off. We must look at what we enjoy in this country and in Parliament. One could go back a thousand years, but let us settle for 1688 and the Glorious Revolution, which was neither glorious nor a revolution. What we now have can be traced back at least that far, so we have had 300 years to get into the mess that we are in. Should we be surprised that Russia is in a mess when it has not had 300 years to get its democracy sorted out? We have to put things into perspective.

As I said to the hon. Member for Ilford, South, in an intervention, we need to distinguish between values and standards. We sign up to universal values, and so do the Russians. I know of no dissent within Russia about the values to which the planet subscribes. However, it is a little arrogant for a country, whether it is an important country like ours or a less important country, to lecture another sovereign state along the lines of, "The only standards that you can get away with are those that we lay down for you." That is arrogant. There are ways of running a sovereign state other than the way in which we run ours, and there are alternative ways of living up to the values to which a state subscribes. There is much more work to be done in that area. I have learned—and I am happy that I did not hear otherwise this afternoon—from talking to the Russians, that if we want to get them to change, we should encourage them, talk to them and make suggestions; I am sure that that is other people's experience, too. If we want to make matters worse or to sterilise the status quo, we should condemn them and criticise them openly. That applies to all of us, and I worry that we overdo the condemnation.

Secondly, we should consider how things look through Russian eyes. For reasons that I cannot quite work out, I spent my first 10 years in the House being drawn into Northern Ireland politics. Someone once advised me, "If you ever want to understand the IRA, you must think like a member of the IRA and see things as they see them," and I have done that ever since. When I meet Russians, I try to say to myself, "I wonder how they look at the world," rather than trying to tell them how I think they should look at the world. My favourite comment from a Russian with whom I had that conversation was: "The one thing you have to understand about us is that inside every Russian is a little Tsar trying to get out." I thought about it, and I realised that every Russian whom I have come across is perfectly used to being told who the next leader of his country will be. That is normal, and has been going on for hundreds, if not thousands, of years, so what is strange about what has just happened there, although we might not like it?

The Russians are also used to the idea of having elections with only one candidate for whom they are allowed to vote, so if something similar happens, what is different? They think, "This is how things have been: we have had Tsars and imitation Tsars." We all tend to think like that, looking at things through our own history. The Russians have absolutely no history of anything remotely like democracy as we recognise it. They are starting from scratch. These matters are far easier in countries such as Hungary, the Czech Republic and Poland because there was something there before.

When one talks to Russians and listens to what they say about the 20th century, and when one studies what Putin has done, one finds that Russians talk about stability and strength. The way I see it, the Russian view of the 20th century is that change means chaos. The Bolshevik revolution was chaotic and gave Russians communism. The Yeltsin revolution was chaotic and gave them oligarchs. Is it any surprise that someone should come along and say, "If I stop all this chaos, I'll be popular"?

Mr. Soames: I am impressed by my hon. Friend's comments. Does he agree that the Yeltsin period brought the Russians not only chaos, but something that has shaped them even more—terrible humiliation?

Mr. Wilshire: I am coming to exactly that point, but may I finish the point I am making? Russia associates rapid change, which we demand, with chaos, so we must not be surprised if its people are reluctant to have another bit of chaos.

As my hon. Friend says, Yeltsin did not bring only chaos and the oligarchs . I suppose that Chelsea football club should be grateful for that, but I am not sure who else is grateful for some of the things that happened then—but humiliation. It is difficult to imagine how Russians see the situation. The country in which they lived was a world superpower. It might not have been a superpower or political system of which we approved, but it was one of only two superpowers. Not long after, its people were dependent on food aid from the other superpower. They had been brought to utter and total world humiliation. We might disagree, but that is how they saw it. Under those circumstances, it is hardly surprising that we should come up against a country that is trying to manage democracy, change and stability. I am not sure that we necessarily ought to applaud the situation, but we should at least make allowances rather than simply attack the Russians on every occasion.

What President Putin—I am not sure whether he is an ex-President yet—has done above all else is restore Russian self-respect. That is not as I see it, but it is what I hear regularly from Russians. There are some technical issues around energy, but they have power again, and their economy has revived. This time, the money is reaching not just Chelsea football club but, as I have seen, places such as Vladivostok as well. Inevitably, the Government are popular as a result.

The only thing that mystified me about the Russian elections held before and after Christmas is why, as President Putin and his party were likely to win a crushing victory over everybody else, they felt the need to overdo things. That is a mystery that my Russian friends have not been able to explain. They smile and say, "Yes, I think we agree with you." Apart from that, democracy is developing.

May I say something about the need to look forward, instead of backwards? I learned a lesson a long time ago. I was born at the end of the second world war and grew up in a country that demonised Germans in the cinema, on the radio and the budding television service, in books and everywhere. It was not until my son swapped schools with a lad from a German gymnasium—he came to live with us—and I became embarrassed by what he saw on British television that it dawned on me that we ought to look forward. That lad could not be held responsible for the crimes of his parents or grandparents, and it was time to move on.

I hear from parliamentarians from the Council of Europe's 47 nations who understand why parliamentarians from some countries think in a way that is similar to how I used to think about Germany all those years ago. Under the Soviet Union, people in Hungary, Poland and so on suffered dreadfully, and as a result, some people condemn today's Russians, many of whom were not born when those things happened. If we want to keep relations cool and distant, we should carry on like that. I hope that we can persuade more people to learn the lesson that I learned from the German lad: draw a line and move on. The Russian Federation is not the Soviet Union and we cannot put the clock back.

I looked with some care at the names of those who gave evidence in writing or appeared before the Select Committee. No one on my list of offenders appeared on the Committee's list, but I think that we need occasionally to advise people who are trying to get their mind around this problem to beware of some of the so-called experts. I will not name names, but I have in mind a person from an American charitable foundation who passes himself off as an academic expert but forgets to say that he is a Moldovan and has a Transnistrian wife. He ought to be more open about why he loathes the Russians with a passion. All too often, evidence from experts is not expert but chip-on-the-shoulder. We need to keep that in the back of our mind.

We must stop singling out Russia all the time. A couple of Members have mentioned Georgia in NATO, and I do not disagree with that. This winter, I enjoyed two Christmases. I enjoyed one in this country, before I went to observe the elections in Georgia and enjoyed another on the Orthodox Christmas day a week or so later. There were problems with the Russian elections, but I have not heard many people say that the Georgian elections were a similar sort of basket case, if that is the right phrase. For some reason, Georgia should be welcomed because it is Georgia and it is useful. If we are going to condemn anybody, let us condemn everybody. If we are going to condemn someone, let us start with ourselves. A little debate is taking place about whether we should detain people for 28 or 42 days without bringing them before a court. That is in contravention of the values and standards of many conventions to which we have signed up. If we are going to lecture people on human rights, let us start by lecturing ourselves.

On the shortcomings of other people's democracies, let us remember the judge's comments about how the postal voting system in this country would disgrace a banana republic. That case involved Labour councillors, but I am not biased: in the past week or so, there was a case of a Conservative councillor doing the same thing.

[Miss Begg]

correct, to come to the Scottish Parliament with its idea. I did not say whether anyone would support it. It is the SNP's contention, and no one else's, that that is what the Scottish people desperately want—that it is their No. 1 priority. As with most politicians in the Chamber today, that is not what I hear on the doorstep, through the mail or in the constituency surgery.

In fact, I am overwhelmed by the incompetence of the SNP or Aberdeen city council. It has managed to find a black hole of £27 million, which it cut from the budget in one financial year. As a result, the council is shutting swimming pools, ice rinks and sheltered workshops for the blind, and taking away day centres and day care from vulnerable adults. All that is at the hands of the SNP administration in Aberdeen. The hon. Member for Dundee, East (Stewart Hosie) spoke of irresponsible administration. I can tell him where to find an irresponsible administration; it is to be found in Aberdeen and the SNP and Lib-Dem city council. It is a shower. If anyone thinks that the SNP can run a Government, they should consider what is happening in Aberdeen. The party is in power, and what it is doing is appalling.

Stewart Hosie: I am sure that, for the sake of completeness, the hon. Lady will want to advise the House that in the past four years, under the previous administration in Aberdeen, the council reserves were raided to the tune of £7 million, £9 million, £11 million and £12 million. A total of £39 million was taken, leaving a closing balance in deficit last year for the first time since 1999. It is no wonder that there are difficulties, given the shambles of the Aberdeen administration and the £39 million raid on reserves over the past four years.

Miss Begg: I am so happy to answer that, because when Labour left office five years ago in Aberdeen, we left a surplus of £23 million. We had a large amount in reserve as well, although I admit that that surplus has disappeared into a black hole. Since the SNP administration took over in May last year, its financial cuts have hit the most vulnerable. It has not done a disability impact study; it has merely taken lines through the budget without realising the consequences of its decisions. It has not necessarily had to deal with a difficult budget, but most of us object to how it has dealt with that budget.

Pete Wishart: I have no idea what that has to do with the renewal of the Scotland Act 1998 but, when it comes to Aberdeen council, where was the Labour budget this year? Why was one not produced? What would the hon. Lady cut? How much would she increase council tax to address the problem? Every opposition party has produced a budget.

Mrs. Janet Dean (in the Chair): Order. May I bring Members back to the subject, which is the wider issue of Scotland?

Miss Begg: I take what you say, Mrs. Dean. In Aberdeen and elsewhere, when my colleagues and I and the Liberals were discussing the Scotland Act before the 1997 election, we worked together as part of the constitutional convention and Civic Scotland. We brought together lots of people's ideas. It was not just a matter of going it alone, as the national conversation is doing, and it was certainly not one-sided like the conversation happening now. The SNP has no history of any kind of compromise or of working with others. In fact, its members become defensive if anyone suggests that their view of Scotland is anything less than perfect. They believe that their view is shared by everyone. If that were true, perhaps they would not find themselves in a minority Administration in the Scottish Parliament. That is why they will not put their ideas to the Scottish Parliament: they know that they will lose.

The hon. Member for Perth and North Perthshire began his speech by saying that it is accepted everywhere that devolution is a process, not an event. Again, we can argue whether that is accepted everywhere, but it is his interpretation of the word "process" with which I have a problem. I have always understood a process to involve moving forward and perhaps changing something, not necessarily taking more powers. I do not think that any dictionary definition of "process" includes an assumption of more power. Sometimes it involves putting things together, as in the case of a process worker, but I do not know of any definition that necessarily involves adding, taking back or taking more powers.

Even if Donald Dewar said that devolution was a process and not an event—it is still open to doubt—that does not necessarily imply the interpretation made by the hon. Gentleman. What is clear—this is why we are having this debate and why the commission has been set up—is that after 10 years of devolution, it is perhaps time to take stock of how things are working, what is working well and what is not working so well. I do not think that anyone in this Chamber has a problem with that except SNP Members. They have one view and one view only, and if no one else shares that view, they are somehow unpatriotic or un-Scottish. The SNP does not hold the flag for everyone in Scotland, nor are its views shared by the majority of Scots.

Mr. MacNeil: I am intrigued. Is the hon. Lady telling us that she would like an increase in the powers held by the Parliament at Holyrood—the powers independently controlled at the moment by the SNP Government?

Miss Begg: Unlike the hon. Gentleman, I was involved in a lot of the discussion leading up to the Act. I campaigned on it for most of my political career; it is what brought me into politics. Ironically, the reason why I ended up joining the Labour party in 1983 was that I went along to SNP hustings meetings and discovered that I could not vote SNP even to get rid of the Tories. I apologise to the hon. Member for Lancaster and Wyre (Mr. Wallace)—although I believed in Scottish self-determination. Why not? Because I did not agree with the SNP's hard-line, single and one-dimensional view of Scotland.

That is when I joined the Labour party and became involved in the debate. Unlike some Members, I was there. The Labour party and I were part of it, and we think that we created something to be proud of. It is up for review. We have not even started the process yet, but that is where the hon. Member for Perth and North Perthshire wants the decision to be made. *[Interruption.]* He has his mind made up before we have started any conversation. That is what makes a conversation one-way.

Mr. Devine: To summarise, is it not the case that we have great pride in Scotland? What we do not have is the prejudice of the SNP.

Miss Begg: Indeed. The reason for pride in Scotland and Scottish values is that we listen to and engage with others. We are part of a wider civic Scotland, and we do not have the single view held by the SNP. It is a no-compromise and go-it-alone organisation that does not want to engage with others. That is why its only response is to mock those of us who genuinely want a debate.

Mr. MacNeil: Will the hon. Lady give way?

Miss Begg: I was just about to finish, but I will take the intervention.

Mr. MacNeil: As the hon. Lady speaks about engaging with others, I am sure that she will welcome the fact that last Wednesday in Edinburgh, at the second part of the national conversation led by the First Minister, representatives of the Scottish Trades Union Congress were present.

Miss Begg: As indeed they were all through the convention process. I am sure that it will not be long before the SNP gets fed up with them as well and goes it alone.

Anne Moffat: On the issue of the STUC and the trade union movement in Scotland, is my hon. Friend aware that, when a modernisation fund was being promoted by this Government, the Scottish National party was not there for the trade union movement to vote or support it?

Miss Begg: I am not surprised, because I do not think that the SNP has ever taken workers' rights seriously. One only has to look at the fact that SNP Members did not stay up all night to vote through the National Minimum Wage Act 1998.

Mr. Jim McGovern (Dundee, West) (Lab): On the subject of engaging with various organisations, my hon. Friend may be aware that the Select Committee on Scottish Affairs visited Glasgow this week, and the shipbuilding yards in Govan and Scotstoun, as part of our inquiry into employment in the defence industry. The SNP is represented on the Scottish Affairs Committee, but unfortunately no one from the SNP was present on our visit. However, it was made crystal clear to us that the shipbuilding industry, particularly in Scotland, depends almost entirely on UK Ministry of Defence contracts. Does my hon. Friend agree that it is deplorable that the SNP seeks to put thousands of jobs in jeopardy by taking Scotland out of the UK?

Miss Begg: One of the main reasons why Scotland is a stronger part of the United Kingdom has to do with those defence jobs. We are also stronger because we do well out of welfare spending. There would be an £800 million black hole if Scotland were to go independent with regard to welfare spending.

Pete Wishart: Will the hon. Lady give way?

Miss Begg: I would normally take an intervention from the hon. Gentleman, but I have used all my time.

To sum up, when the SNP does not know what to do with its power – this is absolutely clear from everything that it has done in the Scottish Parliament and in Aberdeen – it calls for more. Labour Members should have a sensible conversation, rather than being part of a trumped-up, one-sided conversation in which only the SNP Administration in Holyrood are interested in taking part.

3.10 pm

Gordon Banks (Ochil and South Perthshire) (Lab): John Smith referred to devolution as unfinished business, and he was right. As we have heard, my neighbour, the hon. Member for Perth and North Perthshire (Pete Wishart), supports devolution. However, we come at the issue of Scotland's devolved settlement from different points of view. The position that I take is overwhelmingly supported by the Scottish people, by two thirds of the Members of the Scottish Parliament – indeed, it has been voted on and supported by the Scottish Parliament, which is funding it – and by the UK Government. The hon. Gentleman and the SNP approach the matter somewhat in isolation: they have minority support in the Scottish Parliament and from the Scottish people, and authoritative polls show that support for separation, at 23 per cent., is falling.

The point is not only that we approach this matter from two different points of view, but that the issue of Scotland's governance is being discussed by two different entities. One – the Calman commission, to which I alluded – is approved by the Scottish Parliament; it is independent, it has cross-border support and its findings will be consulted on by the Scottish Parliament and the UK Government. Let us compare that with the alternative that we have heard about today – the nationalist conversation. The conversation document was produced with taxpayers' money, but without the approval of taxpayers' representatives. It was launched during the summer recess to avoid the headlines, and it approaches the governance of Scotland from the isolated position of separation.

Pete Wishart: I do not know whether the hon. Gentleman has actually read the national conversation, but it would be nice if he had. It puts the case for more powers for the Scottish Parliament – we want to debate that. We did not think that the Labour party would actually get around to producing anything or doing anything significant, so my party had to do the job for it. We outlined the case for more powers, and that is set out in the national conversation, which includes all options. Why can the hon. Gentleman not include all options in his commission?

Gordon Banks: I will come to my involvement with the national conversation in a moment, so I hope that the hon. Gentleman will bide his time.

The national conversation on which the SNP has embarked has been carried out largely in cyberspace and in the early hours of the morning for some strange reason. Perhaps the nationalists are up pounding their computer keyboards because they are too worried about all the manifesto promises that they are breaking to sleep. Perhaps the consultation process will tell us the reason, but perhaps it is because some of the contributions

[Linda Gilroy]

The new city development company—it is, I believe, the first entirely new company of its sort, with support from the city council, the South West of England Regional Development Agency and English Partnerships—will give new focus and priority to realising potential in the area of enterprise growth, property development and investment, innovation and technology development. House-building rates are now higher than at any time since the mid-1970s, and are at the level that we need to meet our housing growth targets. The relationship with local and national house builders, with respect to speed and quality of decisions, has improved beyond all recognition. There are challenging targets to meet in the social and affordable housing sectors: as the Minister knows I am preparing a report on that, which I look forward to presenting, so I shall keep my wish list on housing for a future occasion. I have quite a long list of other things with which the Minister can help. Government decisions in policy areas that may not appear to have a direct connection with the growth of the city can have a significant positive or negative effect on our ambitions.

The implications of the recent naval base review go well beyond the immediate defence cost and operational considerations. It is important that that is seen as a whole-Government issue, with respect to both the cost to other areas of government and the delivery of wider priorities. The three-base outcome to the naval base review safeguards Devonport, but the Department for Communities and Local Government should continue to take an interest in the issue if we are to ensure that there is a cross-Government overview of the continuing changes in naval base activity and dockyard-related issues arising from the defence industrial strategy.

The drive for cost efficiencies in the naval base can bring win-win opportunities to the city and the naval base if managed properly. The likely need for the base to divest itself of all but essential land holdings could provide significant development sites. The naval base commander, working with the city council and the South West of England Regional Development Agency, is currently developing proposals, under Project Roundel, for identifying and releasing such surplus sites. The business case to be submitted to the Ministry of Defence requires subsequent Treasury approval, and must adopt the same principles that were used for the London-based Project MoDEL. That is essential if we are to secure the viability of the naval base. We have already approached the Treasury, and the Chief Secretary has undertaken to visit the city, but the Minister and his Department must make sure that the project receives the urgent consideration that it deserves, so that it can realise its potential for us all—city, sub-region and Government.

The outcome of the reviews will have an effect beyond the Ministry of Defence, and there will be a significant impact on the city and its communities. It is a whole-Government issue. There is a need for continued engagement by the Minister and his Department, as happened during the naval base review itself, in relation to the socio-economic impact of changes, including the important issue of base porting of ships, and to ensure that there is value for money for UK plc as well as the Department for Communities and Local Government. That is the only way of producing the optimum outcome for the Government and the city. The consequence of not taking such action is that DCLG will have to pick up the tab further down the line.

On the jobs issue, it is in DCLG's interest, given our shared goal of a successful Plymouth growth strategy, for the Minister to ensure that Plymouth receives full and proper consideration in relation to the relocation of Government offices, and work out of London and the south-east. I refer specifically to the natural choice of Plymouth as the site of the marine management organisation to be set up under the draft Marine Bill that has just been published. Establishing that organisation in Plymouth could lead to a number of wins. For the organisation itself, Plymouth offers a location that, as I have described, has worldwide marine credentials, particularly in coastal marine science, which would provide it with access to unsurpassed research expertise and a supply of skilled graduates. It would help the city to consolidate its role as a marine centre of excellence. It would be a valuable anchor for the building of our marine partnership and science park—potentially, but not necessarily, on a shared site—and would bring high-value jobs. With a decision on the future of the naval base, and the dockyard under Babcock's ownership, we should be able at least to stabilise employment in those important activities.

Marine science is a growth sector for UK plc as well as for Plymouth. We have 450 scientists and 1,600 students in marine and environmental sciences studying at the university, and can build on, and draw on, a strong skills base. I have raised the subject in meetings with colleagues at the Treasury and the Department for Environment, Food and Rural Affairs. The MOD is aware of the potential of the south yard as a possible site. It would be ideal if it were released in time, so I urge the Minister to ensure cross-Government working on the matter.

Maintaining the council's capacity to deliver and that of its partners involves a significant risk not just to physical regeneration and economic growth but to the wider inclusion agenda that sits alongside them. The commitment of the newly established city development company and the partners working with it are key to enhancing our capacity for economic growth and job creation. Continuing to pursue excellent services with our partners and improving service delivery on skills, health, education, crime, housing and environmental outcomes, particularly in the city's most deprived communities, are also key. Everything that can strengthen those twin pillars is vital to our ability to grow and regenerate the city.

The council has made tough decisions to bring about greater financial stability while addressing major improvement challenges in areas such as child care, planning, transport, waste and recycling. By May last year, it had become the fastest improving council in the country, whereas it used to be a failing council travelling in the wrong direction. Some Government policies have major financial implications for all local authorities, particularly new growth authorities, and anything that breaches the principle of no new burdens is a drain on capacity. I am sure that the Minister is familiar with a range of claims relating to waste management, concessionary fares and infrastructure that arise when there are more people and more houses.

My hon. Friend the Member for Plymouth, Devonport (Alison Seabeck) has arranged a meeting with the Minister for Local Government. We want to discuss with him the need to set up a regular reporting system to ensure that Plymouth, which is growing at a rate of 2,000 a year, is given every consideration where cross-departmental issues are concerned. Funding for such issues needs to recognise the pressure on authorities with faster and greater housing growth to deliver Government targets. Infrastructure funding, especially through the regional funding allocation, should be aligned with the delivery of regional growth priorities. Enhanced new growth point funding, the continuation of funds beyond 2007-08 and the relocation and establishment of Government offices can make a difference to the strength of our base for delivering that ambitious agenda, and deliver it we must.

This time last year, under Labour control, we were the fastest improving local council in the country. That was no mean feat, as we had taken over a failing authority from the Conservatives just three years before. This time last year, we had earned all the award-winning projects that I mentioned. It is little wonder that this time last year, more people voted for Labour councillors than in previous years, but despite our boldness of vision, excellence in performance and positive direction of travel, some people who came out to vote did not support us. They supported a populist manifesto involving a pool in the north of the city and car parking, and they opposed the new sports centre that we championed. In power, those people have realised the sports centre's importance—it is called the Life centre—but the way in which they are developing it raises major questions about its viability, as the genuine cross-party working needed to realise its full potential is not taking place. Sadly, there will be no affordable housing in the development that will pay for part of the centre. The fact that those people are falling at one of the very first hurdles on such an important issue is a matter of concern.

I understand that people will be able to buy tea and buns at the centre, but not sports gear and swimming trunks. Where else in the country could one find that happening? It is all to meet a dogma that there should be no commercial activity on the site. There will be no swimming pool in the north of the city, as the council leader recently confirmed that there is no provision for that promise in the capital budget for the next five years. Those councillors have broken one of the promises on which they campaigned. Council tax is going up, but children's services, development and community services are being cut. This year, Plymouth will experience one of its three highest increases in local council tax since becoming a unitary authority, and all three of those increases have occurred under Tory control.

Plymouth's is no ordinary story, and ours is no ordinary city. Every day of my life for the past 11 years, I have woken up determined to support the Government who have brought us the hard-won economic stability that has underwritten our growth and development. The Government have realised a vision of urban renaissance that has brought people back to our cities and made them good places to live again. While going from door to door in Plymouth last week, I saw people in inner-city wards whose lives had been, and are being, transformed. There is so much more to do. It reminded me, if I needed reminding, how important our task is.

We should take no lessons from the Tories, who left Plymouth with a legacy of deep-seated poverty that blighted people's lives, about tackling poverty or creating fairness. We certainly should not take any lessons from them about economic competence. Increasingly, people in Plymouth have a sense of drift stemming from a lack of clear, strong political leadership in the council. Like me, they hope that the drive and ambition of social and economic partners will see us through. As always, I stand ready and willing to work with anyone who has Plymouth's interests at heart.

Our ambitions have produced an exciting agenda. I hope that the Minister will draw some inspiration from what I have said about Plymouth's story over the past 11 years, and is willing, too, to engage with our agenda. The sort of renaissance occurring in Plymouth is also occurring in our urban areas, and it is based on an unprecedented period of growth and economic stability.

Mr. David Wilshire (in the Chair): Minister, it is time for your third speech this morning.

1.45 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): Mr. Wilshire, it is a pleasure to see you again so soon. It is always a pleasure to serve under your chairmanship.

I congratulate my hon. Friend the Member for Plymouth, Sutton (Linda Gilroy) on securing this important Adjournment debate on Plymouth and its challenging growth agenda, and I am pleased to see my hon. Friend the Member for Plymouth, Devonport (Alison Seabeck) in her place. Both my hon. Friends are recognised in the House and elsewhere for their strong representation of Plymouth and their hard work to advance fairness, prosperity and ambition in their city. I do not wish to embarrass my hon. Friends, particularly my hon. Friend the Member for Plymouth, Sutton, but one of their strengths is the ability to put aside party political differences and work with other groups to make things work for Plymouth. That is often not the case in the House and elsewhere. I admire her passion for Plymouth and her willingness to see the city work. I heard what she said about being willing to work with anyone who has Plymouth's interests at heart. That is an admirable stance.

I have enjoyed today's debate. I agree that Plymouth has a rich and fascinating history based largely on its seafaring tradition, but from what I have heard today and from my consideration of the matter, I think that the city can look confidently into a bright future for the 21st century, with ongoing investment and commitment from this Labour Government. Plymouth has major opportunities and a new vision, and is undergoing an urban renaissance involving substantial growth in housing and employment. It aims to deliver accelerated growth in line with the Government's sustainable communities plan and to reassert itself as a confident regional centre and leading European waterfront city.

One of the themes of the contribution of my hon. Friend the Member for Plymouth, Sutton was the importance of getting the framework right. The topic might not be particularly sexy, but governance arrangements are key to ensuring that Plymouth's ambition can be realised. I welcome the vision commissioned by the

[Frank Cook]

I got another letter from Mr and Mrs Woolley, but it was not addressed to me. It was addressed to the hon. Member for Romford (Andrew Rosindell), who kindly passed it on. With your leave, Mrs Dean, I shall read it out. It says:

"Dear Andrew, we came to ask for your help some time ago with regards to the Pulmonary Hypertension Association. At the time, we were living at 25 Albert Road, Romford, and our son Thomas had Pulmonary Hypertension. Since we last saw you we have moved home and on October 26th 2007, Thomas had a double lung transplant at Great Ormond Street Hospital. He has made an excellent recovery and is living a full and active life now. Once again we are asking for your support. If preliminary recommendations by the National Institute of Health and Clinical Excellence (NICE) are implemented, then drugs like Epoprostenol will not be available. As you know, this drug allowed Thomas to live a good quality of life for four years up to his transplant."

I reiterate that point: the drug allowed him to live a good quality of life up to his transplant.

"and it would be a dreadful thing if other patients were not given this opportunity because of the expense of the drug. We hope this letter finds you well."

If NICE had taken its decision five years ago, Thomas Woolley would be dead now. Is that the kind of health service that we display such pride about? Is it the kind of decision that NICE ought to be capable of? Are we going to remove tools from the toolbox that consultants normally have available, and say, "You can't do that. There's a life there, but you can't save it"? How can we justify that?

The chief of the NHS gave evidence to the Select Committee on Health on 22 November 2007, which is not long ago—just three or four months. He said:

"I am trying to manage the resources of the NHS against a vote that Parliament gave me, and that is what we are trying to do in the most effective and efficient way. What I can say is that ... decisions ... can now be taken wholly on clinical grounds, not on the basis of whether we have the resource."

If you will permit me, Mrs Dean, I shall repeat that:

"What I can say is that ... decisions ... can now be taken wholly on clinical grounds, not on the basis of whether we have the resource."

Our independent colleague, the hon. Member for Wyre Forest (Dr Taylor), who is a professor of medicine, immediately piped up with the reply:

"Because there is enough money to do it on clinical grounds."

Mr Nicholson's response was:

"The NHS, by its good management and organisation, has created a healthy financial position for most of the country."

That is a pretty firm statement, in my catalogue—a healthy financial position for most of the country.

So, what are we about? We have heard some interesting suggestions about taking up drug trafficking, which has apparently been done very successfully. I wish that I could have bought a few shares in that. My hon. Friend the Member for Newport, West (Paul Flynn) made the even more effective suggestion that we should take more effective measures in that direction. We must certainly question NICE's assessment. The response that I eventually got from the Minister—not this Minister but a different one at the time, although it was not so long ago—after a fairly long delay was that the evidence that NICE had examined when it came up with the drug-eluting stent decision and restriction was being re-examined. I hope that NICE has learned from that lesson and in future will check every kind of evidence that is placed before it with a view to arriving at decisions that are sustainable afterwards. The drug-eluting stent decision was not sustainable, and the recommendations on epoprostenol and similar drugs are equally unsustainable. I hope that NICE thinks again about its decision and that the Minister insistently recommends that it does so.

10.20 am

Paul Flynn (Newport, West) (Lab): I did not intend to speak, but some balancing comments should be made about the National Institute for Health and Clinical Excellence. The debate seems to involve another attack on NICE for making a decision that none of us would like to make. We have set up NICE to shift away from politicians the impossible choices that have to be made under a limited health budget. It always is limited, but we do not want to believe that. It is unfair to put all the blame on NICE, or to suggest that it does not put patients first. I am sure that it does, but it must put itself in a position where it can challenge the pharmaceutical companies.

My hon. Friend the Member for Carmarthen, West and South Pembrokeshire (Nick Ainger) mentioned the usual story from pharmaceutical companies that they have to charge large amounts for some drugs because few clients use them, it is a small market, and they have to pay for the cost of research. That argument might be convincing if they, particularly GlaxoSmithKline, did not spend a great deal more on marketing drugs than they do on researching them. They spend a large amount on research for drugs for stomach pains, headaches and those ailments that involve huge demand but very little on research into drugs for ailments that affect a small number of people.

There can be no justification for blaming NICE if it asks the pharmaceutical company, "How on earth can you justify this life-saving drug" which can offer so much, as we heard today in moving stories, "which is made in Britain, costing 10 times as much outside the factory gate as it costs on the other side of the world?" That cannot make sense, except for commercial reasons.

I repeat what I said in my intervention, because I remember the meeting held by my hon. Friend, who has been persistent and campaigned on this matter for years. I was shocked when we cross-questioned the lady who was running the drug company and she told us the cost. Twenty years ago, many of us would have thought that it was impossible for anyone to have a course of drugs that cost more than £10,000. One would not have believed that possible, but now we hear that the drug companies charge £165,000. What if they were to charge £1 million or £2 million per patient? Would we tell NICE to pay, regardless of the cost?

If children or someone in our constituency were about to be deprived of drugs, we would all say as constituency MPs what my hon. Friend the Member for Stockton, North (Frank Cook) said: "Pay it. It is only £20 million. It is nothing in the context of the health service budget," but we must take some responsibility for the policy that NICE has to implement on our behalf—a thankless task—and acknowledge that NICE is not the problem. We beg NICE to pay for the drugs—I do not think that it has any choice—but, ultimately, the

answer is not to ask NICE to pay whatever is demanded by greedy pharmaceutical companies that need to get their balance sheets right.

Ann Winterton: Surely the whole tenor of this debate is not just about the drugs but about the fact that NICE is ignoring its own guidelines. That is the position. NICE is not considering ultra-orphan drugs in a specific category, as it ought to.

Paul Flynn: I repeat that I support the campaign of my hon. Friend the Member for Carmarthen, West and South Pembrokeshire, which is of long standing. I acknowledge what the hon. Lady says, but we have to take on what has been happening since NICE was formed. Pharmaceutical companies set up cynical campaigns to boost drugs and exaggerate the effects of drugs—not this one, but others.

I investigated a drug on behalf of a constituent who was suffering from a particular form of cancer. The drug was recommended as the cure for it. I said to her, "Go along and see your physician." I was approached not by the drug company but by a group of its lobbyists who put forward a case for the drug that was wholly dishonest and optimistic. Having made inquiries, I learned that the cost was £16,000 for each patient, that the drug increased life expectancy for cancer sufferers by 12 days, and that it had adverse side effects, including death, in 10 per cent. of cases. The balanced judgment was that the drug, in the state that it was in then, was a poor gamble and certainly not worth investing £16,000.

We are being subjected to marketing and lobbying campaigns by pharmaceutical companies that are likely to destabilise NICE decisions altogether. We cannot constantly say to NICE, "Whatever the drug companies ask, you must pay." I support this specific case entirely, but I cannot go along with many of the things that have been suggested today about a blanket condemnation of the decisions that NICE has to take. Thank goodness we as politicians do not have to take them.

10.26 am

Dr. John Pugh (Southport) (LD): I congratulate the hon. Member for Carmarthen, West and South Pembrokeshire (Nick Ainger) on leading this debate and on his persistence in the matter.

I cannot rival the hon. Gentleman's knowledge, but I do know that pulmonary arterial hypertension, whether in the secondary or primary form, is dangerous, debilitating and difficult to treat. It is dangerous because it is often fatal. Life expectancy is not good: the death rate is high. It is debilitating because it destroys ordinary life. We heard some touching stories of heroic endurance. One wonders how people put up with the situation and do so with such apparent cheerfulness at times. The condition is also difficult to treat, because there is no cure, some of the treatment is invasive and good treatment is hard to access. In my constituency, people have to travel as far as Newcastle to get specialist treatment.

It has been suggested that NICE has added to the woes of poor, suffering patients by recommending no further use of prostacyclins, intravenous epoprostenol or inhaled iloprost, which are regarded as gold standard treatments. It is suggested that that adversely affects 25 per cent. of sufferers, particularly those who are most severely or terminally ill.

As has been said, all arguments about NICE tend to follow a familiar pattern. Incidentally, I must put on record the recent welcome change in NICE's decision about Lucentis. That shows that NICE does occasionally listen to arguments and have second thoughts. However, what usually happens is that a cheaper alternative is held up by NICE and set against an expensive proprietary drug. The reasons that the drug is expensive have been explored in some depth already.

On one side, we have NICE and the primary care trusts, and, on the other side, we have patients, patient groups and the drug companies. NICE will normally claim that cheap alternatives are available—in this case, sildenafil—and that they are as efficacious as the more expensive alternatives. The drug companies and patient groups will argue, with some plausibility, that the more expensive alternatives have special benefits or—this is important—special benefits to particular patients, if not the whole patient group.

No one per se is against NICE, which is a necessary evil. We all must acknowledge that health care is, if not rationed, at least finite, but people will argue with decisions if NICE has not followed its own guidelines and procedures sufficiently rigorously, or if guidelines have been inappropriately applied. That, I understand, is the argument proposed by the hon. Gentleman in favour of ultra-orphan drugs, notwithstanding the cost. In layman's terms, he suggests that the principles applicable to common complaints should be applied to this cruel and rare disease and its therapies, which is against NICE's guidelines. On the face of it, he appears to be correct, and his case was extraordinarily well made.

However, I sound a general caution against assuming two things: first, NICE's infallibility; and, secondly, the total objectivity of its procedures. NICE assessments are undeniably rigorous, and its inspection of evidence is thorough. I have attended sessions at which it inspected drugs, and there was a huge amount of documentation; they were long sessions, during which patients groups were consulted. It seems to be an impressive procedure, but at the end of the day I would say that it is a judgment call. That call is based on the assessment of this strange unit called the QALY—the quality adjusted life year.

The QALY reminds me of the great utilitarian 19th century philosopher Jeremy Bentham, who invented the hedon—a unit of happiness and pleasure. He suggested that all legislative and moral dilemmas could be solved by counting hedons, using what he called a hedonic calculus. One could work out units of happiness in order to discover whether proposed laws would increase or decrease the overall level of happiness. As a method, it has some advantages over parliamentary democracy. However, Bentham's method led to interminable debates about how to count hedons.

Today, we have the same debate—how to assess the QALY. It is not simple arithmetic; indeed, it is not arithmetic at all. However, NICE and the QALY is the best that we have, provided always that NICE guidance is mediated and offset by patient experience, which is not always the case. Patient experience needs to be judged over time, and it needs to take account of proper clinical caution and casework experience. That is especially important for diseases that are rare and not understood, such as the one that we are debating today. We do not understand pulmonary arterial hypertension as well as

[Paul Farrelly]

the crown jewels list, but I would like to hear a little more detail in the Minister's response about some of the issues that we raised in the report.

4.23 pm

Joan Walley (Stoke-on-Trent, North) (Lab): It is a great privilege to take part in a parliamentary debate with a ringside seat as a spectator of the inside workings of the Culture, Media and Sport Committee. All parliamentarians want to see how well our Select Committees are not only scrutinising what the Government are doing, but contributing to future policy and guiding the direction of travel. Stoke-on-Trent is the birthplace of Robbie Williams, and it is good to hear in this debate that he is recognised as a national icon. So many people in Stoke-on-Trent and the borough of Newcastle-under-Lyme want ringside seats at his concerts.

The debate has shown that the Government's response to the Committee's detailed report on ticket touting sets out the importance of ensuring that major sporting and music events should not go ahead if they exploit fans. In taking the report forward—whatever differences of opinion there may be, or votes against the majority view—the thrust of the Government's policy should be to be fair to fans and to ensure that ticket touting does not undermine the integrity of our sporting organisations. They must ensure that ticket touting does not result in concerts that only those with a lot of money can afford to attend.

The Government must ensure that in the cultural life of our cities and towns—the Axis festival is starting this evening in Stoke-on-Trent, and I hope that we shall complete our proceedings in time to enable me to get home to attend its launch—we have the equivalent of grass roots music, so that we have the big, showcase, crown jewel concerts. They must deal with ticket touting and ensure that fans, concert-goers and followers can be there at every step along the way when they want to. I hope that the report will inform the Minister's general direction of travel.

At this stage of the debate, almost everything that can be said has been said, and I want to broaden it. I congratulate the Chairman of the Select Committee on the way in which he spoke about its conclusions this afternoon and clearly set out the role of secondary ticketing and whether there is a third way of dealing with it. I very much hope that the Minister will find that third way. In the environmental area, I do a lot of work on my Select Committee and voluntary action has been a much more fo,ceful route than regulation or law enforcement. I hope that the Minister will be able to adopt that approach.

To use an analogy with environmental issues, prevention is often the best cure. Having read the report and given thought to the evidence, I wonder whether in its inquiry, the Select Committee was slightly narrow in terms of the bigger picture. I suggest to the Committee and the Minister that, when they consider cultural diversity in music and sport, and fairness for everyone, they should also consider what can be done to prevent ticket touting.

I made a special point of being here today because I want to draw the Minister's attention to a scheme that Port Vale football club in my constituency is launching. It wants to invite 5,000 people to become season ticket holders. The scheme is innovative and in the vanguard of bringing sport back to its grass roots. I hope that the Minister will refer to that—and follows on from the work at Bradford City football club. Faced with ticket prices that people could not afford, Bradford City aimed for a figure of 7,000 people, and if it is successful, next year it can double the number of spectators. Will the Minister commend and congratulate Port Vale football club on the scheme that it is introducing? It has until the end of May to find those 5,000 people.

Football ticket touting is centred on a small number of premiership glamour clubs. The cost of tickets at such grounds is high, but not many times higher than those for most normal matches at most lower league grounds. If we can make football affordable and accessible to most people at most clubs, we will go further on the way to alleviating the compulsion to attend a few super-clubs. In doing so, we will both nourish struggling local clubs and remove the demand bottlenecks on which the tickets touts depend. Dealing with the problem in that way is the way forward.

Despite what the hon. Member for Shipley (Philip Davies) said, the flow of television money to the top of the game effectively subsidises the admission prices of the top clubs. In turn, that makes admission prices at lower league clubs, which do not benefit from such bountiful windfalls, appear prohibitively expensive. Developments at Port Vale football club, in my constituency, attempt to make league football available to adults for under £8 a game. I hope that at some stage, we might have a Robbie Williams concert there, in which case we will need the issue of ticket touting to have been dealt with. The radical scheme to secure 5,000 season ticket holders is a positive move to prevent live football from becoming a luxury item, and to make it a regular part of the lives of many people.

Port Vale is already very much a family club: mums, dads, grandmas, granddads, children, sons, daughters, granddaughters, grandsons—all go to the club together. Like many other clubs, such as Telford United, it is establishing itself as the hub of the local community. If the launch of the season ticket programme for 5,000 people is successful, following on from the brave steps taken by Bradford City last season, it will mark the beginning of a trend to reduce prices in the interest of encouraging greater attendance. If more football fans felt intimately connected to their local clubs and attended the local ground weekly, the pressure caused by the seemingly inexorable cycle of popular interest and wealth experienced by only a handful of top clubs would be alleviated. The excessive demand currently directed at top clubs and exploited by touts would be spread more evenly throughout football, to the benefit of everyone concerned.

When the Minister replies, I would be grateful if he referred to the wonderful, groundbreaking work of Port Vale football club and shared with other parliamentarians how dealing with ticket touting can help diversity in grass-roots football.

4.32 pm

Mr. Don Foster (Bath) (LD): I am delighted to follow the hon. Member for Stoke-on-Trent, North (Joan Walley). Earlier in the debate, questions were asked by

the hon. Member for Glasgow, North-West (John Robertson) about the cultural life in and around her constituency. I have no recent experience of the cultural life of her constituency, but many years ago, I spent four years at university near Stoke-on-Trent, and it certainly had a vibrant cultural life then. As she said, it also has some excellent pubs and clubs, although my favourite, the Bridge Inn, has recently been knocked down.

The hon. Lady began her remarks by, in a sense, praising the Committee. I shall go a stage further and praise the Chairman of the Committee, the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale). From the debate so far, it is clear that he has done an excellent job in holding the ring between some divergent views, and he has done so by dealing with colleagues who have very differing views with excellent and continuing good humour. I suggest to the Committee Chairman in particular that, as well as differences of opinion between members of the Committee, many Committee members themselves hold somewhat conflicting views. That has been reflected in many of the speeches so far and it will also be reflected in my contribution. I, too, have some difficulty in coming to terms with how to marry the belief in the benefit of a free market and the market finding solutions to the problems with the need for further legislation and regulation. It would be dishonest if we did not admit that there was a very clear tension.

I genuinely believe that there is an important role for a well-organised secondary market that has proper consumer protection built into it. As has been discussed, that would enable the genuine fan with a genuine reason for not being able to go to an event, concert or sporting activity to recoup the cost of their ticket and allow someone else, who is perhaps prepared to pay more than the face value of the ticket, to go to that event. Anyone who says that there is not a legitimate need for such a market is deluding themselves and disadvantaging many members of the public.

What are the problems to which we are seeking to find solutions? All sorts of quotes have been taken from the report, but I would like to read a quote from the report that has not been given. The report states:

> "More work needs to be done on quantifying the core problem. The case for intervention would be strengthened if it were demonstrated that there were real problems affecting more than a small minority of events."

We have not yet been entirely clear about the nature of the problems that we are seeking to overcome. After listening to the debate, the problems seem to fall into three categories, which perhaps need to be articulated more clearly than we have done today.

First, a series of problems surround the issue of what we might call illegal activity. We know that there is a problem with street trading, which is illegal under street trading legislation, but we also know that the ticket touts are getting cleverer. Only yesterday, I heard about a particular case in which, to avoid the relevant legislation, street traders hired a youth club just off the street and operated from within the premises that they had hired. There are lots of issues in relation to rogue traders, many of which have already been referred to. The hon. Member for Maldon and East Chelmsford mentioned the 6,500 people who were out of pocket as a result of the activities of Ticket Touts Ltd, which was selling tickets that it did not have. There are many other examples of such activities.

Illegal activity is the problem, and we should surely be considering proper enforcement of the law in relation to that. We know that that is what the Government are also saying. Over a year ago, in a debate on ticket touting introduced by the hon. Member for Glasgow, North-West, the then Under-Secretary, who is now the Secretary of State for Northern Ireland, said that the first problem is

> "when people outside venues, who probably are not licensed, try to sell tickets at hugely inflated prices. There is legislation to deal with that problem, but the issue is enforcement. How do we ensure that legislation is being effectively enforced? That needs to be addressed." [*Official Report, Westminster Hall*, 27 March 2007; Vol. 458, c. 409WH.]

That was said more than a year ago, and I am now repeating it. The real question is, what are we doing about the issue of enforcement?

Government figures provided as a result of parliamentary questions that I have tabled show that, between 2001-07, there were fewer than 150 convictions for ticket touting offences. Research done by my office alone shows that hundreds of tickets for international football and the football friendly between England and Switzerland were readily available at the click of a button. Being concerned about enforcement, I contacted the relevant authorities to ask what they were doing about it. I then produced a dossier of all of my concerns, which included clear evidence of many examples of people quite clearly behaving illegally.

I sent my dossier to the UK Football Policing Unit. A reply I received from the director of the unit admitted that resources simply are not targeted at touts, even when their illegal activity is clear for all to see. I shall quote from the reply I received:

> "It is a decision for the Police Match Commander of each operation as to whether it is appropriate to direct resources to deal with ticket touts. It is however a fact that the majority of Police Match Commanders do not deem it appropriate or necessary for police resources to be deployed to deal with tickets touts where no risk is present. After discussing this matter with the Crown Prosecution Service neither would it be in the public interest to pursue such a prosecution."

That is one of the biggest problems of all. We already have quite a lot of legislation to deal with many of the problems that concern our constituents, yet there is no proper enforcement. I have talked to many of the sporting bodies that have reported cases to the relevant organisations, but action is simply not being taken.

I tabled a parliamentary question to discover the size of the organisation that is meant to be dealing with this important issue. The answer was that there are just

> "six police officers seconded to the unit in addition to a British Transport police liaison officer." [*Official Report*, 19 February 2008; Vol. 472, c. 590W.]

One of the biggest issues is the enforcement of existing legislation. For those who want to go down the route of existing legislation, it is critical that we are clear about how that legislation will be pursued in the future.

The second problem is questionable behaviour, of which we have heard many examples, including selling tickets without precise and clear information about what they entail—restricted views, children-only areas or areas for wheelchairs. Clearly, that issue needs to be

[Mark Eagle]

real agreement across all parties. I will do my best to deal with as many points as possible, particularly the comments of the hon. Gentleman who initiated the debate, but needless to say I will be unable to deal fully with every point. I also wish to put a few things on the record, as hon. Members would expect me to, given that I have had to sit for an hour and 15 minutes and feel extremely frustrated at not having been involved in the debate at an earlier stage.

It is important to point out that since 1997, crime has fallen by 32 per cent. by a third. That is not unconnected—and on this point I agree in some way with the hon. Member for Upper Bann (David Simpson)—with the fact that we are imprisoning more serious and violent offenders. We are catching and imprisoning more offenders and we are imprisoning them for longer. Consequently, we are protecting the public more and offenders do not have the opportunity to do what they might do if they were not imprisoned. It is not wrong to say that there is a connection between those two things.

As a Government, we have made it clear that we believe that imprisonment should be for serious violent sexual offenders and that imprisonment does and should work to protect the public. Protecting the public is a primary purpose of our criminal justice system and the trends in longer sentences for more serious offences and the introduction of sentencing options such as indeterminate sentences for public protection, have made a real contribution to that. That is not to say that I disagree with the points that have been made by hon. Members from all parties regarding there being some people in prison who perhaps should not be there. I do not disagree with the points made by the hon. Member for Meirionnydd Nant Conwy, my hon. Friend the Member for Hayes and Harlington (John McDonnell), the hon. Member for Winchester (Mr. Oaten) and, by implication, by the hon. and learned Member for Harborough (Mr. Garnier) regarding there being some people in prison who revolve around the system because they come out and reoffend. That is accepted, and we accept that imprisonment is not the answer to every single crime that is committed.

Evidence clearly shows that short periods of imprisonment are the least effective way of reducing reoffending. In parenthesis, I should say that during the past 10 years, we have for the first time managed to reduce reoffending among even some of the toughest offenders. Reoffending rates for those coming out of prison have decreased by 4.7 per cent.; for those more generally the figure is 5.8 per cent. It is the first time that we have managed to reduce reoffending, and that is in large part because of the good work done by all those in the criminal justice system—those who work in the prison service and the probation service. I put on the record the thanks and congratulations of the Government to those workers who do what they do often in difficult and dangerous circumstances. They have had some great results during the past few years in reducing reoffending, which is a tough thing to do.

We have some of the best suites of evidence-based programmes anywhere in the world. To be fair, hon. Members have made the point that that is the case, although they have expressed some frustration that we have not been able to do even more than we have done. I understand that, but I point out that during the past 10 years, in real terms, we have increased spending on the prison system and on services by 37 per cent. That is not to be sniffed at; it is a significant increase in spending and that increase is still going on.

The Minister of State, Ministry of Justice, my right hon. Friend the Member for Delyn (Mr. Hanson) is deeply frustrated that he cannot respond to the debate today; he is currently in Nigeria trying to negotiate a prison transfer agreement. He would be the first person to say that we are planning on investing more money—some £2.3 billion to try to get ahead of the curve of prison numbers. We are trying to get the estate capacity up to 96,000 by 2014 to get ahead of the curve of the increase in prison numbers. I have to accept that 20,000 more people are in prison now than 10 years ago, when the Government first came into office. We are trying to get ahead of that curve, which will enable us to prevent the constant overcrowding that creates some of the churn of difficult problems, to which many hon. Members have referred.

The hon. and learned Member for Harborough referred to having to move people from prison to prison, which perhaps disrupts some of the other things being done to assist them. That is a consequence of overcrowding. We are trying to get ahead of that curve with the building programme and we fully expect to do so, but it would not be right to say that overcrowding is a problem that has occurred in just the past 10 years. During the time of the last Conservative Government, prisons were frequently running extremely close to capacity. Overcrowding has been a long-term problem.

Predicting whether the prison population will rise, on whichever projection—there is a range of projections—is an art rather than a science and it is not always easy to predict, but the building plans that the Minister of State commended in the previous debate on this issue in Westminster Hall, which were recommended by Lord Carter of Coles, will, we believe, deal with the issue and enable us to move on to focusing much more on reducing reoffending. Hon. Members in all parts of the Chamber agree that that needs to be done.

The hon. Member for Meirionnydd Nant Conwy raised several issues relating to probation services. He said that there were restrictions on provision as a result of a lack of resources. I want to deal with some of his points in detail. It is true to say that at the beginning of this year—in January, in particular—probation areas were reporting restrictions to courts in terms of what services were available and what programmes could be offered. There was a particular problem with unpaid work in Staffordshire. There were problems with sex offender programmes in north Wales and some accredited programmes in Cumbria, and some difficulties in dealing with alcohol treatment programmes, but the fact is that most probation areas continue to provide a good service to the courts. The short-term difficulties reported at that time, which the hon. Gentleman was reflecting in his remarks, have been tackled.

There is increased probation funding. When the Minister of State made allocations for this financial year, there was an average increase of more than 2 per cent. in the budget. The funding has gone up further as a result of the £40 million that has been found by my right hon. Friend the Secretary of State for Justice to boost probation services. My hon. Friend the Member for Hayes and Harlington made specific points about that issue. My understanding is that allocations have been made according

to a well-known formula. I ask him not to ask me to repeat at this moment precisely what it is, but there is a formula whereby allocations are made to the 42 probation areas. My understanding is that that has been applied and that areas should know precisely what money they now have as a result of the extra resources that have been found. Therefore, they should be in a position to talk in great detail and to plan properly with their work forces in those areas. I hope that that explanation assists in dealing with the point. As a result of the extra money, there is an average increase of 8 per cent. for each board. That should make a real difference in tackling some of the issues that the hon. Member for Meirionnydd Nant Conwy raised.

It is great to see the hon. Member for Upper Bann in Westminster Hall, talking about criminal justice issues, which may be devolved fairly soon. One never knows. These things may end up devolved; that is certainly the Government's aim. I know that my right hon. Friend the Secretary of State for Northern Ireland would not want me to leave the Chamber without making that point, which has now been acknowledged. The hon. Gentleman raised important points about the community's confidence in sentencing. That is a key issue for all members of the public—for all our constituents. They need to be confident about the efficacy of sentencing, the toughness of sentencing, and sentences fitting the seriousness of the crimes. Only if we can show that will they support other initiatives, and all hon. Members who have spoken highlighted the importance of reducing reoffending.

The Government have focused a great deal on sexual offences. There is an understanding that there is under-reporting of sexual crime and that a lot of assurance needs to be given to victims, who quite often will not wish to come forward, because of the traumatic nature of the crime and their fear that they will have to relive it and that that might not be worth it if the perpetrator does not, in the end, receive what they feel is a sufficient punishment.

The Government have realised that the conviction rate is very low, but bringing forward witnesses and victims is the problem. Sexual assault referral centres are being established across Britain to support victims of sexual offences in coming forward. In 34 per cent. of rape cases that are prosecuted, there is a conviction. Bringing forward victims and supporting them in making a complaint is the biggest issue. We currently have 19 sexual assault referral centres across England and Wales, and we aim to have one in every police force area to ensure national coverage by 2011. I am sure that my right hon. Friend the Secretary of State for Northern Ireland will be examining closely the evidence that we have from this effort, and perhaps lessons can be learned for dealing with these issues in Northern Ireland.

The hon. Member for Winchester asked me to deal with several issues. He asked about prisoners' votes. He asked whether the Government could do much to assist with some practical problems that prisoners have when leaving prison, specifically regarding accommodation, insurance relating to accommodation, and bank accounts. On the latter point, it is possible, working with the banking industry, to try to ensure that prisoners coming out of prison who will be going into jobs are seen as potentially good customers of banks. I know from my own experience of visits, and the hon. and learned Member for Harborough will know from his own visits, that many prisoners coming out of prison do get bank accounts. They can sometimes set up bank accounts before they leave, which is helpful. I am sure that that is a question of relationships between the local prison and local bank managers. Nothing replaces good local relationship-building, but work can be done in respect of policy level issues and I am sure that the Minister of State and I would be interested in pursuing any of those issues.

Frankly, insurance is a tougher issue. Insurance is very much a risk-based business, perhaps more so than many others, and although I am willing to discuss the issue with the hon. Member for Winchester and his organisation, I do not have an immediate answer.

My hon. Friend the Member for Hayes and Harlington asked whether I would be willing to meet him and other members of the cross-party parliamentary group, most of whom appear to be in this Chamber. In those circumstances I can only say, absolutely, I would be very happy to meet him; my door is always open. The hon. and learned Member for Harborough said that he was to meet Colin Moses and the Prison Officers Association shortly after the debate has ended. Say hello to Mr. Moses and his executive, please; I saw them all yesterday.

Mr. Garnier *indicated assent.*

Maria Eagle: My door is always open to trade unionists and members of the work force. Meeting regularly is a fine way of finding out what is going on in local areas and on the ground, which does not always come back through other channels. The Secretary of State for Justice, the Minister of State and I make a practice of doing that and are happy to continue to do so.

The other substantive point that the Opposition made was about crowding. I find it extraordinary that they say that they will remove all crowding from the prison system. I do not think that that can be done in the short or medium term, even with the type of building programme that we have initiated, which is the largest in the history of the Prison Service. The challenge set by Carter and the recommendation on prison building—getting the estate up to 96,000 places by 2014—represents a £2.3 billion investment and the biggest and most ambitious prison building programme ever. It will be a challenge to meet that. Even in doing that, we will not necessarily have removed overcrowding, depending on the trend in imprisonment and the increase that we have seen over the past years. That would not enable us to remove overcrowding. I find it extraordinary that the Opposition say that they will remove overcrowding and that without doing so, there will not be humanity or a humane system. That is quite remarkable. I will have to go away and have a close—

Mr. Garnier: Read our paper.

Maria Eagle: I have read it. I do not have time to give full details of why it is uncosted and has a £1.7 billion black hole at its heart. We will have to take that up on a rather more—

Mr. Roger Gale (in the Chair): Order. We now move to the next debate.

[Jeremy Corbyn]

developments and help to solve the current housing problem. I should be very interested to know whether the Minister can give us any help on that issue. I have asked representatives of several of the larger housing associations that operate in my area, "If something came up, could you get it quickly; could you deal with it?" Most of them say that, provided they had the capital available, they could process that quickly.

My last point is about London as a whole. We have a housing crisis in London. We have a crisis of homelessness and of need; housing is in crisis in many ways. It will not be solved by letting a free market rip in London. It will be addressed only by investing in new council housing. I tell local authorities that are still selling off assets, Islington included, that it is a disgrace to be selling them now when they could be converted to social housing.

Simon Hughes (North Southwark and Bermondsey) (LD): The hon. Gentleman and I have very similar views on this; does he agree that if, as I should wish, considerably more council housing were to be built in London; we should avoid letting it be susceptible to the right to buy, so that it would disappear after councils had invested in it? It should be possible to ring-fence it and keep it in local authority control, and hand it on so that it remained social housing.

Jeremy Corbyn: Absolutely. I could not agree more. There are many ways to deal with that, such as forming co-operatives; we need to keep those places in the social sector. However, we need overall housing administration in London that requires at least half of all new developments to be housing for people in need, and at least a third, although I should prefer half, to be for affordable, controlled rent—social rented. We also need to end the scam, which I mentioned when I intervened on my hon. Friend the Member for Hendon (Mr. Dismore), of developers buying out their obligations by putting money and development somewhere else. We need mixed and balanced communities.

I am proud to represent my constituents and to do my best for them, but I am ashamed when I talk to people and I know that they will bid week after week and get nothing as a result. One can see the depression in the family and the potential for family break-up. Youngsters hang around the streets; there is nothing wrong in that, but it is wrong for it to be someone's only option because they are frightened to be at home at night. I thank the Minister for what he has done in trying to improve conditions on estates, and for his understanding of the issue, but we need an urgent action programme to deal with the housing crisis in London.

3.27 pm

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): I am grateful to my hon. Friend the Member for Islington, North (Jeremy Corbyn) for leaving me a little time, and particularly to my hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck) for yet another housing debate. She must occasionally feel that she is banging her head against a brick wall, but nevertheless she keeps going and keeps raising the issues. Of course not many brick walls are being built in London, but that will change with the election of Ken Livingstone next week.

The bottom end of the housing market—social rented and shared ownership—is virtually sclerotic in central London now. There is at least a 25 per cent. population turnover in my constituency every year, but there is very little movement, except among the properties that have been sold and are now buy-to-let, on housing estates. Whole families grow up and children finally move out in appallingly crowded conditions, without any of the movement that used to take place even 20 years ago in that market. We know, historically, that that is for reasons of lack of supply as well as of depletion of stock through the right to buy and other means, and it results in figures such as those I quoted in my intervention earlier, which show that there is effectively no opportunity for families living in Hammersmith and Fulham or Ealing to be rehoused within the social rented market. There are appalling levels of overcrowding, and people have come to my surgeries who have five children in a one-bedroomed flat or six children in a two-bedroomed flat; those are not untypical examples.

The need for policy is clear, and the policy is clear, certainly as far as the Mayor is concerned: it is for 35 per cent. social rented housing, 15 per cent. shared ownership and 50 per cent. market target. The mayoral candidates attended a debate conducted by London Citizens the week before last, and they were introduced to the concept of the housing affordability standard. I think that that is a very good piece of research. It showed that someone on the minimum wage in London has £86 a week available for housing, and that someone on the London living wage, which the mayor has promoted, of £7.20 an hour, would have £135 a week. That, in reality, means living in registered social landlord or council rented accommodation—not even in shared ownership accommodation—and that is the essential reason for requiring not only the 50 per cent. target but the 35 per cent. target. That is why the intention of the hon. Member for Henley (Mr. Johnson) to abandon the target if elected is criminality, rather than folly.

In the brief time that I have, I want to focus on what is already happening with registered social landlords and Conservative and Liberal councils. Either they find meeting housing need too difficult or do not want to do so for political reasons, but they are not even seeking to meet such need. In fact, they are going the other way and reducing the amount of affordable housing available.

I give an example from my surgery last Friday. Hammersmith and Fulham council boasts about its direct letting scheme. If a mother with two children goes to the council, she will be put in touch with a private landlord—usually big private landlords who own many properties—who will house her somewhere. In this case, a family with two children—a two-year-old and a six-month-old—were put into a flat directly on the A40. It is in appalling condition. There is infestation, and the lifts do not work. The mother is undergoing treatment for a brain tumour. She is unable to get to the shops or to get a buggy downstairs, and she has no prospect of ever being rehoused by the council. She is in an infested block run by Ealing council, and has a private landlord who does not care.

That is the new face of rehousing in London. It is almost impossible for my office or anybody else who wishes to assist people to untangle the network that has been created. Previously, such people would have been put in a hostel. Under the previous Labour council in Hammersmith, all the hostels were modernised and made self-contained. The current Conservative council is selling them off on the open market. They emptied them using the Government's target to reduce temporary accommodation by 50 per cent. as a cynical excuse. *Estates Gazette* reported last month that a very desirable property in Waldemar avenue had been sold for £905,000. Formerly, it had been five flats for homeless families. It is now being converted with planning consent from the Conservative council into a single property for sale on the open market.

I believe that you wish me to conclude, Mr. Chope. I end simply with this point: unless there is a reversal of policy, and unless the Government are prepared to follow their money with implementation, the housing market in London will not change. I would like to hear the response of the Minister and the Opposition to that.

3.31 pm

Lembit Öpik (Montgomeryshire) (LD): I have become very engaged by this debate and by the fact that the bottom line is that everyone in this room agrees that the biggest single determinant of the quality of life of a family in the long term is the quality of their accommodation. I do not need to repeat that point, and I see that the Minister is agreeing. I am encouraged by the fact that we all agree that the fundamental requirement in a first-world country is to ensure that individuals have a quality of accommodation that is commensurate with the wealth of the nation as a whole.

The fact that the rate of ownership is lower in London than anywhere else in the UK is hardly surprising. There are historical and financial reasons for that. That in itself is not the issue. In other countries, there is generally a lower level of ownership. It is a quirk of British society that we equate property ownership with achievement.

Nevertheless, what really concerns me are the 91,000 empty homes and the 200,000 or so overcrowded houses, which have already been mentioned by the hon. Member for Regent's Park and Kensington, North (Ms Buck) and others. It is also a matter of great concern to me—and, I am sure, to the Minister—that 330,000 households are on waiting lists. The number has risen by about one fifth in the past four years. We have also heard from various contributors today about the importance of building not just one and two-bedroomed houses, and that 60,000 households require homes with three or more bedrooms. It is ironic indeed that 60,000 three to four-bedroomed homes are under-occupied.

Part of the reason for that is the great profitability of building one to two-bedroomed homes. We know that that is why developers like them, and that it is how they maximise their profits. Of course, that could change if we end up with a glut of one and two-bedroomed homes and a shortage of larger homes. We have to recognise that developers are primarily under a financial obligation to deliver what they think will maximise their profits. Let us not be naive and think that they will alter their strategies simply on the basis of what the Government require and what society needs—that will not happen.

My first question to the Minister is, what mechanisms could be used to influence developers to build the right mix of housing? In parenthesis, I also point out that several developers feel that they have to build one and two-bedroomed homes—the cheaper homes—because the bottom rungs of the house ownership ladder have been kicked away due to spiralling inflation in house prices. Let us not pretend that any short readjustment in the house price market will be sustained for any length of time. The market always recovers if demand exceeds supply, as substantially as it does.

The issue of temporary accommodation has once again been raised. With some 56,000 households in temporary accommodation in London, it cannot be right to think that the strategy is in line with requirements. There has been an 8 per cent. reduction in the number of households in such accommodation, and that is welcome, but it is nowhere near enough.

The cost of temporary accommodation can be measured in pounds and pence and can be extremely high, for reasons that the hon. Member for Hendon (Mr. Dismore) and others highlighted, but the social cost has a practical financial value, as well as a less definable but very real cost in terms of misery. Diverting money to housing associations so that they can house families permanently seems like an attractive option.

My second question to the Minister is, what will his Government do to ensure that local authorities have the tools to break the vicious cycle of temporary accommodation that has been lucidly described by others and needs no repetition from me?

Increasing owner-occupation through shared ownership seems an absolutely sensible way to provide equity for the householder and the state. London has one of the lowest rates of owner-occupation in the UK, with only 57 per cent. owning their own home, compared with 70 per cent. nationally. Twenty per cent. of social housing tenants aged 34 to 44 could afford to buy their own home in 1997-98, but that proportion was down to 5 per cent. in 2004-05, entirely as a result of property prices rising. That leads to my third question to the Minister: to what extent will this Government actively drive owner-occupation and facilitate the use of that valuable and important tool in the interests of resolving these issues?

Jeremy Corbyn: I hear what the hon. Gentleman says about promoting owner-occupation. In my borough, there is roughly 30 per cent. owner-occupation. He heard what I said about house prices. Is it really credible to promote owner-occupation in an area such as mine? Would it not be better to promote rented accommodation to solve the immediate housing problems?

Lembit Öpik: I do not have the arrogance to second-guess the hon. Gentleman's information about his own constituency, but I know that there is great variation in the demographics across London, and that what would not work in his area could well work in others. From what he said today, I suspect that other solutions would be much more appropriate in his area than simply following an owner-occupation agenda.

I think that we are over-obsessed with house ownership in this country. We have created a social status that results in poor decision making by some people, who

Westminster Hall

Thursday 24 April 2008

[MR. MIKE WEIR *in the Chair*]

Ticket Touting

[Relevant documents: Second Report from the Culture, Media and Sport Committee, Session 2007-08, HC 202, and the Government's response, Cm 7346.]

Motion made, and Question proposed, That the sitting be now adjourned.—*[Liz Blackman.]*

2.30 pm

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): I am pleased that we have the opportunity to debate the Select Committee report on ticket touting. It is one of the most interesting subjects that the Committee has considered, particularly as it provokes extremely strong views on both sides of the argument. The Department for Culture, Media and Sport has been wrestling with the problem for some time, and the Government have organised several summits on the topic. It is fair to say that they have so far failed to achieve a meeting of minds among the various competing interests, and it was with that objective that the Committee embarked on its inquiry.

It was not only among our witnesses that we found a polarisation of views; different viewpoints were also represented in the Committee. I was sad that we were not quite able to achieve a unanimous report. All Committee members signed up to the report, with the exception of my hon. Friend the Member for Shipley (Philip Davies), who will doubtless explain his position in due course.

As I said, there are two viewpoints. The first is that the secondary ticketing market is a perfect example of the free market in operation.

Philip Davies (Shipley) (Con): Hear, hear!

Mr. Whittingdale: That is obviously my hon. Friend's view.

That market functions because it puts people who own a commodity that they are willing to sell together with others who wish to purchase it at an agreed price. In doing so, there is a maximisation of utility; and there is no loss to the original vendor of the tickets, as he has already achieved the price that he set. So, what is the problem?

Mr. Mike Weir (in the Chair): Order. I remind hon. Members that jackets cannot be removed in the Chamber.

Mr. Whittingdale: I sympathise with you, Mr. Weir, as I frequently have to reprimand the hon. Member for Newcastle-under-Lyme (Paul Farrelly) in Committee.

The opposite view was expressed by Harvey Goldsmith, in his usual forceful manner, when he took me out to breakfast. Mr. Goldsmith takes the view that those running the secondary market are essentially parasites who feed off the creative efforts of artists and sporting organisations, make obscene profits, put nothing back into the industry, and prevent legitimate and genuine fans from being able to buy tickets. That view is held by a number of people in the sporting world and concert promoters. The Committee started its inquiry to find a solution that would go some way towards satisfying both viewpoints.

There have been ticket touts for as long as events have been held for which tickets have been sold. I recall going to the Hammersmith Odeon as a youth and frequently taking advantage of touts to sell tickets that I did not need, and sometimes to buy tickets if I had been unable to do so earlier. That sort of activity has a slightly bad reputation. It conjures up a vision of rather shady individuals in mackintoshes lurking on street corners. However, the entire secondary ticketing market has been transformed by the advent of the internet, which has made it far easier for fans to obtain tickets for extremely popular events. It has resulted in greater equality; no longer does one have to queue outside a venue for hours before tickets go on sale, although that might be easier in London than elsewhere in the country. It is now a race as to who can press the website button first.

The internet has also made it far easier for touts to snap up the majority of tickets, sometimes with no intention of using them but to sell them on, often within no more than 15 or 20 minutes of them first going on sale. Tickets can frequently be found for sale on sites such as eBay, or specific ticket sites like Seatwave or viagogo, within a very short time of their going on sale. I heard from one concert promoter a few weeks ago that tickets for a particular concert had sold out rapidly. On investigation, it was found that 2,000 separate purchases of tickets to that event had emanated from one IP address; one computer had been used for those transactions, although different credit cards had been used. The fact that such things are possible with the internet is clearly fuelling the secondary market.

The secondary market exists only because the primary market does not operate as a market-clearing mechanism. It would be very easy to get rid of the secondary market; one would simply need to set a market-clearing price. As a result of doing so, all those who were willing to pay that sum would be able to obtain tickets; and those who were not so willing should not expect to be able to purchase tickets.

However, concert promoters and sports bodies take the deliberate decision not to set the price of tickets at the market-clearing level. As a result of setting it below that level, demand inevitably outstrips supply. They do that for perfectly valid reasons—indeed, for admirable reasons. They explained to the Committee that they want live performances and games to remain within reach of the ordinary grass-roots fan. In the sports world, it is obviously important to sustain the supporter base and to reward those who show consistent loyalty to teams. Equally, in the music world, people want to sustain a fan base. They want to ensure that fans who buy records are able to see their favourite performers give concerts, and they can made additional revenue, which might have been lost by not setting a market-clearing price, through the sale of merchandise and other associated products at concerts.

[Paul Farrelly]

the Society of Ticket Agents and Retailers

and the OFT are close to agreement on the draft model terms and conditions."

That does not really take us any further than we were when we conducted the inquiry. In fact, the draft code was due to be produced by the Office of Fair Trading last August, so I would like to get a feel from the Minister on progress. If it is not possible to agree a draft code—I understand that the secondary ticketers are completely in opposition—what will be the next step? The Government have made some noises that there may need to be action down the line if they cannot get a voluntary code. I welcome that, but I would like to get a better feel for what might be intended in substance.

The Chairman mentioned that one way the regulators might show some teeth is to threaten a test case if the secondary ticketers do not come to the table and properly agree a voluntary code. When I was talking to John Fingleton, the chief executive of the OFT, in front of the Committee, I used the example of the banking industry. The OFT had already taken a test case on credit card charges, and people were crying out for it to move on the banking sector on overdraft charges. There was a precedent for doing so. Paradoxically, a couple of weeks after our session, the OFT opened a test case against the banks on overdraft charges, which it won today. I will obviously claim credit for that, but as far as the OFT is concerned we have got to the position where, as the Government's response says:

"If in the event a voluntary agreement within the ticketing industry is not reached, the OFT would need to consider the appropriateness of any court action at that time, according to the principles of proportionality and"

here's a new one—

"administrative priority."

The OFT is saying publicly, "Actually, this is not at the top of our agenda. We've got far more important things to do, what with the banks and the construction industry." That is all very well, but it does not actually say that because it would be signalling that it has no teeth, and would not use them anyway, and has no willingness to bite. That is a mistake, in terms of encouraging the industry to sign up to a code.

Philip Davies: The hon. Gentleman used banking as an analogy, but would he not agree that a better analogy is the net book agreement? When I worked for Asda, we challenged the net book agreement, under which publishers set the price of a book and retailers had to sell it at that price, with a restriction being placed on their selling it at any other price. We at Asda challenged that in the courts and the net book agreement consequently collapsed, with the effect that people can sell a book at whatever price they want to, irrespective of what the publisher states, even though the book is their intellectual property. Would it not be strange, in respect of tickets, for us to go in the opposite direction to the net book agreement, which collapsed a number of years ago?

Paul Farrelly: I shall answer that head-on by saying that there were issues for small booksellers then. But if the hon. Gentleman looks at the Competition Commission's investigations, there are ongoing concerns about whether supermarkets, such as the hon. Gentleman's former employer, are anti-competitive when selling things below the cost of production simply as loss-leaders to invite people in. So there may yet be an issue there. But what the OFT has succeeded in doing now, finally, with the bank charges is at least the first step.

I wonder whether the hon. Member for Shipley, with his "all's fair in love and war, the state should stay out of it" attitude, thinks that the OFT should have taken that case in the first place and should have stood up for consumers in the way that some of us would like the Government or the OFT to stand up for consumers of sports and music events.

Philip Davies: The OFT will stand up for consumers, and thank goodness it does. That is why it has concluded that ticket touting—the secondary market—works more in the interests of consumers than against them. The OFT is doing exactly what it wanted and standing up for consumers.

Paul Farrelly: I hope that hon. Members will bear with me in this game of table tennis across the Chamber.

The OFT's seeking of a voluntary code shows that there is an issue to be addressed. Clearly, had it got more staff and resources, this issue might be higher up the agenda compared with other items. The Government's response to some of the criticism of the OFT has missed the point. During the various sessions and in the report, I was criticising the OFT for the amount of time it was taking to reach a decision, not for not addressing the issue at all. I urge more speed.

I should like to address what might be covered by the voluntary code. We are at a disadvantage because we still do not have a draft to comment on, either in the Government's response or in this debate. The Committee focused on three instances of abuse: free tickets; allocation for the disabled and children; and the situation regarding amateur sports clubs. Clearly, with regard to free tickets, the Government could not be clearer, because their response says:

"The Government agrees with the Committee's views about the sale of free tickets".

However, I am afraid that they are silent on the other categories. I should like to hear a little bit more from the Minister about whether other categories of concern might be included in the draft code.

In respect of amateur sports clubs, which are close to my heart through my involvement in rugby union, the Rugby Football Union distributes tickets to amateur clubs by allocation. Most of the clubs are scrupulous and give their members a fair chance, often by ballot, to get those tickets, but a small minority are unscrupulous. A small minority of clubs, officers or lucky recipients will simply sell their tickets on the black market. That denies ordinary members who want to go to a fixture a chance of doing so, be it Mrs. Bloggs or not. It also places a disproportionate cost for policing fixtures on the Rugby Football Union and all the administrative bodies. In 2006, for example, 157 RFU clubs, schools and universities, and some debenture holders had their allocations reduced because they sold their tickets on the black market, in

breach of the terms and conditions. The cost of that is high for the administrative body, which takes out resources that could otherwise be ploughed into developing the game and grass-roots sport.

I accept some of the points that have been made. The industry should do more to identify certain tickets and, by making them appear different, highlight the risk to those buying them and those willing to sell them of people with such tickets being refused entry. I also accept that there must be much better mechanisms for authorised reselling. For example, during the rugby world cup in Paris—this has nothing to do with the home unions—there was not a reselling mechanism. Frankly, most of the Kiwis and Aussies, whose teams were knocked out earlier, were still in Paris against their will. It was a great joy to see rows of miserable faces outside the pubs and cafés of Paris, but they should not have been in that situation and there should have been an authorised reselling mechanism. I hope that, when we win the world cup in 2015, those arrangements will be far better administered by the home unions here or the English RFU than they were by the French and the International Rugby Board. I would still like to see some protection in the code, when it emerges, for ordinary members receiving allocations from amateur sports clubs.

I want to touch on the practice, which was criticised in the report, of so-called futures selling, whereby tickets are advertised for sale by secondary sellers before they have even been marketed. The likes of eBay, Seatwave and viagogo have definitely been selling tickets that they could not possibly have. There are clear consumer protection issues. Hon. Members only have to look at the evidence provided by Harvey Goldsmith about eBay's attitude to people who offer tickets fraudulently: people pay up and the tickets never appear, but eBay effectively does not want to know. Now, eBay is a big corporation and the buyers are small individuals, so what can they do? The Department for Culture, Media and Sport and the Department for Business, Enterprise and Regulatory Reform might want to look at wider issues of protection regarding buying on the internet.

Philip Davies: The hon. Gentleman ought to qualify his remarks slightly. Internet companies such as Seatwave, eBay and viagogo have excellent refund policies—far better, I might add, than those of the primary ticket sellers. So, as he well knows, people who buy a ticket that does not materialise would definitely get their money back from those websites. I hope that he will make that clear. This is not a question of consumer protection. The consumer is often better protected by these websites than they are by primary sellers.

Paul Farrelly: I suggest that the hon. Gentleman look carefully at some of Mr. Goldsmith's evidence about eBay. The other resellers that the hon. Gentleman mentioned have refund mechanisms, but there is a practice within the industry—so that the policy can be underwritten—whereby the agreement that they make with sellers is tantamount to collusion to receiving tickets from sources that will breach terms and conditions. That is another area about which I am concerned, because the practices of the secondary sellers certainly encourage clubs and members to breach those terms and conditions.

The hon. Member for Shipley mentioned one company. We heard from Seatwave—Mr. Joe Cohen, its chief executive gave evidence to the Committee—which denied that such a thing happened. Yet we had evidence that Seatwave was offering tickets for the rugby six nations championship in 2008 that were not yet designed or printed. His evidence was contrary to what we were seeing. Following the Committee's report, we received what I can only call an ill-advised letter from Seatwave making serious allegations and questioning the report. I shall read a relevant passage in which it justifies its practice of advertising allocations that clubs knew that they would get. Joe Cohen's letter stated:

"It was, however, perfectly valid for 'tickets' to be offered for sale as the seller's entitlement to the *entrance to the event* was secure. The entitlement to attend an event was legitimately being offered for sale on Seatwave, not the actual purchase of a paper ticket—a point that the RFU misled the committee on."

That was a serious charge against the Rugby Football Union, so we invited the RFU to respond. Nick Bunting is its Government relations director, and Paul Vaughan, its business operations director, wrote to me stating:

"Seatwave make the point that it is perfectly valid for future tickets to be sold on the basis that the seller's entitlement to the entrance to the event is secure. This is not correct... Entrance to a major international at Twickenham is only secure if the ticket holder is entitled to that allocation. If a buyer purchases a ticket from the black market, or secondary market, as Seatwave refer to it, the RFU reserves the right to deny entry to the ground."

He then cites some of eBay's practices, and states that individual tickets on Seatwave

"for the England v Ireland match on 15th March 2008 were being offered to buyers...at up to £1400 each."

The highest face value was £70. Mr. Vaughan continued:

"In all cases of RFU tickets Seatwave are inducing a breach of the ticket terms and conditions."

On the so-called robust consumer protection system to which the hon. Member for Shipley referred, Mr. Vaughan said:

"Seatwave have no right to purchase tickets for major internationals at Twickenham either through an allocation process or an entitlement...Seatwave purport to have a 'right to purchase alternative tickets' but this translates into the reality which is a contract between the seller and Seatwave allowing Seatwave to use the seller's money to acquire tickets in the black market. The RFU is obviously not party to this agreement...If Seatwave buy on the black market they are encouraging the seller to break the ticket terms and conditions...The RFU reserve the right to cancel"

those tickets. There are clear consumer protection issues here. The practice is unacceptable, and I want that to be included in the draft code. Seatwave's response was too clever by half.

I shall come to a conclusion because I know that other hon. Members want to speak. Another consumer protection issue that we address in the report is that in trying to protect people against fraud and denial of entry, it would be helpful if tickets advertised on exchanges had block, row and seat numbers printed on them, so that people could be sure that they existed and check them out.

I welcome the sympathetic tone of the response, the direction of travel, and the Government's approach to

[*Mr. Tobias Ellwood*]

a Labour manifesto commitment in 1997. I thought that the sale of the Tote was the longest uncompleted Labour commitment, but improvements to the guidelines on ticket touting is another.

I was slightly confused by the Government's press release. It first said:

"These improvements can happen without the burden of new regulation, by criminalising fans who want to buy tickets for sold-out events or sell tickets that they cannot use".

but it was quickly changed to say:

"These improvements can happen without the burden of new regulation, or criminalising fans"

I am pleased to say that the Conservative press office came to the Government's aid to ensure that the right message was sent out.

I am concerned about the number of convictions relating to ticket touting. Over the last seven years, there have been 150, which is scandalous. It suggests that, although we have legislation, it is not effectively implemented. My hon. Friend the Member for Shipley (Philip Davies)—he knows more about handbags and prostitution than I gave him credit for—said that the police have other things to do at football matches. I agree in part, but we have moved into a different world. I would like to see a policeman walk up to a ticket tout and say, "Move along, please", and not have to spend seven minutes filling out a form, with all the attendant problems. The police should simply do their duty and push those people away, rather than turning a blind eye to their activities. That would be a step in the right direction. If we make touting illegal, the law will have to be enforced, because otherwise what is the point? The Minister should recognise that there is a lack of enforcement. Indeed, I hope that he will comment on the matter.

My first intervention on my hon. Friend the Member for Maldon and East Chelmsford was to ask about the Office of Fair Trading report and model terms and conditions. I was pleased that the Minister jumped up immediately to say that they are about to be published.

Mr. Sutcliffe: Soon.

Mr. Ellwood: How often have we heard that? I hope that we will see the voluntary code shortly.

I started by talking about the corporate responsibility of the secondary market, and I feel passionately about the subject. There is much that the primary and secondary markets can do to ensure that the consumer is protected. I had a meeting with some of the organisers involved in the secondary market. It was good to hear about the ban on the sale of tickets for the Diana memorial concert, and they were right to make that decision. However, one could still pick up a ticket originally priced at £50 if one was willing to pay £400 on the black market. I understand that 20 per cent. of the resale value of charity tickets goes back to the original charity if one purchases tickets off one of the recognised internet sites, which, again, is a way in which the secondary market can work responsibly.

The debacle over the disabled seat at Wimbledon was interesting. I would put the onus on Wimbledon to ensure that any disabled seat is used by a disabled person—it would be completely wrong for that seat to be given to somebody else—but the price of the seat and who ends up with it is a separate debate.

We have heard some original thinking and creative marketing ideas about how to prevent the wholesale purchase of tickets, and the Government might want to consider the scrutiny of IP addresses. On the sale of tickets, one of the most enjoyable times that I have had at Wimbledon was on the middle Sunday. Most of the week had been rained off, so there was an extra day of play, and people had to queue, which itself was an event—it was good fun. People say that the crowd that day was more loyal, British and energetic than on any other day. There are means other than the internet to sell tickets.

I can confirm that I did not attend the Led Zeppelin concert, but I am pleased that some of my hon. Friends were able to get tickets. I was interested to learn that people had to provide credit card details to ensure that they were the tickets' original purchaser.

I am concerned about the growth of the black market as an alternative if we try to legislate completely against the secondary market. That is exactly what would happen—it happens to a small degree at the moment—and the consumer really would lose out. That would also develop the growth of the numbers of fraudulent tickets.

We welcome the report and I look forward to hearing the Minister's response. I have suggested that a further parliamentary debate might be in order to allow us to scrutinise the position and to gain more feedback from the various organisations that are involved in the primary and secondary markets. I am slightly concerned about the comments made by the Minister of State, Department for Culture, Media and Sport, the right hon. Member for Barking (Margaret Hodge), in the Committee's hearing on 26 June 2007. My hon. Friend the Member for Shipley was a little shy in coming forward to talk about the exchanges. My hon. Friend again was talking about his favourite subject—handbags—and said during the hearing that a person who purchases a handbag—I am paraphrasing—can sell it on eBay for a profit in 10 minutes flat, and asked why tickets should be any different when, in both cases, a person bought something that they felt could be sold for a profit. The Minister replied:

"I have got a lot of sympathy with that view, and again I think one would have to justify the intervention either because there is a consumer detriment, which is why I have always looked to see what we can do around transparency".

She went on to say:

"I share a lot of your concern that if we start intervening, we would be distorting the market and actually then impeding consumer freedoms and it is information that matters, it is informed choice, it is getting that transparency that is vital".

However, it seems that if one transfers from one Department to another, everything that one has said in the past suddenly disappears, if I understood the Under-Secretary earlier. I am sure that what he said was tongue in cheek, but some clarification would be welcome.

The Conservatives welcome the voluntary code of conduct and will be encouraging further research on the matter and better information sharing. When we get into government—I am sure that it will not be too

long—will set up our own commission to look at the ethics of sport, which I am sure will include a look at the issue that we are debating.

I thank my hon. Friend the Member for Maldon and East Chelmsford and the rest of the Committee's members for their hard and diligent work, and I look forward to hearing the Under-Secretary's response.

5.4 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): I welcome you to the Chair this afternoon, Mr. Weir, and add my congratulations to the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale) on his work and chairmanship of the Committee, and on producing the report. It is obvious from today's debate that bringing together the disparate views of members of the Committee was a Herculean task, as the hon. Member for Bournemouth, East (Mr. Ellwood) said.

I was interested to learn that there was supposed to be a quick, one-day hearing to discuss the issues that we face. However, in the light of the contributions of the witnesses that came before the Committee, it unearthed an issue that we must look at. That is why the Government are interested in the Committee's recommendations, and why we are having today's debate. As the hon. Member for Maldon and East Chelmsford said, this debate is not the end of the process. Indeed, we need further clarity and further discussion of how we take matters forward.

As was mentioned, I formerly had ministerial responsibility for consumer affairs and competition. Putting the consumer's interests at the heart of the matter is paramount, whether that consumer wants to go to a pop music concert or is a sports fan. The consumer's interests must be looked at directly.

All hon. Members, including my hon. Friends the Members for Newcastle-under-Lyme (Paul Farrelly), for Stoke-on-Trent, North (Joan Walley) and for Glasgow, North-West (John Robertson), put clearly their views and thoughts on how things should develop. The hon. Member for Shipley (Philip Davies), who has a view contrary to most members of the Committee, gave his honest view of the position. That established the problem and set the tone for the rest of the debate, in that there are diverse viewpoints.

The point that I made earlier about the Minister of State, Department for Culture, Media and Sport, my right hon. Friend the Member for Barking (Margaret Hodge), was that different Departments have different views on how things should progress.

Mr. Ellwood: Will the Minister give way?

Mr. Sutcliffe: I shall finish my point and then give way.

I can reassure the House and the Committee that the Government now have one voice on the issue. We have had discussions with our colleagues in the Department for Business, Enterprise and Regulatory Reform and believe that the voluntary code is the way forward. However, there must always be the back-stop of legislation if the industry is not prepared to move forward. Is the hon. Gentleman okay with that?

Mr. Ellwood *indicated assent.*

Mr. Sutcliffe: I give way to my hon. Friend the Member for Newcastle-under-Lyme.

Paul Farrelly: The name of my right hon. Friend the Member for Barking (Margaret Hodge) has been taken in vain a couple of times. However, the quote read out by the hon. Member for Bournemouth, East (Mr. Ellwood) contained certain caveats on transparency and consumer interests. In fact, one problem is that we do not know how much the market is rigged against the ordinary consumer, because of the rise of the internet and the sophistication of people who can snap up tickets instantaneously by pressing a button.

Mr. Sutcliffe: My hon. Friend makes a fair point. Clearly, the marketplace is changing. As the Minister responsible for consumer affairs, I introduced Consumer Direct, which provided an opportunity for consumers to receive advice and support from trading standards officers about what was going on in the market and gave them confidence in it. My hon. Friend will be aware that unfair commercial practice legislation will come into effect in May 2008, and it will provide another opportunity to protect consumers. The Government have a proud record of protecting consumer interests, and that is the direction from which I approach the issue of ticket touting.

I was interested in the points made by the hon. Member for Bath (Mr. Foster) on enforcement; I shall be looking at that issue. I heard what he said, and the response to his point, if it was as he described, is unacceptable. Existing legislation needs to be acted on—it is passed through the House through the democratic process. We need common sense and the police must prioritise, but clearly, if there is problem, we need to respond to it.

I can tell the hon. Member for Bournemouth, East that the Government will be looking to hold further discussions with all stakeholders. It is a critical issue, so we need consensus and understanding on the variety of questions that we face.

Mr. Ellwood: I politely draw the Minister's attention to the fact that the Committee hearings took place on 26 June 2007, and the report was released at the beginning of this year. It took some time for the Government to respond; I think that 60 days was the time required. We need to expedite the process; it cannot drag on. I should be grateful for the Minister's assurances that we will be able to move the process forward at a slightly pacier rate than currently.

Mr. Sutcliffe: I apologise to the Select Committee Chairman for the time that it took the Government to respond to the report. Conventionally, the deadline for a Government response is two months, but as the hon. Gentleman will know, there was a change in the Department, and my right hon. Friend the Secretary of State was new in post. However, as we have heard from his public utterances, my right hon. Friend is very concerned about the issue. I think that that will reassure the hon. Gentleman that the Department takes it seriously. We need to move at a pace with colleagues throughout the process. My only word of

[Mr. Don Foster]

addressed to provide transparency, so that if we are to use largely a market-based solution, people can make informed choices when they decide to purchase a ticket.

Philip Davies: I have a lot of sympathy with that view, but will the hon. Gentleman recognise that if some sporting bodies cancel tickets that are advertised on the internet through eBay or by Seatwave or viagogo, for example, there is no chance at all of the person selling the ticket advertising the seat or row number, because the ticket will be cancelled? Transparency can work only if the event organiser will agree not to cancel the ticket when it is purchased over the internet.

Mr. Foster: Given that time is tight, I do not want to go too far down that road, but if I had more time, I would have said that the reason it is so important to get the code of practice correct and agreed is so that that issue and many others can form part of it. I say to the Minister that it is slightly odd—the Select Committee picks this up in the report—that although there has been wide consultation of the primary market, there has been little consultation of the secondary market, even though the greatest concerns are about the operation of the secondary market. I therefore hope that we will move more rapidly to involve the secondary market in further consultation.

Paul Farrelly: We learned, though evidence given to us, that representatives of the secondary market, apart from eBay, participated in one of the summits, but either their presence was so disruptive that it was not felt constructive to have them along again, or they walked out.

Mr. Foster: I hear what the hon. Gentleman says, but the secondary market is an important part of the market. There were 46 different organisations at the last count. They need to be drawn into the process and effective ways of working with them found. We also have to recognise that, even since the Committee started examining this issue, the whole market—the secondary market in particular—has changed quite dramatically with the advent of many of the new websites developing their own ways of working. We have heard reference to Seatwave, viagogo, Get Me In! and the like.

In addition, the primary market and the secondary market are increasingly coming together, as the purchase by Ticketmaster of Get Me In! illustrates. That is why it is so important to bring these bodies together. I hope that it will be possible to consider ways of getting all those bodies to develop a trade body that has, for the whole lot, agreed terms and conditions. We could then examine the possibility of allowing only organisations that had membership of that body to be involved in the legitimate secondary sales market.

It is important to recognise that the situation has changed. We have moved away from the people in flasher macs referred to by the Chairman of the Select Committee, although at big games that I go to there are still far too many of them selling tickets, as others have said, right in front of the police. Quite a lot of changes are also being made by the organisers of events themselves. I praise the work that many of them have been doing to develop their own terms and conditions and to consider some of the problems. The Rugby Football Union has been considering the fact that some of the tickets that went to clubs were being sold to packaged event organisers and is now finding a legitimate way for clubs to be able to do that and make a bit of money while at the same time ensuring that fans can go. A great deal of work has been done by the organisers, who increasingly are willing to spend their own money in taking prosecutions against people who are in breach of their terms and conditions. We should welcome the work that they do in that area.

Let me describe the third problem that we have failed to grapple with. The Committee does not have a real solution to it and the Government have not got there yet, either. How do we deal with event organisers who legitimately, for whatever reason, want to have their own pricing structure, so that ticket prices can be kept reasonable in order to allow legitimate fans to come? That is about providing a reward to people from the grass roots of the sport, who keep it flourishing—providing some recompense to people who have volunteered their services to protect the sport. The most obvious example that we have heard about relates to major sporting events. Protection of such a pricing policy is where we have to find a way forward.

That is why, although I am uncomfortable with thinking in detail about the operation of such a scheme, we could at least consider the possibility of a crown jewels approach. I would not necessarily agree with what is included in the list and I take the point about England World cup games and so on, but that may have to be the way forward. For me, it is critical that we are not considering the issue from the point of view of a legislative approach. I hope very much that we will adhere to what both the Committee and the Government have said and that legislation will be introduced only as a last resort. We have to get the members of the industry working effectively together to find solutions to the problems.

I end where I began—with legislation. Many of the fears and concerns of people outside the House are about people who are breaking the law. We must have much better and tougher enforcement of existing legislation before we start looking for new legislation.

4.47 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): It is a pleasure to participate in the debate. I begin, as others have done, by congratulating the Chairman of the Select Committee, my hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale), on what seems to have been the Herculean task of reaching some form of consensus. For some of us here who are observers, this has been an education in how Parliament and democracy work and how consensus can be achieved. I wonder whether the Labour party would like to employ him to debate the 10p tax rate issues with which it is dealing—perhaps he could achieve consensus on that. He certainly needs to be congratulated, as do other members of the Committee, on scrutinising these important issues and bringing them to our attention today. It is also good to see that the Gallery is packed with interested people. I do not

know how much they paid for their tickets, how they purchased them and whether they had to pay over the odds, but it is good to see that there is huge and genuine interest in this issue.

I hope that this is not the end of the discussion. I do not wish to put more of a burden on the Chairman, but there are some outstanding questions. I know that the Minister will be talking about some ideas, but with the advent of the Office of Fair Trading report, it might be an idea for the Select Committee to consider the guidelines that everyone wants to push towards, and for a wider debate to take place on that, so that we can see whether that is exactly where we want to go.

A good starting point is a definition of touting, because people have chosen various angles, depending on the argument that they are advancing and where they are coming from. We have heard the flasher mac argument about the dodgy person who is trying to sell a ticket as people are going towards a football ground. We have also heard about the perhaps more legitimate systems, such as those on the internet, whether that involves Seatwave, viagogo or eBay. We need to distinguish between the two. The secondary market can certainly work legitimately, and it seems to work well, but in other ways it can be very much like the black market at work. We need legislation or guidance to tackle both aspects.

The secondary market is invaluable to some, and perhaps the only way for people to secure tickets that they are not able to purchase when they first come on to the market. Others, however, see it as parasitic and questionable to profit from the entertainment industry and to deny it much needed revenue. From a parliamentary perspective, our objective is to ensure that tickets reach genuine fans at sensible prices. However, I go further. Once they have reached genuine fans, it is up to them to decide whether they want to go to that event or to sell the ticket—because they cannot go or for any other reason.

As my hon. Friend the Member for Maldon and East Chelmsford said, the internet has changed how tickets are distributed. The pace at which tickets are sold is astonishing. We heard today that they can be sold out even before they are due to be launched, so perhaps the Minister will comment on that. My hon. Friend mentioned Getmetickets, the organisation that came and went—it also came in other forms—but that is a particularly negative aspect of the internet. Although guidance is required, Seatwave, viagogo and eBay are certainly heading in the right direction for a secondary market. However, even with the advent of the internet, Parliament's role has not changed. We must ensure that the consumer is protected and that funding for arts and entertainment is not challenged. We must also be aware of the trends and changes taking place in the £1 billion industry.

The Opposition are generally supportive of the Committee's report, and believe that an all-out ban on the resale of tickets would not be beneficial to the consumer, nor practical or workable for promoters. However, many people argue that such a ban already exists. There are already outright bans in specific cases, such as for football matches and the Olympics. We should deal with those one at a time.

In football, there are security reasons for such a ban regarding the division of fans and so forth. However, the examples given today show that the system does not work, and that it is not properly scrutinised. It is easy to pick up tickets from touts. Not all clubs provide a resale opportunity, so once someone has a ticket, there is no legitimate way of handing it back to the club for it to be sold on. The football industry needs to consider that problem.

When Seb Coe put forward the idea that London should host the Olympics, one condition was that tickets could not be resold. Then there are the crown jewel events, with which I shall deal in a moment. However, we agree that attempting to ban the secondary market would be wrong.

It is worth considering where tickets go. For instance, just over 3 million tickets were sold for the 2006 World cup in Germany. Only 1 million were for global public sale, and the other 2 million or so went to a variety of other places, such as sponsors, and for hospitality. Some went to the German football family—I do not know whether that was for Franz Beckenbauer, or a larger group—and the international football family. It must be possible for the organisations themselves to do more to ensure that tickets get to genuine fans. That should not involve Parliament or the Government; it should be a corporate responsibility, and a corporate duty, for those organisations to ensure the wider distribution of tickets.

I was interested to read the report produced by Campbell and Keen Ltd. I do not know whether the company was working for the Government, but its recommendations were clear. It believes that there is no role for further legislation, but it makes clear that more can be done, and better, to co-ordinate certain aspects.

I was interested to hear the hon. Member for Bath (Mr. Foster) say that there is no association or body to knock heads together, so that a collective view can be taken. I shall leave it to the hon. Gentleman to recommend the formation of a union to get action. However, Ticketmaster has made its views clear, as have viagogo and eBay. They all say that they do not want legislation, but they all put up their hands to say that there should be much better co-operation and that there is a demand for guidelines. The Government have a responsibility for leadership to ensure that such guidelines are produced.

I now turn to the crown jewels—the key national events in which we take such pride. Because we have no guidelines, I cannot see the situation coming to fruition immediately, but I would encourage that to happen. The view has been expressed that such events are of national importance and that they should be given some protection. However, we are concerned about spreading that out to other events. Another concern is that some events—particularly a cricket event, I think—want to remove themselves from that status because they believe that they might gain more money by doing so. The Government should be aware of the desire to opt out.

The Government's response to the Committee's report said that they would introduce a limit on the number of tickets sold to each person, with clear refund policies, improved distribution, allocation exchange arrangements, and fair terms and conditions. We agree that that is going in the right direction, but we want more detail on how it will be achieved. A series of examples has been given today showing that that will be hard to police. As I said earlier, making changes was

[Mr. Sutcliffe]

world cup and other new events are not on that list. We must ensure that we give them consideration. Obviously, I would like to hear from hon. Members about events that they want us to consider. That is in the spirit of understanding other people's opinions. In sport it is easy to agree on those events, although there might be disagreement and discussion on the details, but it is less easy with cultural events.

The hon. Member for Bath said that we did not need legislation for legislation's sake and that we should proceed on a voluntary basis. I am very concerned about what has been said on enforcement. We need to look at that, because it sends out all the wrong messages if we cannot enforce legislation in areas of concern. We must be careful that we do not drive things underground, as the hon. Member for Shipley said, which exposes consumers to greater harm. Action has to be proportionate and the Government intend to establish new principles for the market to give clarity to the consumers.

Those will be complemented by fair and effective model terms and conditions on which the Office of Fair Trading has been advising STAR. I spoke to John Fingleton prior to this debate and he gave me the impression that those discussions were positive. So I hope that my definition of "very soon" is "very soon".

Mr. Whittingdale: It might help the Minister if I remind him that when Mr. Fingleton gave evidence to us in response to the hon. Member for Newcastle-under-Lyme (Paul Farrelly), he said that he expected to agree final terms with STAR by August last year. That deadline was eight months ago, but he is still talking about it happening very soon.

Mr. Sutcliffe: I hear what the hon. Gentleman is saying. Both he and I would encourage Mr. Fingleton to—

Paul Farrelly: Pull his finger out.

Mr. Sutcliffe: Something like that.

Mr. Ellwood: Will the OFT guidelines, for which we are waiting with anticipation, focus on the primary or secondary market?

Mr. Sutcliffe: They will consider the principles for both, which is what we asked the OFT to do. In addition, I shall speak to Ministers in the Department for Business, Enterprise and Regulatory Reform—there are issues about how we develop this at the pace that the hon. Members would like.

Clearly, as the Select Committee found while considering the diversity of views, there is a problem that needs to be resolved. The secondary market seems to be saying, "There is no problem. We are here to benefit the consumer, so full steam ahead." We do not see it that way. We believe that the primary market can and should do a lot more, and that we should be encouraging voluntary principles. Although the Committee Chairman is not convinced about what we are trying to do with the listed sporting events, the Committee highlighted a problem that needs to be resolved and has given us a good platform from which to continue discussions.

The Select Committee and Opposition politicians will monitor our progress. As I have being saying from the outset, we want the consumer to be at the heart of this. We do not want fans to be exploited. I can give my assurance, as a former Consumer Minister, that that will be at the heart of what we are trying to achieve with the industry.

Philip Davies: I hope that the Minister will tread carefully and take note of one of the points that we made in the report: a number of American states, where there were restrictions on the secondary ticket market, have been easing, or getting rid of, their restrictions, because they were having problems with them. I hope that he will consider what has been happening in other parts of the world, before he makes any rash decisions.

Mr. Sutcliffe: I shall not make any rash decisions but look at what is going on in the world—in Australia and other such places. I know that I will be monitored on our progress by the hon. Gentleman, as I will be by my hon. Friend the Member for Newcastle-under-Lyme. I must congratulate the Select Committee on its work. This is a lively debate, not only in the House, but outside with fans and those who want to go to concerts. I believe that we can make progress at a reasonable pace and by putting consumer benefit to the fore.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes past Five o'clock.

[Mr. Sutcliffe]

caution is that we are talking about diverse issues. The hon. Member for Shipley says, "Don't legislate in this area; don't go anywhere near it," and my hon. Friend the Member for Glasgow, North-West tells me that we must legislate with urgency. We must consider that point.

The live entertainment industry has experienced unprecedented growth and an increase in popularity over the past few years, as hon. Members have said. That is to be celebrated. The UK now has world-class live sporting and entertainment events whose value stretches beyond their contribution to our leisure economy and into improving the well-being of citizens through increased participation and engagement with those sectors. In parallel, how businesses and consumers use the internet has become increasingly sophisticated. New online markets have been created and significant changes made to how consumers shop for goods. Embracing those technological changes, event owners and promoters selling tickets for sporting and cultural events can now reach more customers more quickly than ever before, but that has brought its own challenges. We often hear about websites crashing due to the number of people trying to buy tickets at any one time, individuals missing out when tickets go on sale and concerns about additional fees on top of ticket prices.

Of course, online trading has also facilitated the growth of secondary ticket brokers and auction sites such as eBay, as has been mentioned, which provide platforms for consumers to resell tickets to each other. That has substantially changed the character of the secondary market, and both the Government and the Select Committee have focused largely on it. The debate has moved on. It is not just about ticket touting. There are fundamental questions about how ticketing markets are working for the consumer, especially given the recent changes in how some tickets are sold to fans. The Government believe that the marketplace should work better for fans—the people who actually want to go to the match or concert. All too often, fans find that they cannot secure the tickets that they want from the initial distribution, as they are snapped up by people whose only interest is reselling at a higher price.

I want to make it clear that we have no problem with the principle of a secondary market for most events. An honest and well-functioning secondary market provides valuable services for consumers. That market works for those who have surplus tickets because their plans have changed and for those prepared to pay higher prices for last-minute availability. We do not think that any general restraint on resale would be justified or in consumers' interests, but we do have concerns about the impact of resale and some ticketing distribution practices on certain events, particularly events of national importance. I shall come to those in a moment. I think that we can all agree that whatever the event, the ticketing and events industry has a responsibility to get tickets to the fans—its customers. Ultimately, that is its business, and we want it to be delivered in innovative ways.

That brings me to my hon. Friend the Member for Stoke-on-Trent, North and her plea for me to acknowledge the work of Port Vale football club, which I am happy to do. She kindly referred to Bradford City. I think that the only point on which the hon. Member for Shipley and I agree is that the effort that went into work on the season ticket prices for Bradford City made it a leader in the field. The average crowd at Bradford City is 14,000 as a result of that innovation. Next season, we hope that it will be 20,000, because tickets will be buy one, get one free.

I am happy to endorse Bradford City's work, and if Port Vale can operate a similar scheme, of the sort suggested by my hon. Friend, it will be in its interests and those of its supporters. I acknowledge her point about football—you would not want me to get into a debate about the future of football, Mr. Weir, as I am sure that we can return to it at some other time—and I congratulate her on all the work that she does for Stoke-on-Trent, particularly her support for Port Vale. I wish the club every success in its venture.

I am happy to see that the Rugby Football Union is doing lots of innovative work. The hon. Member for Shipley is right that the primary market can and should be doing a lot more. He might be getting a letter from the RFU soon, though, about his comments on genuine fans' opportunities to get to rugby union games.

Mr. Foster: I am pleased that the Minister is focusing on the issue of innovative approaches. Where there are problems, we should find a market-based solution. That is why it is important to praise organisations such as Ticketmaster, which has introduced systems to prevent simultaneous multiple purchases, and those organisations that have introduced effective return and refund programmes. Surely that must be a major part of the way forward.

Mr. Sutcliffe: I agree wholeheartedly that the focus should be on the consumer and what is to the consumer's advantage. Yes, we must take into consideration the events and sports, but the consumer should be at the heart of it, and I congratulate the primary and secondary markets on ensuring that consumers' interests are put to the fore. We do not want fans to be exploited. We want all consumers to have fair and equitable access to the chance to attend their chosen event, but our specific concern is ensuring that our key national and international sporting and cultural events remain widely accessible.

One central issue is how tickets for sport and entertainment events are released on to the market. Current practice seems too often to benefit those whose only interest is reselling at the expense of those who actually want to go to the event. Therefore, to help improve the market for fans, the Government want to work with the ticketing industry to establish a new code of principles that the market can sign up to. As a first step, we will look to the Society of Ticket Agents and Retailers, which will be particularly important in helping to take it forward. STAR is a well-established and recognised trade association with members across the events and ticketing industry. The STAR logo may be displayed by its member companies only on the condition that they abide by its code of practice and articles of association.

The Government will not dictate how tickets should reach fans, as we are not in the ticketing business, but clear principles underpinning the market should

benefit all fans. We want consumers to be able to buy from agents signed up to the principles with trust and certainty. We believe that to be vital.

Mr. Foster: I apologise for interrupting the Minister, but will he explain why he is talking only of STAR and not of the Association of Secondary Ticket Agents, which predominantly represents the secondary market? Surely, if there is not to be a combined organisation, ASTA must be included, notwithstanding the problems with its behaviour described by the hon. Member for Newcastle-under-Lyme.

Mr. Sutcliffe: I agree wholeheartedly. I made the point about STAR because it is the organisation that the DCMS and the Government have been talking to, but I am not against meeting representatives of the secondary market. If, as the hon. Member for Bournemouth, East said, we can bring them together in one body, fine—we will need to include the secondary market in the principles—but STAR is the organisation that we have talked to. It is an association; it has a logo, and it is a recognised body, but my officials will be happy to speak to secondary bodies as well. Incidentally, STAR is calling together the industry for an event in June. I hope that that event will start to work through the discussions. I hope that I can attend, and I urge hon. Members to get involved in that process as well.

Philip Davies: I do not think that I understand the Government's position. They say, and I think the Minister has just reiterated this, that a well-functioning and honest secondary market has clear benefits for consumers. I agree with and endorse that wholeheartedly, but I do not understand why, if the secondary market has clear benefits for consumers generally, the Government have suddenly come to the view that it does not have clear benefits for consumers for a handful of sporting events.

Mr. Sutcliffe: Again, I shall come to why we think that it is important to protect many national sporting events in particular and free concerts.

I shall return to last year's DCMS study that found that consumers often do not distinguish between primary and secondary ticket sellers and that, therefore, clearer information to consumers shopping for tickets is crucial. Robust ticketing principles would help, because people will know exactly what is expected from both the primary and secondary market.

What might be in this code of principles? We want the industries to work with each other to improve the systems needed to prevent exploitation of the ticket-buying public. They should counter bad practices, such as misleading information, erroneous and futures selling and preventing access. Such principles might also contain provisions on the exchanges, returns and refunds, and controls on tickets, such as identity requirements—the technology is there to have photos on tickets. Having said that, if someone cannot attend an event, they should be able to sell or pass that ticket on or get a refund from the primary market, particularly for sporting events. We also want greater control at venues, greater use of fan and sports clubs networks to ensure that people are not disadvantaged and innovative ticketing systems to increase access to events. We will discuss those principles with STAR and the industry to ensure that event owners can tell us what they believe will help us to build and sustain a loyal fan base with fairly priced tickets. We want the code to help eliminate some of the problems about which people feel aggrieved.

Access to sport and cultural events is hugely important. The fans are the lifeblood of live events. Without them, there is no event. Event organisers have every incentive to structure their distribution arrangements so as to support the loyalty of their fans. Pricing remains an important point of access or barrier to people attending and enjoying a live sporting or cultural event. The Government recognise that some events are so popular that they are almost institutions within themselves and contribute far more to their respective sector and the wider economy. In this instance, I am thinking of sporting gems such as the Wimbledon championships and the rugby and football world cups.

The Government's response to the Committee makes clear our intention,' built upon existing policy stemming from the Broadcasting Act 1996. A listed event is one that is generally felt to have special national resonance. It should contain an element that serves to unite the nation—a shared point on the national calendar, not solely of interest to those who follow the sport in question. The 1996 Act provides for listed events being offered to free-to-air broadcasters on the same terms as they are offered to pay-to-view television providers. Such events have more than commercial significance; they have wider benefits at community, national and international level. The Government are concerned that tickets for such events should be distributed on an equal basis enabling access at all levels.

In addition, ticketing controls for international sporting events would assist the UK in winning bids to host future international sporting tournaments, which would be in the public interest. What we have tried to do for sport in the decade that starts next year with the cricket Twenty20 world cup is clear. It is followed by a major international sporting event in the UK for every year of that decade, including the Olympics in 2012 and the Commonwealth games in Glasgow in 2014. So we believe that this is a crucial issue.

The Government take the view that access to some of our great sporting and cultural events should not be compromised by failings within the ticketing marketplace that might prevent that from happening. In addition to a functioning set of principles such as I have outlined, the Government intend to consider whether certain restrictions on resale should be implemented on a non-statutory basis to sustain broad access to these major events.

Mr. Whittingdale: The Minister has spoken about the crown jewels in the broadcasting legislation, but they are all sporting events. The Government's response talks about major cultural events, so will the Minister tell us what cultural events he has in mind?

Mr. Sutcliffe: We will discuss this in the future, but live free concerts and major international cultural occasions come to mind. However, we need the support of stakeholders to identify those. The list was last looked at in 1998, but clearly the cricket Twenty20

[Mr. Iain Wright]

private sector-led Plymouth 2020 partnership, developed by the group led by Barcelona-based architect David Mackay and launched in November 2003.

The vision for Plymouth proposes a revitalised city with a higher density of activities and a better urban fabric. It proposes a larger city, as my hon. Friend mentioned, aiming for a population of between 300,000 and 350,000 people—the current population is 250,000—to achieve critical mass as a substantial urban centre with a bigger and better range of higher-order activities. The Government welcome the fact that the city council has adopted the vision as the basis for future development plans and strategies and the development of the city's design panel. The challenge is to support Plymouth in providing the foundations on which that growth can be achieved.

As part of our support for an environment in which to take the vision forward, the Government recognise the city's achievement as a planning authority in making good progress with the new style of planning policy documents and local development frameworks that will take the city to 2021. In replacing its local plan, Plymouth is using its LDF to progress the Mackay vision and give spatial effect to its city strategy. We applaud Plymouth for becoming the first urban authority in England to adopt a new-style core strategy, in April 2007, setting out the city's overall planning framework and vision. By 2021, that framework will provide at least 17,250 extra houses, including at least 3,300 affordable units, and 40 hectares of new employment land between 2006 and 2016, with a further 22 hectares by 2021.

Plymouth has also adopted three area action plans for Devonport, Millbay and North Plymstock, focusing on housing delivery and regeneration, and converting the strategic content of that core strategy into a set of site-specific development proposals. In making that vision a reality, the Government welcome the work carried out, in 2006, by the South West of England Regional Development Agency, English Partnerships, the Government office for the south-west and the city council, which agreed to create a public-private partnership in order to grip the opportunity afforded by the city's growth agenda and economic strategy.

As my hon. Friend hinted, in the past 12 months, great progress has been made: a company has been formed, the chairman, chief executive and board members of which have been recruited. The development company was launched locally in early March 2008, and internationally in the second week of March, and has brought together a strong team to take the city forward. With that experienced board, I think that the company is well placed to take the vision forward, supported as it is by a launch funding framework of £750,000 a year for three years from the city council's new growth point funds, which are provided by my Department, the regional development agency and English Partnerships.

Clear and regular reporting form part of a good and effective governance structure, and I take on board fully what my hon. Friend said about regular reporting systems. She made an important point and I shall consider what role my Department can play in that.

Linda Gilroy: Will the Minister also consider ensuring that the three Members of Parliament representing Plymouth constituencies are involved in that regular reporting system?

Mr. Wright: I pledge to do that. I also suggest that the Minister for the South West would be interested in the matter as well, and I hope to include him in that role.

Plymouth is one of eight locations in the south-west awarded Government new growth point status in November 2006. That initiative was launched in December 2005 as part of our response to Kate Barker's review of housing supply and after the Government invited local authorities to submit sustainable growth proposals. The initiative is intended to be a long-term and sustainable partnership for growth between Plymouth city council and the Government designed to support the sustainable delivery of homes, jobs and relevant infrastructure.

Quite rightly, Plymouth was identified in the draft regional spatial strategy as a strategically significant city. That strategy and the new growth point bid propose that Plymouth deliver up to 1,500 homes per annum from 2002 to 2026, a total of 24,500 homes—which would represent a 35 per cent. increase on the existing level as set out in current planning guidance. The growth strategy that we have supported focuses on a number of regeneration areas and brownfield sites, which I have mentioned already, with a proposal for a new community at Sherford, on the eastern edge of the city.

As part of the new growth point pilot fund in 2007-08, my Department awarded £900,000 to Plymouth for projects supporting the city's new growth point proposals. Some £710,000 of that grant was committed to preparation costs of transport modelling and the eastern corridor major scheme bid. The balance of £250,000 was provided as contribution to the start-up costs of the Plymouth city development company.

Last year, the Government invited existing new growth points to submit delivery plans, including proposals for additional funding for medium-term projects from 2008-09 to 2010-11. Plymouth's delivery submission, drawn up in consultation with South Hams district council, was awarded £780,000 of revenue funding and £8.89 million of capital funding—a total of £9.67 million for the three-year period. Plymouth has outlined that the revenue support will be allocated to the preparation of the major scheme transport submission, the urban fringe development plan document, the eastern corridor programme management and to enhancing capacity. The capital provision will be allocated to enhancements in the eastern and northern corridor junction improvements to the A38, waste infrastructure projects, and city centre public realm and green space improvements.

Naturally, such growth requires a strong economic base. I recognise my hon. Friend's point about Plymouth being a centre of world-class expertise in marine and science technology. She made a strong and passionate case about the city's opportunities through the establishment of the marine management organisation, as outlined in part 1 of the draft Marine Bill, which was published earlier this month. She will be aware that the proposal is to establish a new headquarters for the agency with a series of local offices, and that the location of the headquarters has not yet been determined. I understand that the Department for Environment, Food and Rural Affairs will undertake consultancy work to draw up the

criteria upon which to assess location options for the headquarters. I also understand that she is meeting the Minister for the South East soon. I wish her well with her discussions. As a former parliamentary private secretary to the then Secretary of State for Health, my right hon. Friend the Member for Leicester, West (Ms Hewitt), when she was in charge of dentistry, I recall my hon. Friend's lobbying requirements and techniques with regards to a new dental school, so I know that she will do a first-class job.

I shall address a key theme in my hon. Friend's contribution – the implications of the naval base review for Devonport. I was impressed by her contribution in last month's Adjournment debate on that matter. She will be aware that, following the naval base review, Her Majesty's Naval Base Devonport is looking to reconfigure operational activity to the core of the base and to release a number of parcels of land for civilian use. I reiterate what the Minister for the Armed Forces said in reply to her debate: recent suggestions that the Government are planning to close the naval base at Devonport are without foundation, but from this reconfiguration of land, income from the disposal of such sites could generate funds to support the regeneration of south yard.

South yard comprises 100 acres, and although there is a continuing need for naval use of the quay frontage, the body of the site is considered to be suited to the creation of a marine technology business park. When redeveloped, that could generate income for the retained base operations as well as provide space for complementary businesses. We recognise that the local vision is to have a cluster of leading marine businesses and research and innovation to support the naval base, which could be a key driver for the city's economy.

I understand that partners estimate that about 3,000 high-value jobs could be created at south yard and that, as such, the naval base is part of Project Roundel. It is in discussion with partners including the RDA and Plymouth council about how a joint venture could be structured to achieve that marine technology site. I also understand that the RDA and the local authority are working with, and supporting, the naval base with technical studies and master planning style assessments to demonstrate the viability of such a technology park and how it could be integrated into the wider regeneration role. My Department will pledge to work with partners, wherever possible, to improve the long-term future of the land and to enhance economic growth.

My hon. Friend asked that I and my Department take an interest in ensuring a cross-government overview of the ongoing changes in naval base activity. That is an operational responsibility for the Ministry of Defence and the Royal Navy, but I pledge to do what she asks, because I agree that it will have wide implications for economic development, growth and housing need. I mentioned earlier that the Minister for the South West will, I think, play a key role as well.

My hon. Friend is correct in identifying the role of neighbourhood regeneration and the community in support of city growth, in which I think that there have been real developments in Plymouth that need to go further. I am keen to see that happen. She mentioned the east end partnership and community village which in March 2008 won a national regeneration award at the *Local Government Chronicle* award ceremony. Again, that reiterates that the east end partnership is a sign of the success of Plymouth in achieving growth through local community engagement.

My hon. Friend's contribution was spot on. Plymouth is turning a corner and providing real foundations for growth. However, I would go further and say that my two hon. Friends here are providing the leadership in shaping that ambition. It is refreshing to hear for an area a positivity, ambition and aspiration that we do not always hear in debates. Plymouth has a strong local vision supported regionally in the regional spatial strategy and as one of the Government's new growth points. We all recognise that hard work remains to be done, but we are coming from a very positive base led by my two hon. Friends. However, the creation of one of Europe's leading waterfront cities is a vision very much worth realising.

Question put and agreed to.

Adjourned accordingly at one minute to Two o'clock.

West Midlands RSS

11 am

Peter Luff (Mid-Worcestershire) (Con): I wish you a happy St. George's day, Mr. Gale. I am grateful to Mr. Speaker for granting me this debate on such an appropriate day, as I want to speak up for middle England. I hope to slay a dragon or two, although without St. George's help.

Phase 2 of the west midlands regional spatial strategy revision—a phrase guaranteed to set the pulse racing—is important. It is about a lot more than housing. Indeed, to be fair to the Minister—I am pleased to see him in his place—some elements of it are welcome. For example, the Worcestershire wildlife trust of which I am a proud member welcomes the clear statements on climate change, sustainable communities and community developments, but—and it is a big but—the issues of greatest concern are the level of new housing building that the Government seem determined to impose on the west midlands and the delay in the final revised regional spatial strategy and, crucially, the local core strategies that that unwelcome intervention has led to.

On 7 January, 18 months of hard work by the regional assembly and local authorities was suddenly torn up in one of the most undemocratic and unwarranted interventions in local affairs by a Minister that I can recall. A letter to the regional assembly from Baroness Andrews, one of the Minister's colleagues at the Department for Communities and Local Government, told us that all our efforts had been wasted and that, under her instructions, we must go back to the drawing board. It is no wonder that people are cynical about politics.

The regional assembly's consultation on the preferred options in phase 2 of the RSS revision was due to end four weeks ago, on 28 March, the Government's first intervention recommended extending that date to 23 May, to enable consultees to consider the extra evidence that the Government would produce. The assembly pointed out that it would need to take account of the purdah for the local elections, so it suggested an extension to 30 June, and the Government agreed.

However, the Government office for the west midlands took months to appoint expensive London-based consultants to find the new "evidence"—and I put that word in inverted commas. It took until early October. The consultation has therefore been extended to 8 December. The examination in public of the final phase 2 document will therefore not take place until the spring of 2009. Incidentally, as a result, the consultation period is four weeks short of Cabinet Office guidelines, and all that comes on top of the fact that unelected academics in the national housing and planning advice unit are providing an undemocratic input to Ministers on demand and price levels.

Meanwhile, poor old locally accountable district councils such as those in my area—Wychavon, Worcester City and Malvern Hills—are trying to progress their own joint plans. However, they can only guess what the RSS housing numbers will be. In due course, Ministers will doubtless attack those councils for failing to deliver the goods on time, but the blame for the delay rests fairly and squarely on those self-same Ministers. Strangely, the delay means that it may not now be possible to complete the RSS revision process before the regional assembly itself is abolished. What a fine mess the Government have got us into.

I wish to make five key points, and I shall have three questions for the Minister at the end. First, we all accept the need for more housing. That is not in dispute. People are living longer; the divorce rate is a sad driver of increased household formation rates; and there is a lack of affordable housing, both rented and owned. However, that does not mean that we should throw houses up without properly considering their long-term impact and, indeed, without establishing whether the current housing shortage is irreversible and permanent.

The Government are relying on new household projections that dramatically increase estimates of housing need over the next 20 years. The big dispute is whether the current rate of immigration will continue. I think that it will not, as we are already seeing net migration back to the countries of eastern Europe. The Government are projecting forward historically unprecedented levels of immigration, and that is a serious error.

The Government also argue that house building levels need to be high to reduce the price of housing so that it is more affordable. They want to reduce house prices. However, people are now seeing house prices fall, and they can tell the Government that that policy objective has been achieved without a single new house being built. High prices were mainly, but not exclusively, the result of the irresponsible lending practices of banks and mortgage companies. Too much money was the main cause, and the Government have put that right, albeit unintentionally. I therefore challenge the Government's figures. They are too high.

Secondly, the West Midlands regional assembly has already proposed a high number of new dwellings—difficult but manageable if we get the rest of the policy environment right. In its submission to the Government in December 2007, it proposed that 365,600 extra dwellings should be provided in the west midlands by 2026. That is 25 per cent. higher than recent building rates, and 50 per cent. higher than the rate planned under the existing strategy.

I am inclined to agree with the Campaign to Protect Rural England, which believes that a figure of about 285,000 would be a more reasonable response to the present situation. The regional assembly's numbers may be higher than many would like, but at least the assembly has gone through a democratic and systematic process to arrive at a preferred option for growth.

Based on advice from the academics at the national housing unit, it seems that the Government are now pressing for between 408,000 and 460,000 new dwellings to be provided in that period. To achieve the assembly's proposed RSS figure for the region, the housing figures for the major urban areas—Stoke, the black country, Birmingham, Solihull and Coventry—have rightly been increased, although there may be practical difficulties in achieving some of those figures without building on green belt land or causing excessive urban intensification.

The five growth points in the existing strategy—Hereford, Rugby, Shrewsbury, Telford and Worcester—have been extended to 10 with the addition of Burton upon Trent, Nuneaton and Bedworth, Redditch, Stafford, and Warwick and Leamington. Between them, those 10 "settlements of significant development" would account for 30 per cent. of the region's housing growth. Potentially, there are also two eco-towns in the west midlands, of which

more later. All that will inevitably require a significant release of greenfield land, which will undermine the current "brownfield first" approach.

Miss Julie Kirkbride (Bromsgrove) (Con): I congratulate my hon. Friend on securing this debate. He mentioned Redditch. Through him I would like to point out to the Minister that Bromsgrove is happy to have more housing — and happy to have some affordable housing. The problem at the moment is that Redditch's housing will be dumped on our green belt borders. If we can put that housing where we want it, we will be happy to comply with what the Minister seeks.

Peter Luff: My hon. Friend usefully illustrates the importance of listening to local people rather than imposing solutions from the centre.

I was about to say that green belt land will inevitably be lost, with no proposal to compensate for the loss, contrary to the Prime Minister's assurances to the House. The existing strategy assumes that if builders are given the option of cheaper greenfield land they will still continue to support urban regeneration house building — and if so, that they will build the quality of housing needed in urban areas and not build up-market in the shires, as I fear, and down-market in the cities. We can live with high growth if the major metropolitan areas in the west midlands play their part and plan for their proportion of that growth. Urban renaissance was a cornerstone of the original 2004 RSS, and it should remain so.

Worcester is identified as one of the growth points, the RSS preferred options document proposes that no fewer than 24,500 extra dwellings should be provided in south Worcestershire — in the Worcester City, Malvern Hills and Wychavon — over the next 20 years. The Government want to increase that number substantially. The problem is that Worcester City is virtually full; we believe that it can accommodate about 3,200 houses, so the other 21,000 will spill out into the two surrounding districts.

That is causing consternation in those communities, who see no way of accommodating that phenomenal level of growth without major damage being caused to the environment and the character of the area. There are concerns about flooding and the loss of agricultural land and areas of high landscape quality, increased pressure on an already overloaded transport system and the overdevelopment of villages within commuting distance of Worcester and towns such as Great Malvern, Evesham and Pershore.

Lorely Burt (Solihull) (LD): I congratulate the hon. Gentleman on securing this short debate. Does he agree that the so-called consultants appointed by the Government represent a top-down dictatorship? Not only will there be a massive overspill in south Worcestershire, clogging up the green spaces between villages, but the Government requirement that the consultants consider areas of high market demand such as Solihull, Litchfield and Tamworth will mean that the additional 40,000 or so houses will be built in the least sustainable areas rather than in areas where the infrastructure would be able to accommodate them, such as Birmingham and the black country.

Peter Luff: I had to hoped to secure an hour-and a-half debate on this subject, and the interest of my colleagues is shown by the fact that they have come to a half-hour debate. I suspect that I will intrude slightly on the Minister's time for responding, for which I apologise, but it is important to allow those voices to be heard. I agree with the hon. Lady and I am slightly concerned to hear the Minister was laughing when my colleagues made their points. That suggests that the Government have made up their minds and pre-judged the process, which is worrying because I genuinely believe that they are making a mistake. As my hon. Friend the Member for Bromsgrove (Miss Kirkbride) said, we will embrace more housing. We know how best to do that the Government do not.

Bill Wiggin (Leominster) (Con): My hon. Friend is making a powerful and important speech and I agree with every word that he has said. Has he had any indication from the Government that they are prepared to put their hands in their pockets in any way to support the infrastructure that will clearly be needed?

Peter Luff: I am about to turn to infrastructure, and my hon. Friend makes a crucial point. I shall not labour the point that I was going to make about flooding, but I remind the Minister that 10 per cent. of Worcestershire is at risk of flooding. We had huge floods last year, to which, to be fair, the Government responded very well. We had a huge amount of flooding and any additional building, even outside the flood plain, which must at all costs be avoided, will increase flood risk in the rest of the county, which is a real worry.

On infrastructure, new homes and towns cannot exist in a vacuum. People living in them commute to work, travel to leisure facilities and hospitals and visit families and friends. The Government do not seem to understand that. Growth points such as Worcester City are already under huge pressure, and planned growth on the scale that is proposed requires serious forethought by policy makers, and money, as my hon. Friend the Member for Leominster (Bill Wiggin) said. We are currently going through the process of closing down 2,500 post offices, but we do not yet know which ones will close or where the new houses will be, so it is the wrong time to slash infrastructure that may be needed to support new houses.

Infrastructure will not happen by magic, as a consequence of planning; rather, it must be put in communities in advance to ensure that the interests of the existing residents are also served. Local communities would have much more faith in the what the Government are doing if there were funding mechanisms that worked for infrastructure in all its forms, including hospitals, water and sewerage, leisure facilities, energy supplies and, above all, transport.

Railways are particularly important to me. The complete redoubling of the Cotswold line is crucial if we are to have a significant increase in housing in south Worcestershire. I am meeting Network Rail officials later today to challenge them on why they are proposing to redouble only one of the three sections; that will not be enough to cope with the housing that the regional assembly wants, never mind the Government.

Rail links to the north of the county and to Birmingham are at or beyond capacity. My hon. Friend the Member for Bromsgrove knows that the expansion of Bromsgrove

[Lembit Öpik]

end up, in effect, being slaves to their mortgage. That does not help them in the long term and it increases the risk of repossession.

The action points seem fairly clear to me. First, compulsory purchase orders could be effective in bringing some of the empty homes back into public usage, or in acting as an incentive to let the property. At least that would be a mitigating measure to reduce the pressure on housing. The empty property strategy from 2003 to 2006 reduced the number of empty homes in Islington by 16 per cent., and I hope that the hon. Member for Islington, North (Jeremy Corbyn) feels that that, at least, has been an effective methodology. However, we still have people in wrong-sized properties. With sensitive management, I wonder whether the Government could do something to make it easy and painless for people to be put in the right size of house.

I reiterate that, unlike the Conservatives, Liberal Democrats are committed to the principle that 50 per cent. of new housing developments should be affordable housing. I do not understand why the hon. Member for Henley (Mr. Johnson), whom I regard as a personal friend, takes a contrary view, when it is absolutely clear that to remove that requirement would simply make matters worse. Perhaps the hon. Member for Welwyn Hatfield (Grant Shapps), who will speak for the official Opposition, will clarify that position.

Simon Hughes: Does my hon. Friend accept that in London, as colleagues have said, many people just do not have a home of their own? Their needs would be met by the provision of affordable housing. Much of the free-market housing would not be a first home and might not even be a second home, and is for people who are generally perfectly adequately housed—it is not a need in London at all and is absolutely not a priority.

Lembit Öpik: My hon. Friend makes a point that is self-explanatory. I agree. I hope that the Minister will respond to it if he has time.

As well as the 50 per cent. condition, and in addition to looking at compulsory purchase, I seek the Minister's views on the 70,000 hectares of surplus land owned by Network Rail, Transport for London, the NHS and other Government bodies, which could be used to build tens of thousands of new houses. Surely that would be an easy win and would be fairly straightforward—especially through new community land trusts—under the legislation that the Minister himself shepherded through the House on new build, which passed through the House of Commons just a few weeks ago.

I have already mentioned shared equity schemes. I should like the Minister to comment on the potential for new forms of housing purchase for people on low and moderate incomes that keep homes affordable, rather than allowing them to be sold on at a market rate. Obviously, we Liberal Democrats will review and expand our policies in line with the need in London but, fundamentally, I am looking for a commitment from the Minister, whom I hold in high regard, to work strategically with local authorities that are doing the best they can with the resources available, given the strictures placed upon them. Without that support, I fear that those local authorities will have to act expediently in the short term and continue to exacerbate the strategic problem in the long term.

3.41 pm

Grant Shapps (Welwyn Hatfield) (Con): I congratulate the hon. Member for Regent's Park and Kensington, North (Ms Buck) on securing the debate. I know that the subject is a passion of hers.

This is a timely debate for me, because I have today released a report called "Crumbling Foundations", which looks specifically into affordable housing throughout the country and in London. A table on page 6—figure 3—amply demonstrates the point that the hon. Lady came here to raise today, which is that the number of people now on council waiting lists for housing is at an all-time record, including in London. Back in 1997, there were 181,080 on the council waiting lists; now there are 333,857 on the same lists. There is, by any extent, a crisis.

The hon. Member for Hendon (Mr. Dismore) mentioned his constituency in great detail. I knew it well before he spoke and I now feel that I know it even better, including many of the estates. He knows the estates inside out, and he took us on a tour around them and explained many of the crippling housing problems. The hon. Member for Islington, North (Jeremy Corbyn) and other hon. Members clearly articulated the problem. In that regard, we are all in agreement; we all believe that there is a housing crisis.

Mr. Love: I apologise to the hon. Gentleman, because I would have liked to have put this question to a Conservative Member for London, but since none are available, I shall put it to him. Will he join me in condemning Wandsworth, Westminster, Barnet and other local authorities that have delivered only 10 or 11 per cent. affordable accommodation in London to address the problems that he mentions? If, as he says, all hon. Members in the Chamber are in agreement, he will certainly endorse that sentiment.

Grant Shapps: Rather than picking on individual councils, I will do better than that and quote from my report, which makes clear why we have ended up with this horrendous problem. To speed things through, I shall jump to the relevant section of that report, for the hon. Gentleman's benefit.

After 11 years of following roughly the same policy, we have built fewer houses in this country overall. We know the figures. Some 176,000 houses, on average, were built a year during the period of the last Government. That number has descended to a mere 145,000 over the past decade. I welcome interventions from Labour Members on that point. We also know the figures on the statistics for housing association and RSL homes. We know that, in the 11 years since 1997, we have never returned even to the 1997 figure of 28,000 RSL homes being built. In the past year the figure dropped to 26,000. However, the situation is worse still if we look at the supply of houses built by councils. Back in 1997, the figure was still more than 1,550, yet it had descended to a mere 268 last year. The Minister will correct me if I am wrong; I do not have a moment to look that figure up in my report.

If we are going to analyse the problem and have a serious, grown-up discussion about why we are in such a

catastrophic mess when it comes to housing, it is not because Wandsworth has done this or Hammersmith and Fulham has done that, but because this nation has not built the houses that we have needed for well over a decade—particularly in the past decade—and that has left us in crisis.

Ms Buck: Is it not true that local authorities, as the planning authorities in respect of these decisions, are essential if we are going to deliver a national house building target? The hon. Gentleman is reading from his report, but would it be wrong to say, from reading his website, that he was also campaigning using the words, "Say no way to 10k", and opposing house building in his constituency?

Grant Shapps: That was a cross-party campaign that I chaired in my constituency, and the hon. Lady's colleagues from Welwyn Hatfield were sitting in as well. It is not that we mind building homes. In fact, we have already built 2,000 and are happy to build 6,000 of them. It is just that 10,000 pushes the resources when one considers that, at the same time, the local hospital is being closed down and resources are not being provided. That picture is repeated not just in my constituency, but across London, and I want to focus on that.

Mr. Iain Wright: Given the challenges and the need to improve and increase the supply of housing in the capital, does the hon. Gentleman agree with the consensus of our excellent debate that any moves to scrap a 50 per cent. affordable housing build would be absolutely foolish and should be criticised as being in Pottyland?

Grant Shapps: No, I disagree with the Minister and I will tell him why. As the hon. Member for Montgomeryshire (Lembit Öpik) mentioned, trying to build the homes that we need by pushing further with the prescriptions to try to solve the housing crisis that have failed during the Government's tenure will replicate and ensure the continuation of the problems that we have experienced. I should have thought it fairly obvious to Labour Members, who feel passionately about this issue, that repeating the same mistakes is not the way to get out of the problem in which we find ourselves.

Mr. Dismore *rose*—

Grant Shapps: I am happy to carry on taking interventions, but I am sure that the Minister will want to respond to some of the points that have been made.

Mr. Dismore: On a point that I raised when I think that the hon. Gentleman was out of the Chamber, does he agree with Barnet planners, who tell me that as the 50 per cent. rule works through, sites bought many years ago at the then open market value before the 50 per cent. rule, or when it had just come in, will work their way through and the residual land values will then start to reflect the 50 per cent. rule, thus making it much more achievable?

Grant Shapps: I could spend quite a while on that and I make some reference to it in my report. However, in the interests of allowing the Minister to speak, I shall carry on with my own points, but only because it is a complicated question, although the entire situation is complicated.

It is easy to say that we need to build all houses at 50 per cent. affordability. I should like to build all houses at 100 per cent. affordability and I have no doubt that the Minister—although I do not want to do his job for him—would like to as well. However, the reality is that to get those houses built, we must have developers who are prepared to develop, because—guess what, folks—the Government do not build houses. Actually, last year the Government built only 268 council houses directly, as has been mentioned. I should like them to build more. When we were in power, we did build more. I know how we can build more. Rather than having local authorities return 75 per cent. of income from a right-to-buy sale to central Government, with that money not being recycled to build more homes, why not allow that money to be ring-fenced locally for housing? That seems obvious and it is one of the many solutions that we need in respect of housing.

Mr. Slaughter *rose*—

Grant Shapps: There are more solutions, if I can get to them, but I shall give way to the hon. Gentleman.

Mr. Slaughter: The hon. Gentleman knows that it is perfectly possible to achieve those targets. Some Labour councils, including Hammersmith, when it was under Labour control, achieved them. I shall not ask him about that again, but I would like him to answer another question. My Conservative council said last month:

> "Council housing can be a great safety net to help get people back on their feet, but that is all it should be. Council housing is a springboard, not a destination."

When I suggested during proceedings on the Housing and Regeneration Bill that that was Conservative policy, the hon. Gentleman denied it, so will he now dissociate himself from that comment? Conservative policy seems to be to treat all council housing as temporary housing. Is that his solution to the housing problem?

Grant Shapps: I have just told the hon. Gentleman that we want more council house building. When we were in power, we built more council housing in every category than his Government have. To get to the central point, if we want to relieve the housing crisis in this country, we must build more homes, and if we want to do that, repeating the failing prescription of the past will not achieve what we require. I have told the Minister before—and I say again—that when the former Soviet Union told Ukraine how many tractors to build in the 10-year plan, it rarely, if ever, made that target.

The same mistake is being made here today with a new target: 3 million homes by 2020 from a Government who have no chance of building them. If I were in the Chamber with not a junior housing Minister, but a trade and industry Minister, they would think it insane for any of us to ask how many cars or tractors the Government hoped to build in the next 10 years. However, the Government apparently believe that that is a rational approach for housing, and that is why, 11 years on, it must be incredibly sad for Labour Back Benchers, who are passionate about this matter, to know that their Government have failed them and their constituents.

Mr. Don Foster (Bath) (LD): The hon. Gentleman rightly gives a long list of organisers and their reasons for wanting a maintained ticket price. Would he add to his list the ability, particularly regarding sporting activities, to reward volunteers who provide a range of forms of support—for instance, by acting as stewards at events?

Mr. Whittingdale: The hon. Gentleman is undoubtedly right. That is another valuable opportunity for sporting bodies to demonstrate that volunteers who act out of love for the game can gain some benefit. Equally, sports bodies often allocate blocks of tickets for particular clubs as a reward for their efforts. It is all the more regrettable, in their eyes at least, when clubs that receive tickets decide not to use them, but to sell them on the internet.

To address the problem of the secondary market, as they see it, sporting bodies and concert promoters have tried to impose conditions on the sale of tickets—most tickets say "not for resale" on the back. Clearly, that has proved singularly ineffective in preventing the secondary market from operating, but there is also a question mark over its legality. There is a view that a situation in which no legitimate refund mechanism is available for people who purchase tickets and, for perfectly legitimate reasons, find themselves unable to use them, breaches of the Unfair Terms in Consumer Contracts Regulations 1999. There is a question mark against whether it is legal to attempt to ban the secondary market if people cannot obtain a refund through a mechanism that has been approved by the sporting body, for example. The Committee examined that and expressed disappointment that the precise state of the law had not been established and that there had not been a test case. The hon. Member for Newcastle-under-Lyme felt strongly that what the Office of Fair Trading did to establish a clear legal position regarding the status of the banks could have been done equally for the secondary market. I hope that there is now some possibility that we will soon achieve agreement between the OFT and the ticketing agencies on that point.

We considered the possibility of instituting a blanket refund policy, but we fully recognise that there are several drawbacks. If, a week before a major event such as the Glastonbury or Reading festivals, the weather forecast showed that we were going to be hit by thunderstorms, it would be likely that a large number of people who had purchased tickets would decide that they wanted refunds. I remember going to the Reading festival and emerging covered in mud from head to toe, but many will not relish that prospect. A refund mechanism would make it difficult for a concert promoter organising such a major event to bear the risk, given the uncertainty of the British weather. The whole thing might prove to be a financial disaster because three quarters of tickets sold might be returned if the forecast was bad.

Equally, it was put to us that providing a right to a refund would provide the touts with a one-way bet. They could buy up tickets in the hope that demand would exceed supply, which would mean that they would make large profits. However, they would also have the knowledge that if that did not happen, they could get their money back by returning the tickets. There are problems with a blanket refund policy, but the Committee believes that more should be done by the ticket vendors and organisers of concerts and sporting events to allow refunds for legitimate reasons. There is a refund mechanism for some events, and we welcome the fact that some of the sporting bodies are working with ticketing agencies to try to provide such mechanisms.

The Committee concluded that even if such mechanisms were in place, the secondary market, in the main, provided benefit to consumers. It is interesting that other countries have legislated to prevent the secondary market from operating but, in the United States, a number of states are repealing what are known as anti-scalping laws, because they believe that a secondary market serves the consumer.

The one matter on which there is almost complete agreement in the primary and secondary markets is that certain practices are quite clearly unacceptable or, indeed, fraudulent. To some extent, that blurs the bigger argument about the desirability of the secondary market. Perhaps the most notorious example is an agency called Getmetickets that was closed down, but re-emerged shortly afterwards as the London Ticket Shop. That was in turn closed down only to re-emerge as London Ticket Express. All were operated by Mr. Michael Rangos, based in Hungary, who was selling tickets that he did not have. People who bought tickets actually never received them. Clearly, that was fraud, and the Department for Trade and Industry was correct to move swiftly to tackle the problem and to close him down, but that demonstrates that more needs to be done to stop such people simply starting up under a different name. Almost everybody in the industry would accept that that is a wholly unacceptable practice that brings into disrepute legitimate secondary agencies, or those that offer consumer guarantees, such as Seatwave or viagogo.

We felt that there were two other ways in which some agencies behaved in a fashion that should not be allowed and on which agreement was necessary, the first being the sale of tickets for free events. eBay agreed that it would not sell tickets to the Princess Diana concert, but the Minister's predecessor, the right hon. Member for Sheffield, Central (Mr. Caborn), had a long argument with the site about Radio 1's Big Weekend festival. Again, tickets for that were distributed free, but they reappeared on eBay at a considerable price. Additionally, the promoter of a series of concerts to be given by Bryan Adams brought the matter to my attention a few weeks ago. Bryan Adams was going on tour to perform an acoustic set, which he had not done before, and the promoter decided that it was going to make tickets available free for the concerts, as an experiment to see how the fans reacted. The tickets were distributed to fans in each area. Even though the tickets did not really exist, they were appearing for sale in the secondary market. We felt strongly that free tickets should not be charged for in the secondary market.

Secondly, the Committee felt that there should be agreement for restraint on tickets for events that are set up to raise funds for charity. It is welcome that eBay has accepted that since the report was published. As I said, it is working to reach agreement with the organisers of charitable events, so that if tickets are

resold on the site, the organiser of the event would benefit financially. Such a voluntary agreement is welcome.

We have seen a lot of progress on the establishment of a code of practice. As I said, bodies such as Seatwave and viagogo offer consumer guarantees, but a system whereby all secondary agents offer such guarantees is desirable. The Association of Secondary Ticket Agents has established a code of practice, and it would be desirable to encourage all those in the secondary market to sign up to it.

Mr. Tobias Ellwood (Bournemouth, East) (Con): Before my hon. Friend finishes his point, the summary of the report mentions the production of model terms and conditions by the OFT, which might go some way to providing a sensible code of conduct, but it suggests that that is yet to come about. Can he provide more detail on where we are on that?

Mr. Whittingdale: We are much further forward. There has been an exchange between the Association of Secondary Ticket Agents and the OFT to try to reach an agreement on an acceptable code of conduct. The Minister may have more information.

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): I spoke to John Fingleton from the OFT prior to the debate. He told me that discussions are ongoing and that he is hopeful for a solution and that an agreement will be reached very shortly.

Mr. Whittingdale: I am grateful to the Minister, but that has been the position for the last year or so. I do not quite know what "very shortly" means.

Mr. Ellwood: We can rejoice that there has been an announcement, because there was a commitment in the 1997 Labour party manifesto to provide model terms and conditions. The announcement is a cause for celebration.

Mr. Whittingdale: I hope that "very shortly" will actually prove to mean shortly.

Up to this point, there has been general agreement in the conclusions reached by the Committee and the Government's conclusions. However, when the Government recently published their response to the report, they suggested that there is a need to go further. Specifically, it referred to events that are unique and of national or international significance. It was proposed that they might well look similar to the events known colloquially as the crown jewels, the sale of broadcasting rights to which are restricted.

The crown jewels consist of the Olympics, the football World cup final, the FA cup final, the Scottish FA cup final, the grand national, the Derby, the Wimbledon tennis finals, the European football championship finals, the rugby league challenge cup final and the rugby world cup final. Obviously, there are already restrictions on some of those events—for instance, the secondary market for tickets for the Olympics will be banned as part of the International Olympic Committee's conditions for London's hosting of the games, and there are restrictions on the sale of tickets for designated football matches, which include the vast majority of matches in which professional clubs play. We are therefore talking about events such as the Wimbledon tennis tournament, tickets for which change hands at huge prices, the rugby league challenge cup final and the rugby world cup final.

To some extent, the rugby world cup final seems to be a good illustration of one of the problems. A rugby fan might put in a long time ahead to buy tickets for the rugby world cup final. A France fan might do so in a spirit of patriotism and the belief that their team was going to play in the final. Equally, a supporter of the All Blacks might think that they had a very good chance. I am not sure how many England fans put in for tickets for the rugby world cup final—they might have done so in a spirit of hope over realism—but as it turned out, despite all the predictions that we would be knocked out in the first round, England made it through to the final. As a result, a huge number of France and All Blacks fans held tickets that they no longer wanted, and lots of England fans wanted tickets. It seems completely wrong to say that a France fan should not be allowed to sell his ticket to an England fan. That applies not just to rugby but to other events.

The proposal would also create a two-tier system. It would essentially amount to saying that people could not sell their tickets for certain events—probably the most popular ones—but that it would be fine to do so for any other event. Although it might be reasonably easy to identify the kinds of sporting events to which such restrictions should apply, the Government suggest that they could also apply in the cultural field and to concerts and artistic events. There are one or two possibilities that I suppose are fairly obvious: the last night of the Proms, for instance, although one of the Minister's colleagues might wish to impose other restrictions on the sale of tickets to that.

There are also other events, such as the one-off concert given by Led Zeppelin for which the huge demand for tickets way outstripped supply. Will the Government suddenly decide that Led Zeppelin is a crown jewel? If so, should Robbie Williams become one? How far would we go? Would the proposal include any major event where the artist can command a vast audience and the demand for tickets far outstrips supply? How would it be done? One has visions of the Government introducing orders and secondary legislation to designate Robbie Williams as an icon of national importance that needs protection.

Mr. Sutcliffe: The hon. Gentleman will see in our response that we are formulating a policy for sporting events and free music concerts, not the general music market that he is talking about.

Mr. Whittingdale: That is interesting, because I do not think that the response quite says that. It says that

"some aspects of ticket resale may restrict access to sport or major cultural events, especially where these events are unique, of national or international significance and meet public interest objectives."

If that means only cultural events to which tickets are free, that is drawing it more narrowly, but even if that is the Government's view, the Government say rightly that they do not want to legislate and that they hope a

Mr. Chris Mullin (Sunderland, South) (Lab): I sit on the board of the Prison Reform Trust, so I am naturally sympathetic to the hon. Gentleman's argument, but does he agree that if our constituents are to be convinced about the alternatives to prison, those alternatives must be sufficiently rigorous and properly managed? Does he think that community sentences fit that description, or is there scope for improvement?

Mr. Llwyd: I am, and always have been, a believer in community sentencing, not as a soft option, but because, as the hon. Gentleman well knows, the reoffending rate is lower—it is more effective than prison. His point is absolutely right. Unless and until we properly fund the probation service to do the job that we expect it to do, we will be at a pinch point and will not persuade anyone of the efficacy of community penalties, or convince them that they are more effective and useful. He makes a good point, and I hope to touch on it in a few minutes.

Deaths in custody are on the increase. A study by the forum for preventing deaths in custody in September 2007 found a definite link between overcrowding and self-inflicted deaths. In addition, violence on prison officers is increasing. We also have self-harm and prisoner-on-prisoner violence. The PCS says that the situation could be further exacerbated by the 3 per cent. year-on-year cuts expected between 2008 and 2011 under Lord Carter's review. It believes that the solution to the crisis should include safeguarding the budget of the Prison Service and ensuring that programmes to tackle reoffending—including the work of instructional officers—and drug and alcohol treatments are properly resourced.

Prison education is a hot topic at the moment. I know that the Government will say that more money has been put in, but on the ground there are fewer opportunities. I also know that not every prisoner is interested in education or retraining; however, there are many who are who cannot access it. Again, the system is failing us. Instructional officers in the public sector prison service have been very effective in delivering education, training and work to help inmates address their reoffending behaviour. That is another area that needs to be assessed to see whether sufficient investment is being made.

I have said this before and I will say it again: we need a thorough audit of those who are in prison. If we had such an audit, we would find that as many as 35 per cent. of prisoners—possibly higher—should not be there. There is a high percentage of people with psychiatric illnesses and with drug dependency, and those two issues are not being addressed. Sending such people to prison is not dealing with the problem. The system is failing them and society, as well.

As a young solicitor in the mid-1970s, I recall appearing many times before mental health tribunals. Usually, we would go to a halfway house. There was a very good centre in mid-Wales that served the whole of Wales very well. It has since closed. Typically, people from Rampton, Broadmoor or wherever were sent to that halfway house. They had often been convicted of very serious offences, including extreme violence and sometimes murder. I was instructed on their behalf, to make an application for them to be re-categorised and ultimately reintroduced into society. That centre had a fantastic record of working closely with such people. Believe it or not, many of those people still send me the occasional postcard. They are back in society. We were looking after them at that stage and they were receiving the best care. Unfortunately, that centre has now closed down. It closed at about the same time when all the clever commentators were talking about care in the community being the best thing since sliced bread. However, there is very little care in the community. What we seem to do now is lock people up, and that is no good to them or to society. It is costing some £40,000 a year just to keep them under lock and key.

I want to refer to the current sentencing problems. There are now restrictions on sentencing in 34 of the 42 probation areas in the UK. Such restrictions involve the non-availability of unpaid work, the cancellation of one-to-one programmes, major delays in programmes for domestic violence, and drink-driving, substance abuse and community and internet offenders. Those are crucial matters that need to be addressed. The National Association of Probation Officers tells me that 34 of the 42 probation areas—or 80 per cent.—are now suffering from lack of resources and staffing. Of the 34 areas, 20 report huge delays with domestic violence programmes, 17 with unpaid work, 11 with substance abuse, 10 with community sex offender programmes, and so on. Let me give some specific examples. In south-east London, major cuts to staff resources mean that there are considerable delays in offenders getting on to domestic abuse programmes. The situation has worsened over the past 12 months.

In Essex, there are waiting lists for the intensive domestic abuse programme. The average wait now is 12 months. That must be a ridiculous situation. One officer said that none of his cases has ever started a programme within six months of the order being made. The officers have been advised by management to recommend supervision orders of two years when an IDAP proposal has been made to ensure that there is enough time for completion. That obviously leads to complications in terms of resourcing and the volume of casework.

In Gwent, in south Wales, staff report a waiting list of at least 40 men and say that there is no work load relief for officers to train or to deliver programmes. They cite one instance of a man placed on a supervision order for two years with a condition of attendance of the course after having been convicted of choking his wife. He was not placed on the programme and he committed the offence again. A request has been put in for a place on the programme as a matter of urgency, and he is still waiting.

Therefore, the situation is pretty dire across the UK. Avon and Somerset report a minimum delay of two to three weeks for all offenders with an unpaid work requirement because of a sharp increase in prison numbers and a decrease in staffing. As from 22 January, Staffordshire ceased making active proposals for unpaid work in reports to magistrates courts because of a deficit, thereby restricting the ways in which courts can deal with offenders.

In north Wales, the service has been reorganised with a resulting 70 per cent. cut in the domestic abuse programme. The community sex offenders' programme has been cut even further, and the internet sex offenders' programme has been withdrawn. The reason given for the cuts is that offenders undertake such programmes in prison and they are being duplicated on their release. If anyone believes that, then they are more naive than me.

The situation is that we are expecting a lot of probation officers when there are far fewer of them on the ground. In south Wales, believe it or not, staff have been told

that they must not actively recommend supervision for foreign nationals who need interpreters because of the additional cost of interpreting. That sums up the whole situation. Yet on 16 April, the director-general of the National Offender Management Service, Phil Wheatley, said:

"We know that short custodial sentences are less effective than community sentences in reducing re-offending."

In effect, he is saying, "Do not suggest sending people away". At the same time, we are being told not to recommend a community penalty. How on earth are probation officers meant to put a cogent report before a court? Phil Wheatley goes on to say:

"It's obviously a matter for sentencers to decide who goes to prison, but with places in custody in very short supply, it's really important that probation staff continue to ensure that the option of non-custodial punishments are offered where it's appropriate to do so and otherwise custody is the likely option."

All well and good, but where are the officers?

I spoke about the crisis in the justice system at a conference two weeks ago. I was told about the unpaid work situation on Humberside on Sunday 13 April. At one centre, there was one supervisor with 15 offenders. At Bransholme Pond site, there were 13 offenders with one supervisor. At Hessle Foreshore, there was one supervisor with 12 offenders. Ultimately, people given a 300-hour order end up litter-picking. I do not think that litter-picking will do much for the individual or anybody else. It might be a good thing to clear up a bit of litter, but I do not think that it will rehabilitate anybody. The sentencing options, therefore, are being severely cut back simply because of cutbacks in the probation service. With due respect to the Minister, she will quote global figures and the way in which funding has increased over the past seven or 10 years. However, the experience on the ground is that there is a crisis in this whole area. NAPO is alarmed at the decision taken by Kent probation area to cut 76 staff in the next three years in response to the imposition of a flat, capped budget. Things will get worse on the ground if we are not careful.

The Parliamentary Under-Secretary of State for Justice (Maria Eagle): I do not wish to interrupt the hon. Gentleman's flow too much, but there has been a 2.7 per cent. increase this year in probation budgets—that is before the £40 million extra. Some of the figures that he is quoting are from January, before the extra money has gone in. I hope that the extra money will relieve some of the situations that he describes.

Mr. Llwyd: I thank the Minister for her response, but at the conference that I attended last week, I gained the impression that the crisis is still there. The money might be of some assistance—it would be foolish of me to say otherwise—but the scale of the problem out there demands concentration and a redoubling of efforts. However, I do not deny that more money has been put in.

Mr. Letwin: Does the hon. Gentleman agree that part of the problem is the way in which the Treasury views the matter? Seeing rehabilitation as a cost ignores the fact that successful rehabilitation is a money saver. We need to reverse the Treasury's perception and get it to understand that it is an investment that could yield returns for the taxpayer.

Mr. Llwyd: The right hon. Gentleman is absolutely right. Earlier, I mentioned the £40,000 that we spend on keeping each prisoner in prison for a year. It costs £76,000 to train a probation officer, and it does not take a great deal of mathematics to work out that if we start recruiting and training people now, it will pay dividends in two or three years' time. It is difficult to think in Treasury terms of outcomes. He knows more about economics than I ever will, but I do not think that this area can be measured acutely in outcomes. Common sense dictates that it is better to invest in the probation service at this stage and ensure that we do not have to build too many prisons in which to fail to rehabilitate people.

Dr. William McCrea (South Antrim) (DUP): Is it not a matter of balance? It is hard to convince an elderly person in the community who is being terrorised by someone that simple rehabilitation or some other solution is going to keep them safe in the community. Surely there has to be a balanced position that is not only in the interests of the offender. Those who have been offended against must feel safe as well.

Mr. Llwyd: I agree entirely. The hon. Gentleman's use of the word "terrorised" implies that the offending person's conduct is pretty bad, and there is no doubt that that kind of person should be in prison. I am the first to admit that many people are in prison because they deserve to be there and because there is no other option for them. I also say, however, that as many as 35 per cent. of people in prison should not be there, and that we should deal with them in another way that is more humane and cost-effective. If we explain to the public how they will get a return on that investment, and how people who are serving proper, structured and lengthy community penalties might be rehabilitated and brought back into mainstream society, that argument might be accepted.

Dr. McCrea: I do not want to take up too much time, either, but may I make another point? The hon. Gentleman talks about cuts in services, but it is hard to convince a community that experiences daily cuts in its services that there should be more concern about cuts in the services for people who offend.

Mr. Llwyd: That is a valid point, but if we fail with the criminal justice system it will implode, and that will affect everybody. We really must get things right, but we are not getting them right at the moment.

The Minister will know that I have seen her colleague, the Minister of State, Ministry of Justice, the right hon. Member for Delyn (Mr. Hanson) to discuss a suggestion. Community penalties are all well and good—I have made the point about needing more probation officers—and I believe that more money has gone into the system, but we need far more if we are to turn the situation around rather than simply imprisoning more and more people and having a revolving-door syndrome. My suggestion is about progressive community sentencing. Very often, under the Criminal Justice Act 2003, there are various aspects to a community penalty. It might involve getting a person clean from drugs, for example, or it might impose a curfew or activity requirement such as undertaking unpaid work or looking for work. NAPO and I have suggested introducing lengthier community penalties

[Mr. Dhanda]

I am aware that that approach might not be universally popular. However, we have an opportunity to consider options for accommodating additional housing growth as part of the review of the RSS. It is better to look at the issues at this stage in the process, before the examination, so that different views about the options can be properly tested and debated in public at examination.

I turn now to the consideration of infrastructure, which the hon. Gentleman also mentioned. I recognise that the delivery of housing growth must be supported by appropriate infrastructure and that transport, which he also mentioned, is a key component of that. We need to ensure that growth is focused on sustainable transport solutions and we are working with key regional partners to identify the impact of growth on the transport system. In fact, part of the review will involve detailed work on infrastructure, including transport.

In preparing the draft RSS, the regional assembly worked with partners to consider the implications of the infrastructure necessary to support the proposed growth options. That included provisions for transport in the regional transport strategy, which is an integrated part of the draft RSS. Indeed, I would go so far as to say that I agree with the hon. Gentleman that phasing is also important. Local authorities need to consider all these issues as RSSs emerge.

A key element of the further evidence to which I referred will be the consideration that is given to the implications of the options for higher housing numbers for transport, including local transport strategies and investment in infrastructure. That will be in addition to the issues identified and considered in the draft RSS.

The hon. Gentleman mentioned eco-towns, and I will try to do the issue some justice in the moments that remain. Eco-towns will contribute to meeting our national aim of delivering 240,000 homes a year by 2016. My right hon. Friend the Minister for Housing made an announcement on the 15 short-listed locations for eco-towns on 3 April, and two of those are in the west midlands. One, which the hon. Gentleman mentioned, is at Middle Quinton, where the proposed scheme sets out plans for at least 6,000 zero-carbon homes on previously developed land. There will be substantial employment opportunities, affordable housing and community infrastructure, accompanied by high-quality public transport links.

We have asked the consultants undertaking the study into housing options to consider the contribution that potential eco-towns and new growth points could make to delivering additional growth in the region. It is therefore likely that any additional numbers resulting from an eco-town will be incorporated into the figures in the emerging RSS. I hope that that helps the hon. Gentleman.

We expect eco-towns to contribute significantly to meeting national aims for additional housing and we want to assure local authorities that include an eco-town in their future housing plans that it will count towards future housing targets, which, in most places, are likely to be more stretching. I hope that that is pretty transparent.

I can also assure hon. Members that the development of eco-towns does not mean that there will be new housing on the green belt. We are consulting on the shortlisted locations for eco-towns. This is only the first stage, and bidders who have cleared the first hurdle will face considerably tougher tests if they want to become eco-towns and will need to improve proposals still further.

It is not appropriate for me to comment on the merits of particular eco-towns, but I can reassure hon. Members that shortlisted locations will face further challenges, including public consultation and a detailed sustainability appraisal, which will assess the merits and challenges in each case. A decision on the final list of locations with the potential to be an eco-town, as well as a draft, and subsequently a final, eco-towns policy statement, will be published later this year.

I appreciate that we are running short of time. I was peppered with quite a lot of questions and I undertake to write to the hon. Gentleman to give him further information.

11.30 am

Sitting suspended.

Housing (London)

2.30 pm

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): I appreciate enormously the opportunity to discuss housing need in London once again. The Minister and the Department for Communities and Local Government will be aware that this debate is another instalment in a long-running campaign about numerous housing needs issues. In recent years, that campaign has not gone wholly unrewarded as colleagues and I have pressed for more resources for affordable homes to buy and rent in London.

I am conscious of many issues relating to low-cost home ownership, and I shall make a few comments about them as I proceed, but for the moment I merely note that we are in a curious position in relation to home ownership. We are simultaneously anxious about falling house prices in the context of the wider economy and relieved that house prices, particularly for first-time buyers, will decrease a little—certainly across the country, and potentially in London—and grant the access that has, sadly, been constrained for decades.

I am sure that the Minister will not be surprised to know that I shall talk mostly about the supply of affordable housing to rent. I welcome the progress made in recent years by the Mayor of London, and the Government's additional investment in the supply of affordable homes. The supply of affordable homes to rent has more than doubled in the past eight years—from 6,623 in 1999-2000 to 13,500 last year. Last year's figures reflect the best performance on affordable housing in the capital for 30 years. With a Labour Mayor committed to driving that policy forward and backed by Government investment, and despite fierce opposition from many Conservative-controlled local authorities—I am sure that colleagues will make some points about that later—we are at last poised to make serious inroads into unmet housing need. Such progress would be seriously undermined by a prospective Conservative Mayor committed to scrapping the 50 per cent. affordable housing target and raising the threshold for low-cost home ownership. His housing manifesto does not even mention the 1.9 million Londoners who live in housing association and local authority homes for rent. The interests of a quarter of the population go completely unmentioned.

I welcome the Government's acknowledgement of the issue of overcrowding, which has been dear to my heart for many years, in their recent discussion papers and the announcement in December of additional resources. However, the Minister will not be surprised to know that I shall concentrate my remarks on some of the questions that remain unanswered, some of which have even been complicated slightly by the recent announcements.

My first point is one that I have made many times over the years. Families in overcrowded accommodation in the capital are in crisis, and that crisis is getting worse. Overcrowding and the number of families on the waiting list continue to increase, particularly in London, partly as a result of the continuing shortage of supply, partly as a result of the pressure of the 50 per cent. target for reducing the number of households in temporary accommodation and partly because few councils and relatively few other key bodies, including the Housing Corporation, show any proper signs at a strategic level of recognising the scale of the problem that they must tackle.

Currently, 330,000 households are on housing waiting lists in London. The number has risen by 20 per cent. in four years. Most of them, of course, require family-sized accommodation. There are 200,000 overcrowded households in London—a figure that has grown by 12 per cent. in the past four years alone. We need the Mayor of London's house-building programme, and we need a greater emphasis within it and across Government and agencies on family-sized accommodation. We need a willingness to invest in family homes in all parts of London, not just the east, if we are to avoid hollowing out the inner city and all the attendant social and economic problems that that would cause. We also need a greater strategic awareness of the issue from Government, the boroughs and the corporation.

In 2006-07, years after the need for family-sized accommodation became an imperative, only 2,500 socially rented homes with three bedrooms or more were built in the capital. That is only 25 per cent. of the total built. I ask the Minister to address this question: how on earth can the Housing Corporation's target that 42 per cent. of all new build social homes be three-bedroomed or larger be achieved when we are trailing so badly?

Lyn Brown (West Ham) (Lab): In Newham, only 132 of 950 homes developed last year were for rented social housing. Only 6 per cent. of the homes developed in my borough, which is in east London, had three bedrooms or more. Given that we have 6,000 families in temporary accommodation and 30,000 families on the housing waiting list, that is not sustainable if we are to do anything to combat child poverty, to mention just one of our targets.

Ms Buck: My hon. Friend is absolutely correct. That has been acknowledged in recent years, yet the solution has not been delivered. The Mayor, who assumed greater housing responsibilities only this year, has committed himself to tackling the problem. I believe him because he has a track record of doing so, but I think that it is a departmental responsibility, and no co-ordinated demand has been placed on the corporation, social landlords or the boroughs to deliver. As a consequence, a problem is increasing that has massive implications for child well-being, educational achievement, health and poverty.

I spend a fair amount of time criticising my local authority, particularly Westminster city council, and I stand by those criticisms, but I am glad to say that this year, it has acceded to the pressure I have placed on it and made changes in its housing allocation process that recognise the reality of severe overcrowding. However—I have raised this issue with Ministers, and I believe it to be true—the council, like other local authorities, whether they are committed to doing something about overcrowding or simply forced to respond to the pressures, is handicapped by the pursuit of the 50 per cent. target for reducing the number of households in temporary accommodation. That is not because the target is in any way a bad thing. Quite the reverse; homelessness is an appalling experience for families who go through it.

Temporary accommodation is an unsettling, frequently deeply unsatisfactory experience. I have dealt with families, some of whom I have brought to the Department's

[Ms Sally Keeble]

tenants into moving into private sector tenancies that are insecure, unaffordable, unregulated and, sometimes, in disrepair. That can cause real hardship for some of the most vulnerable people, who rightly turn to local authorities for support.

The biggest problem facing tenants in private sector rented accommodation is the chronic lack of security. Six-month shorthold tenancies do not provide a stable home for vulnerable families. The National Association of Citizens Advice Bureaux found that the United Kingdom provides the least security of tenure for private-sector tenants of the six European countries that it studied. In Germany, 51 per cent. of people live in privately rented properties, mostly with unlimited contracts; in Spain, where 10 per cent. of properties are privately rented, tenants have the right annually to extend contracts for up to five years. We are the only country with six-month shorthold tenancies.

For vulnerable families, the consequences are desperate. A recent study of homelessness in Northamptonshire found that, in 2006, no fewer than 17 per cent., almost one in five, of homeless families housed by the local authority were made homeless because their shorthold tenancies had come to an end and had not been renewed. Councils have to pick up the pieces when that happens, as people are almost being evicted from private rented homes.

A Shelter report, due to be published shortly, cites the survey of English housing for 2005-06, which found that 38 per cent. or just over a third of people in private rented housing had been in their homes for less than a year. That is four times the level for social tenants, and a staggering seven times that for owner-occupiers. Only 5 per cent. of owner-occupiers had moved within the past year compared with 38 per cent. of tenants in privately rented property. There is massively greater insecurity for private tenants than for any other group.

Behind those figures lies deep misery for many families. They are forced to live a nomadic existence in private rented housing. As a result, the children suffer constant disruption in their schooling and the parents sometimes have problems in keeping their jobs; and there is the social disruption of having constantly to move home.

A young couple in my constituency who came to me for help were typical; they were under real pressure. They were teenage parents; the father was in work and the mother was a former care leaver. They had to move home three times in 18 months, from one privately rented home to another. They had been forced into private accommodation as a result of a housing options interview. On the third time of moving, the mother was pregnant with a second child. The young man's mother was very supportive of them and desperate to find a better solution for her son and his family, but they still had to move from place to place. Unfortunately, I was not able to maintain contact with them. Packing up and moving home every six months is something that I could not cope with, let alone with two young children in tow.

There was a time when security of tenure acted as a deterrent to owners renting their properties, but I believe that the pendulum has swung too far the other way and that changes are needed to redress the balance in favour of tenants.

Secondly, the cost of private rented housing can be a real problem, especially for those on housing benefit. According to figures provided by the Department for Communities and Local Government, 19 per cent. of the sector's tenants were receiving housing benefit in 2005-06. That is a total of just under 500,000 households. However, about 30 per cent. of those people suffer benefit shortfalls, and need to top up their housing benefit from other benefits to pay the rent. A third have to top up their rents from money that only just covers their living costs and, as a result, they may be in debt or arrears. That can result in eviction, which puts them back into the revolving doors of homelessness.

Another constituent who asked me for help and advice was sharing a one-bedroomed flat with her daughter. She was paying £625 a month for the property. As a result of economic pressures, she was facing a reduction in her working hours. For the first time, she was having to think about claiming benefits. However, she discovered that she would get only £525 a month in housing benefit, leaving a shortfall of £100 a month, which had to be made up from her other benefits and a reduced wage – a near impossible task.

I know of the Government scheme to help private sector tenants with their deposits, but the experience of my constituents is that, for whatever reason, many do not seem to be able to gain access to that help. They have real difficulty in raising money for a deposit; and if they have to leave a tenancy, they find it difficult to get the deposit money back again. I would not argue for a return to the days when the Government had to underwrite whatever rents landlords chose to charge though housing benefit, but the review needs to consider what can be done about the high cost of private sector rented housing; we must ensure that landlords do not charge whatever they can from housing benefit and whatever more they think they can get from the tenants' other benefits.

Thirdly, there are significant problems with the maintenance and repair of many properties. Although housing conditions in the private sector are improving, the Shelter study cites Government figures from 2005 showing that almost half of all homes in the private rented sector were classified as not being decent to live in. The major problems listed included inadequate heating, difficulties with water and even sanitation, structural problems, damp and poorly fitted electrical fixtures. There is also considerable evidence of the tenants' inability to get private sector landlords to carry out repairs. The National Association of Citizens Advice Bureaux detailed a catalogue of what it calls "retaliatory evictions", with landlords evicting tenants for trying to force them to carry out repairs. NACAB calls for Government action to stop such evictions and points to measures taken by other European Governments.

A constituent came to see me saying that she had been unable to get her private sector landlord to carry out basic repairs, and when she repeatedly complained to her landlord, she found that her tenancy was not renewed. Other constituents have complained about being unable to get landlords to carry out such basic repairs as replacing broken windows; one constituent complained of having to live for several months with the ground floor windows boarded up. Council tenants, of course, have problems of disrepair, but at least they

have access to the council, whereas private sector tenants often have difficulty in getting a response from their landlords.

Fourthly, tenants have complained about the problem of getting action taken on antisocial behaviour. Local authorities are in a lead position for getting antisocial behaviour orders to combat problems on their estates, especially those linked to their own tenants. However, tenants in private accommodation do not have the same access to justice. One constituent told me of a neighbour involved in drug taking, but the landlord of the block of flats was unwilling to act; her shorthold tenancy was not renewed. I do not know whether that can be called an eviction, but the landlord has the option every six months to decide on renewal.

I recognise the importance of an active private sector in providing rented accommodation, and believe that it should be actively developed in the UK. I spent a long time living in the private rented sector when abroad. My experience of rented accommodation outside the UK is very different; that is due mainly to the lack of institutional investment in the sector here.

I hope that the Government review will help to stimulate, as well as regulate, the private rented sector by doing two things. First, they should encourage institutional investment in the sector. The buy-to-let market has until now been active, but it is patchy and fickle, with a large number of smaller-scale landlords. I have noticed that they tend to follow the market when deciding what to do with their properties. At one stage, landlords in Northampton were not letting so much to homeless families but to asylum seekers – they could get close on £100 a week for a room instead of £100 a week for the property. When the market peaked, a good number sold out completely, leaving their tenants homeless.

The Royal Institution of Chartered Surveyors gives support for institutional investment as one of its priorities. It says that there is a need for greater Government support to increase the provision of rented accommodation by larger companies as opposed to single landlords as that would offer a greater level of accountability and greater chances of ensuring better- quality stable housing. The institution has set out a number of proposals that would boost institutional investment in private rented accommodation, including using planning policy, changing the stamp duty and VAT regimes, and changing the real estate investment trust regime to encourage its use as a tool for investing in property for rent.

There is a pressing need to provide more security of tenure for tenants, especially by increasing the length of tenancies and providing an effective appeal against eviction. There is a pressing need to end the continual instability that plagues the lives of many of the poorest people. There needs to be some halfway house between the misery merry-go-round of six months shorthold tenancies and the long-term, secure tenancies enjoyed by council tenants. I was pleased that the Royal Institution of Chartered Surveyors has also supported proposals such as that for a new type of housing tenancy. Thirdly, there is a need for a comprehensive and joined-up system of national regulation that penalises the worst landlords and promotes good practice in the sector with a common code for all.

In many of our areas, council homes were a step up for people who were escaping the slum housing of the early 1990s. I know that huge problems with large-scale private sector landlords have caused real misery for many households on low incomes in my hon. Friend the Minister's constituency. Now, for some of our most vulnerable people in constituencies such as mine, a move into the private sector is a move back into substandard and insecure housing, where they are at the mercy of landlords who charge high rents for inferior accommodation, without security of tenure, which people who turn to the state for help rightly expect. If we are to ensure that the private sector provides a realistic housing option for people on lower incomes, we need to ensure that we increase the supply, improve the quality and reduce the insecurity.

I hope that the measures that I have set out, and those put forward by Shelter, NACAB and the Royal Institution of Chartered Surveyors will be looked at seriously and adopted by the Government to ensure that their ambition for everybody to have a decent home extends to people in private rented housing.

4.32 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): I congratulate my hon. Friend the Member for Northampton, North (Ms Keeble) on securing this debate. She is a real champion of housing and was gracious enough to allow me to visit her constituency in the past couple of months; I greatly enjoyed the visit and hope to go back soon.

A decent home can be a major indicator of life chances, educational attainments and life expectancy. Having a home that one can be proud of is of major importance. Aspirations and expectations of home ownership and tenants' rights have risen dramatically in the past few decades, and rightly so. Whether people buy or rent, their right to a decent home of their choice that is suitable for their needs is the same. That right underpins the priority that the Government attach to delivering housing in all sectors. Our plans for 3 million new homes between now and 2020 are absolutely essential if aspirations for greater quality and choice are to be met. Greater housing supply is vitally important, but the issue is also about giving people access to the right sort of home. As my hon. Friend said, the private rented sector can make a vital contribution.

We talk about a private rented sector as if it is a single entity, but it is actually not a homogenous market at all – quite the reverse; there are different sectors and different types of market within it. For example, nearly two thirds of households in the private rented sector are categorised as economically active, and more than three quarters of tenants in the private rented sector are under 35. For those people, who are often in the first throes of their careers, attempting to secure a professional qualification and so on, the attraction of private renting is its flexibility. Students who have moved away from home for the first time almost invariably rent, which again shows a degree a dynamism within the market.

However, it is fair to say, as my hon. Friend did, that the sector also provides housing for vulnerable people. A little under a fifth of tenants in the private rented sector are on housing benefit. The introduction of the new local housing allowance should give those tenants greater choice about where they live because it will allow them to see in advance the properties that they can afford.

[John Robertson]

an industry-endorsed internet marketplace for resale and selling a percentage of tickets in batches over time. To take just one individual measure, Queensland's ban on selling tickets for more than 110 per cent. of their face value would be a more equitable path for the UK.

My point, essentially, is that the benefits of the secondary market are not a persuasive reason to preserve it in its current state. When tickets can be provided more fairly and securely, and prices can be kept down, we could perhaps look at the issue again.

Mr. Don Foster: I have a lot of sympathy for the direction in which the hon. Gentleman is travelling, but would he acknowledge that operators in the legitimate secondary market—the ones with appropriate conditions and guarantees to the consumer—are providing a valuable service, as has been suggested? It is perhaps worth reflecting on the fact that more than 50 per cent. of the hundreds of thousands of tickets sold on viagogo in the past 12 months were sold at below face value, not above it.

John Robertson: I thank the hon. Gentleman for that, but the primary sellers are going down that road themselves and, given support, they will take on that roll. I would much rather see the primary sellers doing the reselling than see a secondary person come in, because although 50 per cent. of tickets might be sold at below their face value, 50 per cent. are not. Of those, some are sold for not just one or two pounds above face value, but for far more.

I always cite the example of the pair of tickets for disabled spaces at Wimbledon that went on sale on eBay for £7,000. That is obscene, and the chances are that the person who got them was able bodied, so a disabled person would not have got a seat. Such problems outweigh the hon. Gentleman's point, which is why I would like the primary sellers to do the reselling.

Paul Farrelly: Does my hon. Friend agree that it is also quite possible that the person who bought the tickets at that inflated price was refused admission to the seats, so there are real consumer protection issues here?

John Robertson: My hon. Friend is absolutely correct, and it is hoped that that happened in this case. Unfortunately, although such people might be refused in one or two cases, the vast majority slip through the net. That is why it is important that the primary seller, not the secondary seller, should do the reselling.

Mr. Ellwood: The hon. Gentleman suggests that there is an obligation on the primary seller to take responsibility for any resale. What happens if they do not want that responsibility and want to outsource it to one of the legitimate organisations that we are talking about? Furthermore, what happens if a disabled person has a ticket to Wimbledon but cannot go and wants deliberately to sell it? I am curious to know whether the Wimbledon ticket sold in the hon. Gentleman's example was from an able-bodied person or a disabled person.

John Robertson: The hon. Gentleman misunderstood what I was saying about primary sellers. I am saying that they are going down that road now, not that they are obliged to do so or that an obligation should be put on them. They are doing that now and looking into the fact that obscene profits can be made that could not have been made when the tickets were sold at their old face value. In other words, there would not be a face value on these tickets; they would just be auctioned, and whoever bid the most money would get the ticket. Of course, the chances of tickets going to a secondary seller would be remote, because the person selling them would want to sell them at a profit. If I got what would normally have been a £50 ticket for £300, I would be unlikely to get more than £300 if I tried to sell it, although that is always possible.

On the question about the disabled person's ticket, such tickets are usually put aside for disabled groups and usually sold through them. I would hazard a guess that the person who originally had the ticket was disabled. They might or might not have been able to go, but if one disabled person cannot go, another should. Whether the person was disabled or not, what I object to is the fact that they were trying to make an obscene profit—in this case, £7,000 for a ticket that probably cost about £120. I would like to see such tickets go to other disabled people.

Mr. Ellwood: The hon. Gentleman has raised this example, and it is worth work-shopping it a little, if I can use that term. If the ticket is sold, it is surely the responsibility of Wimbledon, in this case, to ensure that it is accompanied by a blue card, for example. In that way, the operator can ensure that the disabled place goes to a disabled person. I do not understand why the Government should be involved. There is a responsibility and a duty on the operator to ensure that disabled tickets are taken up by disabled people.

John Robertson: I will come to the Government's place in this a few pages further on in my speech. I hope that I can answer the hon. Gentleman's question then, but if I do not, he should feel free to ask it again.

I gave one example, but there are plenty of others. Tickets for the Bon Jovi concerts, which are starting soon, were going for more than £400 on eBay. It was not disabled people, but ordinary people who were selling their £70 or £80 tickets for £400. The most expensive ticket for Take That came in at about £2,500, while the tickets for the Police concerts hit a record of about £3,500. There are lots of examples of people grossly and obscenely making money. My objection is that they are deliberately selling tickets to make money on the back of fans who probably should have got the tickets at the proper price in the first place.

I accept that the Government have tried to grasp the nettle to some extent. We have the proposed agreement on crown jewel events, but there is little detail, and I know from talking to people in the industry that they want some detail about what constitutes a crown jewel event.

One argument that I hear against banning ticket touting—I am sure that it has been made in the debate in certain ways—is that it is simply not enforceable. I wonder whether it would not be more of a problem if we had a voluntary agreement on a limited number of

events—if we say that we cannot have ticket touting for the crown jewel events, but that we can have it for other events. Concerts would come into that, because fewer people would be involved—perhaps only 5,000, 6,000, 7,000 or 10,000 people go to a concert. However, the new Wembley can hold about 80,000 for a cup final, so it would be much more difficult to deal with that.

The other problem is that ticket touting goes on. A gentleman from Ticketmaster told me that he had been to the England-Croatia game. Walking up to the ground, he passed ticket touts selling tickets while policemen were standing nearby. That is just not on. There is a law against ticket touting, and if the police see it, they should do something about it. That is why we have got ourselves into this state—we have not done anything about it in years gone by, and people do not see touting as a criminal act.

The key point that the chief executive of Get Me In!, Andrew Blachman, made to me was that he would not allow the sale of Olympic games tickets on his site, and I must assume that eBay, viagogo and all the big sites will do the same. If we can bring in a law that makes ticket touting illegal for an event such as the Olympic games, and if we have said that we shall do the same for the Commonwealth games in Glasgow, why will we not do it for any other event that just happens to be smaller? Does that mean that it is okay to do something about a big event with worldwide coverage, at which we do not want ticket touting, but that it is not okay to protect the people—young people, in particular—who go to pop concerts, from ticket touting? We must think seriously about that.

The House of Commons agreed on the ban, and we voted on it. I am glad to say that we managed to secure it for Glasgow as well; I look forward to the Commonwealth games there. What I cannot understand is the inconsistency. Is it any wonder that we do not do anything about ticket touting? Our stance on the practice does not enable people to say, "These are the rules; this is the law; and this is what should happen." That is what we should think about.

I have talked to people involved with big events, and in particular to Geoff Ellis of T in the Park, who has worked tirelessly to stop ticket touts selling tickets at his event, and who has taken people to court for stealing his logo to enable them to sell tickets. He should not have to pay for all that. He should have the help of the law to ensure that the young people who come to the events pay the minimum—they pay a lot of money anyway—and do not need to worry about being ripped off by crooks.

The heart of the question is the need to sort out what kind of country we want to live in. I cannot subscribe to a solution that allows exploitation and brings everything back to a bidding war. Having spoken to people involved, I know that there is a real worry; by permitting sales by ticket touts we spurn the industry's consumer-friendly pricing policy. My great fear is that they will start to do the primary selling, prices will go through the roof for big events, and small events will not take place because there will not be enough money in them and no one will be able to afford to buy tickets.

The musical talent that we have amassed over the years is second to none in the world, and we have begun to invest more in sporting events. I fear that if we put all our money into events such as the Olympic and Commonwealth games, and forget support for grass roots athletes, and if, because of lack of money, people cannot pay to go to those events, we shall go down a road we do not want to go down.

I shall finish with another statement by Pink Floyd—from "Dark Side of the Moon", if anyone is interested. Pink Floyd said:

"Get a good job with more pay and you're okay".

It might be a good lyric, but it is not the mantra that I want our cultural events to live by.

3.23 pm

Philip Davies (Shipley) (Con): It is a pleasure to follow the hon. Member for Glasgow, North-West (John Robertson). I disagree with him on virtually every point, and shall come to that in a minute, but it is always beneficial to a debate to have his insight. I congratulate my hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale), who chairs the Select Committee with great panache; he is an outstanding Select Committee Chairman. I think that most hon. Members present know of his background, working for Lady Thatcher, and I sometimes feel that the purpose that I serve on the Select Committee is to remind him of some of the free market principles that she held so dear, and on which I sometimes feel he lacks the consistency of his esteemed former employer. However, I commend him on trying so hard to get a consensus in the Committee on the issue in question. Anyone who observed the discussions about the report's recommendations would realise what a challenge it was to do that. We did a reasonably good job of reaching a largely settled view. There were, as my hon. Friend pointed out, some specific areas on which I could not support the rest of the Committee, but on the whole the majority of the report was unanimously agreed. That was largely down to my hon. Friend's skill.

There are two issues concerning ticket touting; one is a matter of principle and one is a matter of practicality. The matter of principle is that if I buy something—whether it is a book, something from the supermarket, a house or a ticket—I have bought it and it is mine; if I choose to sell it on to someone else, that is no business of anyone else, least of all the Government of the day. They should not interfere. There are many examples of things that appear in limited editions that sell out rapidly. Often there are limited editions of handbags, which sell out in five minutes in the shops. Within five minutes they are all on eBay being sold at a hugely marked-up price. No hon. Member here is arguing, as far as I am aware, that that should be made illegal. I should be very concerned if Parliament decided to make such activity illegal. It is exactly the same when tickets for events are sold out rapidly, and soon afterwards go on eBay or other websites at a marked-up price. That happens not just with tickets but with many other things.

Mr. Sutcliffe: If there are conditions on the purchase of a ticket, is it not important that the organisation that set the conditions should have them adhered to?

Philip Davies: As the Select Committee Chairman made clear at the start of the debate, many events do make such specifications on their tickets, but few have

Westminster Hall

Wednesday 23 April 2008

[MR. ROGER GALE *in the Chair*]

Prison Overcrowding/Sentencing Policy

Motion made and Question proposed, That the sitting be now adjourned. *[Mr. Watts.]*

9.30 am

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): I declare an interest, because I still practise—for my sins—in the criminal courts as a barrister. Looking around the Chamber, I hope that what we lack in quantity we will make up in quality.

Are the inhabitants of Britain so intrinsically bad that we must lock up many more people per capita than our friends in Europe? Some might say yes, but that is a serious question because our prisons have been overcrowded since 1994. Over the past year or 18 months, more than half our prisons have been overcrowded. I well recall serving on the Standing Committee that considered the Crime (Sentences) Act 1997 and saying, with others, that the legislation would result in a substantial increase in the number of new prisoners. I argued that if that Act was to make any sense, it would have to be matched with an increase in prison places, which seemed fairly obvious. Back then we were talking about 50,000 prisoners—if I recall correctly—but today the figure is 82,000. That increase had been foreseen for some time.

One complicating feature is that criminal justice, in general, and sentencing, in particular, are and always have been a political football. Every now and then, the larger parties get into a bidding war about how to be beastly to offenders, which usually plays out to the background music of the tabloid drum beat. If the question was depoliticised—as far as one can imagine that happening—the system would be greatly improved for the benefit of society and, quite importantly, the taxpayer.

Many experts in the field have long concluded that prison simply does not work for many offenders. Even before the 2003 Carter report, it was clear that policy was wrongly directed. The report's findings were very stark. It reckoned that the prison population had increased by 22 per cent. since 1997, resulting in a 5 per cent. reduction in crime. It concluded

"there is no convincing evidence that further increases in the use of custody would significantly reduce crime".

The then Home Secretary, the right hon. Member for Norwich, South (Mr. Clarke), said:

"More than half of all crime in this country is committed by people who have been through the criminal justice system. Prison does not work in stopping reoffending." *[Official Report*, 9 February 2006, Vol. 442, c. 1033.]

Surprisingly, that was not said ex cathedra, but when he was very much in harness.

Since then, not a lot has happened—to coin a phrase. Two contrasting factors continue to predominate: first, the political imperative, to which I have alluded, and, secondly, the fact that the vast majority of prisoners—67 per cent.—are reconvicted within two years of release. The figure for youngsters in Wales between the ages of 18 and 21 is 78 per cent. Arguably, even if there were a complete change of heart over custody, the situation would be like an ocean-going vessel, in that it would take a long time to stop and turn around.

The rehabilitation element of prison has been severely undermined. There have been cuts in training and education, which might well be contributing to these awful statistics. I think that it is plain that if prison does not make a real difference to an individual's life chances, it is simply failing not just prisoners, but society, because it costs £40,000 a year to keep somebody in prison.

On Friday 11 April, the prison population stood at 82,003, and as far as I know, that figure is rising. As at February 2008, the prison population was 114 per cent. of the certified normal accommodation level. The prison population exceeded the CNA level by 9,765. 88 of the 141 prisons in England and Wales were overcrowded, and the populations of 14 were more than 150 per cent. of their CNA level. The five most overcrowded prisons are Lancaster, Kennett, Shrewsbury, Swansea and Leicester.

To digress for a minute, despite what I am saying, I have long campaigned for a prison in north Wales, on the basis of human rights grounds, among other things. The figures that I have cited actually bolster the claim that north Wales needs a prison, given that many from north Wales end up in Shrewsbury prison and some end up in Swansea.

Mr. Oliver Letwin (West Dorset) (Con): Does the hon. Gentleman agree that experiences such as those in Dorchester prison, which is in my constituency, suggest that even when prisons are not technically overcrowded, very severe problems can emerge, for example with first night accommodation? General overcrowding is therefore rippling through the system and causing problems even worse than he describes.

Mr. Llwyd: I am sure that that is absolutely right. I do not think that any prison is working at a reasonable capacity, so there must be a knock-on effect, as the right hon. Gentleman says.

As I mentioned, England and Wales have the highest imprisonment rate in western Europe, with 143 inmates per 100,000 of the population, compared with France with 88, and Germany with 97. I know that we cannot compare like with like and that it is convenient to throw around statistics on international comparators, but this has been a trend for many years. I argue that the prison system is letting society down through wasting taxpayers' money and, crucially, through failing to rehabilitate those who go into prison on a revolving-door basis, of whom there are many.

The Public and Commercial Services Union, for example, believes that the population crisis has had an adverse impact on the delivery of reoffending programmes, which must be crucial. It says that the movement and recategorisation of prisoners, and in some cases the closure of whole establishments for recategorisation, have undermined the stability required for the effective delivery of those very important programmes. It goes on to say that basic standards of human dignity are compromised with more than 12,000 prisoners being held two to a cell in cells designed for one. It also says that prisoners are being transported all over the UK in search of spaces, costing the taxpayer millions in transportation, resulting in delays in the criminal justice system, jeopardising family relationships and, for all I know, breaching human rights.

[Peter Luff]

station to enable longer trains to run from my constituency to Birmingham is important. Commuters already face hugely unsatisfactory services; any further house building will strain them to breaking point, which will mean that people take to the roads to commute to their jobs and clog up an already overloaded network. More people on the roads means more cars in traffic jams and more carbon dioxide emissions: that is the environmental reality of the Government's plans.

I mentioned Baroness Andrews's intervention in my opening remarks. When the assembly formally submitted the RSS in January, it had been subject to considerable debate and consultation, including with local authorities, businesses and other so-called stakeholders. However, the Government have now intervened in the democratic process to impose their own research. Instead of housing numbers being driven by the strategy, they are driving the strategy. That is an important observation for planners. How a bunch of London-based experts—so-called experts—with a few months to do the work can come up with a better answer than the local councils working through the regional assembly, I do not know. What message does that send to voters? How can anyone have faith in the consultation processes that is being so blatantly and openly manipulated in the Government's favour, when we should have a democratically deduced solution to the problems that we all acknowledge that we face?

There is no time to discuss the serious issues that that raises for regional government more broadly, particularly the abolition of the regional assembly and the rolling together of the planning functions into the regional development agency.

Simon Jenkins has described eco-towns in a brilliant article in *The Guardian* on 4 April as

"the greatest try-on in the long and dazzling history of property speculation".

Two eco-towns are on the shortlist for the west midlands: one for Staffordshire and one on the Worcestershire-Warwickshire border. Originally, my constituency was faced with two such monstrosities—at least we are down to one. By the way, how nice it would be if the Department for Communities and Local Government actually knew where the eco-town in Warwickshire is actually planned for; it is not only in Warwickshire, but in Worcestershire; it does not only involve Stratford-on-Avon district council because one third of it is in Wychavon district council. How nice it would be if the Government's consultation document showed that they know the geography of the west midlands as that would give us greater confidence as we consider these important questions.

We cannot have parallel planning processes for deciding how the region should expand. If we treat eco-towns through the normal channels, we would consult on the need for accommodating growth by new settlements along with all other mechanisms, including urban extensions, growth in market towns, sub-regional growth points and so on, but the Government simply want to impose eco-towns on us. Cynically, the Government think that putting the word "eco" in front of something makes it unassailable. However, there is little evidence to suggest such places are going to be environmentally friendly. All the evidence points to them becoming the sink estates of the future, or, to borrow a phrase from the Local Government Association, "eco-slums".

The crucial question for the Minister—we have not been able to pin the Government down on this point because they have evaded it time and again—is, if the proposed eco-towns go ahead, will they contribute to the RSS housing figures? In a speech at Earl's Court on 27 February, the Minister for Housing said:

"I want to assure local authorities which include an eco-town in their future housing plans that it will, of course, count towards their future housing targets."

However, she has not reiterated or expanded on that point, and I believe that they will simply be added to whatever the number the Government come up with. Technically, they will be part of the target, but they will actually be additional to it.

The fundamental problem with eco-towns such as the one proposed for my constituency, is that when you dump 15,000 people in relatively inaccessible towns, miles from established settlements, they will simply get in their cars and drive, which is not environmentally sustainable. The impact of a new town on the surrounding villages, and on Stratford-on-Avon in particular, will be enormously damaging. The happily named local campaign group, BARD—the Minister will recognise the reference on Shakespeare's birthday—which stands for Better Accessible Responsible Development, found, and adorns its website with, this quote from Titus Andronicus:

"O, why should nature build so foul a den,
Unless the gods delight in tragedies?"

I urge the Minister to change his policy now and avoid the tragedy.

I have three key questions. First, why are the Government being so dictatorial on both RSS numbers and eco-towns, and why will they not trust local people who are commuting to historically high levels of housing provision as it is in their rejected proposals? Secondly, how confident are the Government about their household projection predictions and, specifically, their migration forecasts? Thirdly, as my hon. Friend the Member for Leominster said, what guarantees will we get on infrastructure provision?

The final lunacy is that all those new houses will be built only if the private sector wants to build them, but we do not live in Stalin's Soviet Union where factories could be instructed to produce so many thousands of tractors. Private house builders will want to build houses that they can sell in areas where they can sell them. Given the state of the property market and the great pressures on the construction sector, coupled with an emerging skills shortage as the Polish plumbers go home, my guess is that they will not in any case want to build in the west midlands. If against my expectations the houses are built, they will not be sustainable because the infrastructure would not be there to support them. The Government use fine words to cover their foul deeds. They are trying to ram down the throats of local people plans for houses that are neither deliverable nor sustainable.

11.17 am

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Parmjit Dhanda): I think that I need to pause to take breath for a moment. That was a catalytic, quick, and at times

acidic, but always passionate, performance by the hon. Member for Mid-Worcestershire (Peter Luff). He asked a lot of questions and I shall tackle as many of them as I can. I congratulate him on securing the debate, and the hon. Members for Leominster (Bill Wiggin), for Bromsgrove (Miss Kirkbride) and for Solihull (Lorely Burt) on their participation.

I have been asked many questions. Unfortunately, I often find that when we have these debates with Opposition Members, when it comes to housing, we tend to hear warm words around the periphery. They say, "Yes, we like the principle and we would quite like more housing, but ..." Many questions are asked, but precious few solutions are offered by Opposition Members.

Peter Luff *rose.*

Mr. Dhanda: I will give way, but I have limited time.

Peter Luff: I accept the preferred option from the regional assembly – that is my solution.

Mr. Dhanda: I shall come to that point.

The hon. Gentleman has made clear how important the regional spatial strategy is to him and his constituents in Mid-Worcestershire. He said at the outset that his particular concerns related to the RSS phase 2 revision, which I shall call the draft RSS from now on to make things simpler, and the proposals for a possible eco-town – he described accurately where the one proposed for Middle Quinton will be.

The Government need to take urgent action to address growing housing demand and the serious issue of housing affordability. In the hon. Gentleman's region, the housing gap is between 1,400 to 4,000 houses a year, and there is a particular issue with affordability. The housing Green Paper announced an ambitious new national target of achieving 240,000 additional dwellings a year, delivering 2 million new homes by 2016 and 3 million by 2020. I appreciate that Opposition Members have many questions, but I think that they are in favour of that principle on the whole, although some are more in favour of it than others.

Every region will need to make its contribution to achieving the national target, and most will undertake mini-revisions to their RSSs to help them do so. The draft RSS for the west midlands is at a stage where there is an opportunity and an imperative to address the need to meet the growing demand for housing and avoid the need for a further mini-review later.

Before proceeding, however, I must highlight the fact that I am somewhat constrained in what I can say about the draft RSS. The propriety guidance outlines that Ministers should not enter into discussions with the regional planning body or other interested parties on changes that might be made to a draft revision to a regional spatial strategy once it has been submitted for examination.

Peter Luff *indicated assent.*

Mr. Dhanda: The hon. Gentleman is nodding, and I know that he is aware of that. Those arrangements are to ensure that the process is fair and transparent, and representations to the Secretary of State must be channelled through the proper statutory process.

We are concerned that the draft RSS, as submitted by the regional assembly in December 2007, falls short of making provision for the number of homes anticipated in the 2004-based household projections. It does not make provision for the lower end of the initial housing supply range, which was suggested in the national housing and planning advice unit's response to the housing Green Paper to address affordability issues.

As has been mentioned, my noble Friend Baroness Andrews expressed concerns that the spatial strategy might unnecessarily be constraining longer-term development, which would impact on the affordability of housing in the region. To address the issue, she asked the Government office for the west midlands to commission further work to look at the options – it is important to remember that these are only options – for delivering higher housing numbers before the examination in public. Evidence will be submitted to the panel to consider. Proposals will not be imposed, as has been suggested in the debate.

I am pleased to say that the Government office has now appointed consultants to look at the evidence and identify options for locating additional housing growth. That additional evidence will support the Government office's submissions to the examination in public.

We will ensure that this additional process is as transparent as possible and we propose that the consultants engage with regional stakeholders, including local authorities, the development industry, infrastructure providers and environmental bodies, through seminars during the preparation of further evidence.

Miss Kirkbride: I hope that what the Minister has just said will give Bromsgrove a chance to put its case. At the moment, much of the housing growth will take place in Redditch, which cannot take all that housing. Growth will therefore have to move into neighbouring areas, including Bromsgrove's green belt, which is where the overlap is. On the basis of what the Minister has just said, can my council make representations to put that housing somewhere in Bromsgrove that it approves of? For example, some of it could go in the village of Alvechurch, which has a big space where a school used to be. That would be ideal for the proposed housing and it would be three miles from the border of Redditch.

Mr. Dhanda: It is important to get across the fact that RSSs are emerging strategies that take on board the views of, and work with, local authorities. We must never get into a position where we just assume that an RSS is saying, in black and white, "This must happen here," or, "This must happen there." As hon. Members will be aware, there is still a planning process, which involves appeals, inspectors, inquiries and all the rest.

We hope that the West Midlands regional assembly will agree to extend the consultation on the draft RSS to give regional stakeholders the opportunity to take the evidence into account. That will assist the examination panel in its consideration of the draft RSS. That revision work should not be seen as an alternative to the RSS, because it is not, but it will provide evidence to inform the Government's response to the draft RSS. The implications of the draft RSS will be considered at the examination in public to address the issues of housing need in the area to which the hon. Member for Mid-Worcestershire rightly alluded.

[Grant Shapps]

We all have constituents in our surgeries every week telling us that they are unable to get homes simply because not enough are being built. We must tackle that by building more homes and incentivising local communities to create the necessary housing. That is done by not closing down the local hospital in an area where one wants to build 10,000 or 15,000 more homes and by relaxing the rules that section 106 money can be spent only in the exact vicinity of the new housing, rather than through incentivising the existing community to accept those houses. Until we do those things, we will never build the homes that this country requires.

Mr. Slaughter *rose—*

Grant Shapps: I am happy to take one last intervention, but the Minister—

Mr. Christopher Chope (in the Chair): Order. I am going to intervene now to call the Minister to respond.

3.52 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): I begin with a profound personal apology to your good self, Mr. Chope, for the fact that you have had to listen to me five times in two days. I do not know what you have done to displease Mr. Speaker. I congratulate the hon. Member for Montgomeryshire (Lembit Öpik) on his engagement and wish him well.

This has been an excellent debate and I congratulate my hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck) on securing it. It is recognised throughout the House that she has been a champion of housing in the capital. I hope that all hon. Members agree that a one-and-a-half-hour debate in Westminster Hall is inadequate for such a massive issue. We need a topical debate on the Floor of the House, or perhaps a three-hour debate here on a Thursday afternoon, because the matter is so important.

Many issues have been raised: overcrowding, temporary accommodation, problems associated with choice-based lettings, homelessness, rough sleeping and economic apartheid, which my hon. Friend the Member for Hendon (Mr. Dismore) mentioned. A common theme—I hope that we all agree on this—is that we need to build more homes, particularly affordable homes, with an emphasis on social homes.

As my hon. Friends the Members for Hendon and for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) said, the fact that the non-London hon. Member for Henley (Mr. Johnson), who claims that he will be a strong voice for London, is not here to debate housing, which is one of London's most pressing issues, is symptomatic of his campaign. He is running scared, hiding from scrutiny, and demonstrating an arrogant and disgraceful disdain for the electorate. The hon. Member for Welwyn Hatfield (Grant Shapps) did a sterling job of trying to defend his hon. Friend, but he knows the truth. It is disgraceful that someone who wants to represent London, the world's best city, is not here to have his policies scrutinised.

London's need for housing has been well explained during the debate. It is an extremely successful city—arguably the best—and is growing fast. The London plan estimates that the population will increase from around 7.5 million in 2006 to 8.19 million in 2016 and 8.71 million in 2020. The number of households is expected to increase by around 720,000 by 2026. We have discussed the imbalance of supply and demand, and that has an impact on prices, which has an impact on affordability. It is genuinely shocking that the average house price in London, when adjusted for the mix, is now £339,000. Anyone who suggests that someone with an income of £60,000, £70,000 or £80,000 is normal does not move in the circles in which my hon. Friends and I move in our constituencies. That shows a level of elitism that I do not want in housing policy, and we must address that.

We have been building more homes in London in recent years. In 2006-07, more than 31,000 homes were completed, but the Greater London authority estimates that London will require about 353,000 new homes over the next 10 years to meet the backlog and future demand.

My hon. Friend the Member for Regent's Park and Kensington, North raised many issues. She wrote to my right hon. Friend the Minister for Housing in February, and I replied on my right hon. Friend's behalf yesterday—I hope that she received that. I shall reiterate some of the themes concerning temporary accommodation, overcrowding, homelessness and rough sleeping because they are important. I will be happy, with my hon. Friend's permission, to share that reply with hon. Members who have contributed to the debate.

I want to respond to the important point that my hon. Friend the Member for Hendon made about Barnet and the patchiness of affordable housing in the capital. He was right to say that last year the proportion was about 10 per cent. We need a lot more, but I want to consider the matter with a three-year trajectory because that gives an idea of direction and how local authorities are committed to ensuring that they provide affordable housing.

The three-year average for Barnet is 23 per cent., which is one of the lowest in the capital and is matched only by Liberal Democrat Richmond with 20 per cent., Liberal Democrat Sutton with 17 per cent., Conservative Wandsworth with 18 per cent. and Conservative Kensington and Chelsea with 21 per cent. I do not want to be party political, so I shall mention the Labour-run London borough of Greenwich, which has a three-year average of 19 per cent., but it is important to point out that last year it showed 38 per cent. affordable housing in its total new build, so it is moving in the right direction. In 2004-05, the figure was 17 per cent. That is important, because local authorities have a key role in securing affordable housing and that shows how committed they are to addressing people's needs and to obtaining affordable housing in their areas.

Mr. Dismore: My hon. Friend would have noticed, as I did, that the hon. Member for Welwyn Hatfield (Grant Shapps) did not answer the question about the 50 per cent. rule—one can only assume that he does not agree with it. His contribution suggested that he wanted to let rip the open market in London. His solution seems to be to build more houses without any reference to social housing. Is that my hon. Friend's understanding of where the Conservatives are coming from, and what would that mean in Barnet?

Mr. Wright: As I said, the hon. Member for Welwyn Hatfield is slightly embarrassed by the stance of the Conservative mayoral candidate.

Grant Shapps: Not at all.

Mr. Wright: Well, he should be, frankly.

Grant Shapps: Will the Minister accept that what is important is not the percentage of affordable housing that is built, but the absolute numbers that are built? Some of the councils that he has mentioned have exceeded the Mayor's own building target. Does the Minister not accept that that is a good thing?

Mr. Wright: Targets are the right way to drive through improvements in performance, particularly the 50 per cent. target on affordable housing. Yes, let us build more homes, but some people, such as those within the circles in which certain hon. Members move, think that having houses worth £300,000, £400,000 or £500,000 is somehow acceptable and that they are quite cheap. I do not think that that is acceptable. We need to address in a strong manner the needs of the people on the ground whom we represent, which is something that the Conservative party does not do. This is a key dividing line in terms of how we ensure—

Mr. Christopher Chope (in the Chair): Order. We must move on to the next debate.

4 pm

Sitting suspended for a Division in the House.

Private Sector Rented Housing

4.15 pm

Ms Sally Keeble (Northampton, North) (Lab): I am very glad to be able to have a debate this afternoon on private rented housing. I am also very grateful for the information that has been provided to me for the debate by a number of external organisations. Clearly, there is wider concern on the issue among both housing industry professional organisations and the organisations that support tenants and homeless people. I hope that my comments will feed into the current Government review of private sector rented housing, which my hon. Friend the Minister is leading. I hope that he will say more about that review when he winds up and that he will give assurances about how the points that I raise will feed into the review and be reflected in the results.

My concern is especially with the use of private rented accommodation as an alternative to social rented housing for people on low incomes and particularly homeless people. I want to raise four issues that I hope my hon. Friend will include in his review and I would like three particular recommendations to come out of it. First, however, it is important to recognise the role that private sector rented housing plays in the overall housing mix. It accounts for 12 per cent. of England's total housing stock, catering for people at all income levels. Of course, much of it operates perfectly well. Indeed, I understand that, overall, tenant satisfaction is higher in the private rented sector than it is in relation to housing associations or among council tenants.

However, underlying that overall position are many private sector tenants who are among the most vulnerable people in society and there is evidence that that group is growing in number. One of the drivers of that is the Government's housing options approach, which has encouraged tenants who apply for social housing to consider private rented accommodation. It would be helpful if my hon. Friend, either now or later, could clarify the Government's intention on the way in which housing options interviews are conducted. My understanding is that the needs assessment should come first and the discussion about housing options and how those needs are met should come second. The person inquiring about housing should not be plunged into talking about options before their needs have been assessed.

Unfortunately, the expansion of the private rented sector has not been accompanied by the rationalisation of it. A very large number of small-scale landlords make their money out of renting small numbers of properties—in many cases, renting to tenants funded by the public sector—and although many of those landlords are entirely reputable, a significant minority are not.

The use of the private sector for what are basically public sector tenants can work well. Last year, I went to an excellent seminar run by Shelter, at which a number of local authorities spoke about the constructive working relations they had with private landlords in their areas, which worked in the interest of housing homeless people. The private sector was a partner in active planning for housing homeless people and assessing needs in an area. However, I know from my constituency that if the local authority—in this case, Northampton borough council—is poor, the process of considering housing options can too easily become a process that pressurises

[Mr. Whittingdale]

solution can be achieved through agreement in the industry. I must say, however, that there is absolutely no sign that the secondary market will agree to it. Indeed, responses to the Government's proposals from bodies such as Seatwave make it clear that they do not agree to them at all. It may be over-optimistic to think that agreement can be achieved.

However, I share the Government's wish. The Minister said in his evidence to us that, if possible, there should be voluntary agreement rather than Government intervention. For that reason, the Committee was particularly interested and encouraged by the development of a proposal, first introduced by the Music Managers Forum, for the establishment of a resale rights society. The idea has attracted support from a number of different parties in the industry, and it seems to offer at least the possibility of achieving the voluntary approach that both the Committee and the Minister think is the most desirable outcome.

I think that everyone supports the first part of the proposals, which concerns the general need for a code of conduct, but I found the second part attractive. It states that there should be an agreement that, where a ticket is sold for a large amount in the secondary market, the owner of the original intellectual property right—the performing artist or the sporting body organising the event—should get some benefit. It has certainly been a great cause of resentment that artists see tickets for their performances being sold for hundreds if not thousands of pounds and get absolutely no benefit from it.

There is a precedent in artists' resale rights, which were introduced a few years ago, mainly as a result of European Union intervention. Those rights require that, if a work of visual art is sold at auction, a payment should be made to the artist if they are still alive or to their estate if they died within the past 70 years. The rights have established a precedent that artists are entitled to some reward for their efforts not just the first time their work changes hands but on subsequent sales. Applying that precedent to secondary ticketing seems to have the same logic, and it is encouraging that the proposal is achieving widespread support.

I understand that the proposal is supported by artist management organisations representing more than 300 artists, including Mr. Williams, whom I have mentioned, the Arctic Monkeys, Franz Ferdinand, Girls Aloud and a vast number of well-known artists. It is also supported by the Performing Right Society and the Concert Promoters Association. The Association of Secondary Ticket Agents supports it as well, or at least accepts the principle, so at least some members of each component part of the industry are willing to sign up to such an agreement.

Since the Committee produced its report, there has been some movement. It appears that what was, in our view, an almost intractable problem when we set off on the inquiry might have a solution that everybody can support. We are optimistic that the voluntary arrangement that all of us want might be within reach, but I am not necessarily persuaded by the Government's proposal that additional restrictions should be placed on the so-called crown jewels. I shall be interested to hear the Minister's further comments on that in due course.

2.58 pm

John Robertson (Glasgow, North-West) (Lab): It is a pleasure to serve under your chairmanship, Mr. Weir. I congratulate the Select Committee and its Chairman on the report. Although I do not necessarily agree with everything in it, it is a report on a subject of some importance.

The report poses the question, "What is ticket touting?" I think it is fairly clear that a tout buys tickets and exploits demand to resell them at a profit. In my view, the Secretary of State for Culture, Media and Sport was absolutely right when he said that touting

"doesn't add anything to the cultural life of the country, but instead leeches off it and denies access to those who are least able to afford tickets".

As chair of both the all-party group on music and the all-party group on communications, I am disappointed that neither the Select Committee's report nor the Government's response reflected that. Although I welcome the attention given to ticket touting and much of the discussion in the report, I feel that the recommendations give a green light to touts and will ultimately prove counter-productive and lead the industry down a dubious path.

There are two main classes of victim of touting: first, the fans and consumers and, secondly, the primary sellers and the entertainment industry itself. I have little doubt that everyone here will know someone who has attempted to buy tickets, but missed out and then seen them on sale on auction websites going for vast multiples of the face value. In fact, last year, my daughter found tickets for a Take That concert on sale on a site before they went on sale officially—so the 20 minutes that the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale) was talking about did not exist. They were actually on sale on sites before being released to the public. How is that possible?

With every ticket sold in that way, those who missed out originally, those whose bid was insufficient and the person who eventually bought the ticket at a vastly inflated price are all victims of this exploitation. The Select Committee's final recommendations failed to bear that in mind. One reason for that was perhaps a lack of evidence from individual consumers, but then, it should hardly surprise anyone in Parliament that so few individuals submitted evidence to the Committee's inquiry. I wonder whether a more proactive approach is required.

We can all reflect on this sentence from the report's conclusion:

"it is not realistic to expect to find solutions in a forum where that market is virtually unrepresented."

The majority of constituents and music fans to whom I speak are overwhelmingly against ticket touting. On the consumer side, the Committee mentioned conflicts of opinion in a number of polls. That could be summed up by Pink Floyd's lyric:

"Money, it's a crime. Share it fairly but don't take a slice of my pie."

It is interesting to note that both opinions cited in favour of touting came from eBay and viagogo—internet auction sites. Against that, a poll by the *New Musical Express*, a magazine for music fans, showed seven out of 10 people against touting; that was backed up by a poll from YouGov.

Mr. Nigel Evans (Ribble Valley) (Con): I do not discount what the hon. Gentleman says about polls showing that the public are against ticket touting. However, the public tend also to get depressed about corporate hospitality, particularly when there is a scarcity of tickets. They say that genuine fans cannot get tickets because they have all been snapped up by big multinationals, employees of which then give them out to their friends. Would he consider banning that as well, or does he treat that differently?

John Robertson: The hon. Gentleman makes a fair point, but I must confess that I had not thought about it. I shall ponder on it and perhaps slip something in at the end of my speech. I understand what he says, but the ordinary, everyday punter usually cannot afford £200 or £300 for corporate hospitality. I also understand why football clubs provide corporate hospitality to bring in extra revenue and why, when they build new stadiums, they build in the relevant facilities while—hopefully—still leaving plenty of room for other fans. After all, some of these are big stadiums, such as Arsenal's Emirates stadium. The old Highbury had a capacity of about 37,000 to 38,000, compared with the over 60,000 capacity of the Emirates. They have probably tried to cater for everyone there. However, that cannot be said of ticket touting.

An interesting phenomenon a few years ago, which the Committee did not mention, was people putting in unenforceable bids of hundreds of millions of pounds. Glastonbury was one such example of ticket bids being made to scupper the auction. On that occasion, nobody won—nobody got a ticket—so the situation had to be looked at again. However, those things can happen.

The industry is the other key victim of touting. As the report usefully highlights, there is a practice of selling below the clearing price, particularly on the basis of the long-term commercial interest of the whole industry. That is why touts are able to prosper, exploiting the fact that the tickets have been sold at a cut price. Music fans spending hundreds of pounds on one ticket are unlikely to be able to afford to attend many of the smaller events in the industry; that would lead us to believe that the money being spent on the big events will affect the small ones, which might not be as well attended. That, in turn, will affect the future richness of talent, of which this country has an abundance coming through. Will that talent still find a way through if the only people being attended are those with a big name and big advertisers behind them?

The hon. Member for Maldon and East Chelmsford mentioned Robbie Williams, who of course did not come up through the clubs and pubs—he emerged on the scene because he was manufactured, along with a few other boys. As it turned out, they had talent, but he managed to bypass the kind of events that I am talking about, which we must support.

Joan Walley (Stoke-on-Trent, North) (Lab): Does my hon. Friend agree that Robbie Williams is where he is today because of the rich cultural life in Stoke-on-Trent, in Burslem and other towns of the Potteries?

John Robertson: I have visited Stoke-on-Trent many times, but I might have missed that rich culture—in those days, when I was an engineer, I went for the pubs and clubs.

Paul Farrelly (Newcastle-under-Lyme) (Lab): May I add the name of Newcastle-under-Lyme to this debate, where there are also many Robbie Williams fans?

John Robertson: There are many clubs and pubs in my hon. Friend's constituency, as well. I used to be a BT engineer, and it had a training centre there, which took me away from home for many weeks, so I know that area very well. I must say that I enjoyed it. It is a great area and an excellent place to live—and I have now lost my place.

The report usefully highlighted the practice of selling below the clearing price, which we must remember. The industry also looks at ways in which to cultivate long-term fans, which is why the first response of the primary sellers was not simply to increase prices on their auctions, although they now seem to be going down that road. Pictures for identification have been introduced on to some tickets. Why would the primary sellers want to do that if they were happy with secondary selling? We must consider that, as well. Later, I shall go into more detail about where the industry is going. The Committee's final recommendation, for the profits of touting to be shared with the primary market, does not recognise the additional, new ticketing costs aimed at beating off touting. We need to consider how recompense can be provided. Indeed, if the recommendation were supported, the added legitimacy of the industry's involvement would be likely to increase the secondary market. That is unrealistic in the light of current trends.

Yesterday, Geoff Ellis, the director of T in the Park, told me that artists are now beginning to ask for tickets to events to be auctioned on their behalf, so that the profits go to them, rather than to the ticket touts. He also informed me that the Concert Promoters Association is looking to set up its own auction site and allocate a certain percentage of tickets to it from the primary market. Ticketmaster, another recent development, has formally called for regulation. It has purchased Get Me In!, which is another ticket auction site. So the primary market is now looking to make a greater share of its profits from providing a secondary market itself.

The report points out that the market has a moral right to receive what the consumer would like to pay. Where I think that it fell into error was in failing to question the moral right of a tout to share in the profits. The report also recognises that it would be wrong for someone to profit from the sale of a free ticket. I have difficulty seeing why, given that the industry deliberately sells below the clearing price, that principle should not apply to all tickets.

Another question that I would put to the Government is this. If someone deliberately exploits demand for an event that has deliberately been made more open to the public, what difference will it make if the ticket costs £20 or nothing?

On the middle-way solution recommended by the Committee, the secondary market undoubtedly has several benefits for the consumer, but I find it difficult to understand why such benefits should be seen as exclusive to touting, where profits are involved. There is an imperative for a better system of refunding and reselling that involves primary sellers. A ban on reselling tickets for vast profits, as the industry urges, would be a sensible trade-off in return for a number of measures. Such measures could include more guarantees on refunds,

[Mr. Llwyd]

that might involve concentrating entirely on getting offenders clear of drugs for the first four or five months. The second phase could then involve literacy and numeracy, or unpaid and community work. The hope is that the final phase would involve those people looking for paid employment and getting back into mainstream society.

Too many people have community sentences that lump everything together. Someone who is on hard drugs is bound to live a disordered life. How can they look for work or attend a literacy or numeracy course? It is impossible. Crown Court judges, of whom I know many, are disheartened when they hand down such sentences because they know pretty well that they will see the same people again in two or three months' time and will have to send them away.

I know that the Minister of State to whom I referred is considering my suggestion with his officials, and I hope that phased community penalties are introduced. Suffice it to say that I am a firm believer in the community penalty route. Clearly, we need prisons, but they should be a last resort, and when we send people away we should be considering their rehabilitation. That is not about being soft on crime, and nor are the staggered or progressive community orders. In fact, they are about being tough on crime and tough on the causes of crime, to coin a phrase.

9.56 am

John McDonnell (Hayes and Harlington) (Lab): I apologise for being late, Mr. Gale. I put it down to problems with the transport system, which I am sure will be resolved after the mayoral elections in a week's time. I shall not even mention the name of the relevant candidate.

I speak as the secretary of the all-party group on justice trade unions that brings together the Prison Officers Association, the National Association of Probation Officers and the Public and Commercial Services Union. It also engages in dialogue with the Police Federation and other voluntary organisations that deal with the Prison Service. May I briefly put on record some of the concerns of individual unions and associations that have been raised through the all-party group? I apologise if some of these issues have been discussed in more detail by the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd).

A key concern for the POA, which I have raised on several occasions, is the lack of long-term planning regarding the prison population and the investment of resources. There is a specific problem with identifying what needs to be done for rehabilitation. In previous debates on this issue, the Government have announced that there would be 9,500 additional places on the prison estate. The number was initially 8,000, and a further 1,500 were announced later. POA's position on those additional places is that they are too little too late. I recall having meetings with Ministers two years ago in which we identified, using POA's projections, the capacity that would be required, but the Government did not respond to those submissions. As a result, it looks as though the Prison Service will soon be at operational capacity once more, which means that there could be about 20,000 overcrowded places and prisoners sharing. POA points out that, in that situation, it is almost impossible to venture into rehabilitation.

I repeat POA's plea about the need for a clearer strategy on mental health and drug treatment. I appreciate what the Government have done in giving additional resources, particularly for drug treatment, but from POA's point of view, it is almost a drop in the ocean in terms of the scale of the mental health and drug issues that prisons face. The last estimate was that at least a third of the prisoners that it deals with have mental health problems. A similar number of prisoners have drug-related concerns.

There is cross-party support for the development of community sentencing. In our own areas, we have seen the success of community sentencing in many instances. However, as the hon. Member for Meirionnydd Nant Conwy said, community sentencing must be resourced properly. We welcome the additional £40 million that the Government have announced; it was a real breakthrough to have a specific amount identified as a result of a lobby that came from the all-party group on justice trade unions and other organisations. However, that additional money is being given in the context of the overall savings that must be found within the Department itself, and there is some confusion about the specific allocation of the budgets that will be dedicated to community service.

My colleague, the hon. Member for Meirionnydd Nant Conwy, who is the vice-chair of the all-party group on justice trade unions, has cited the individual examples that are being reported to us now of situations in which there are insufficient resources to supervise the community sentences in a way that would make them constructive in contributing towards the rehabilitation of individual offenders. It would be useful to obtain clarity on the individual probation budgets, area by area, so that there can be greater transparency about the level of resources that are being invested for community sentencing within the regions themselves, because there seems to be a lack of clarity at the moment.

I would also like to say that there is an issue of morale within the service, across the piece. Members of the POA have been affected by the continuing refusal by the Government to recognise their trade union rights. From the POA's point of view and increasingly from the point of view of NAPO, there is almost a continuing wrangle over pay, and NAPO members are back in pay talks with their employers. The Government have set an overall 2 per cent. pay limit on public sector pay, but within the probation service the employers seem to want to go even further, by inflicting pay reductions. The employers are now looking, before any process of negotiation that will lead towards a pay offer, at undermining the conditions that NAPO workers have enjoyed regarding flexible working and harmonisation of working hours, and they are also looking at assaults on sickness and other forms of working condition agreements. That all impinges upon the morale of the probation officers themselves, who are struggling to do a good job in very difficult circumstances.

Interestingly, the Ministry of Justice itself acknowledged, in a press statement, the work that was being undertaken by NAPO members. That press statement complimented NAPO members, saying:

"In 2006-07 the National Probation Service had its best performance year with the highest ever rates of ... completed accredited programmes and unpaid work, and more offenders starting and completed drug rehabilitation than in any previous year."

At the same time, their employers are seeking to undermine NAPO members' wages and working conditions.

I suppose this debate gives us the opportunity to make a plea to the Government for a number of things: first, consistency of investment over time, and secondly, clarity about budgets and their distribution on a regional basis. However, the Government also need to take responsibility for creating a climate of industrial relations within the justice sector that can contribute more effectively to the delivery of services than the situation at the moment, in which there seems to be an element of hostility from the employer's side towards the employees, who, as the Government themselves have said, have performed well in recent years. I hope that the Minister will be willing to meet the all-party group on justice trade unions, so that we can discuss these issues.

I know that we have had direct access to Ministers on a consistent basis in the past and that has been very constructive; it has enabled us to raise issues that nip some problems in the bud and also assisted the Government in coming forward with some of their policies that have been constructively appreciated by the work force themselves. I would welcome now a further dialogue with Ministers through the all-party group on justice trade unions to resolve some of these issues in the long term.

10.4 am

David Simpson (Upper Bann) (DUP): I congratulate you, Mr. Gale, on chairing the debate today. I also congratulate the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) on securing this debate. I will try not to refer to his constituency again, because a mixture of Welsh and Ulster Scots at this time of the morning would probably be more than most people could handle. However, I am very happy that he has secured this debate. Briefly, I want to dwell on the issue of sentencing. I probably will be coming at the subject from a different angle to him, and hon. Members may disagree with me.

One of the features of sentencing in recent times has been a failure, on some occasions, to make the sentence even come near to fitting the crime when it comes to offences such as sexual offences, including rape and sexual assault. It beggars belief that people can serve as little as a few months for the crime of rape. We have a situation in Northern Ireland—I am speaking in this debate on sentencing in Northern Ireland, because the issue is not devolved—where, by the Government's own admission, victims of rape were reluctant to come forward. They were reluctant to do so because, in the first instance, they were concerned about the way in which they would be treated. I work a lot with the Rape Crisis Centre and with young offenders, and many victims of crime would say that they often end up feeling like criminals themselves. Secondly, victims of rape are fearful about how the perpetrator will be treated. Far too often, the sentence handed down is too light and elements of the crime, such as the long-term trauma inflicted upon the victim, are not given proper consideration.

The Secretary of State for Northern Ireland has vowed to tackle this problem, although I am not entirely convinced that his proposals will prove to be the answer that he believes them to be. Perhaps the Minister, when she is winding up, could answer some of my questions. First, does she agree that this situation is not unique to Northern Ireland and that it occurs right across the whole of the United Kingdom? Secondly, does she agree that much more needs to be done to encourage victims of such crime to come forward, to make the process less traumatic for them, and also to make judges more accountable for how they hand down sentences?

I have listened to the hon. Member for Meirionnydd Nant Conwy and I agree with a lot of his points. A balance must be struck regarding sentencing, but some judges hand out very lenient sentences for this type of crime. There must be stiffer automatic tariffs and early release must be made much more difficult to obtain.

Finally, will the Minister join me in asking the Secretary of State for the Home Department to place these issues higher in the Government's priority list? If that were to happen, we would move to tackling what I believe is a very serious situation affecting folk right across the United Kingdom. There are many difficulties in relation to sexual offences and I believe that the Government should put the treatment of those difficulties higher up their priority list.

10.8 am

Mr. Mark Oaten (Winchester) (LD): I start by declaring an interest, in that I am a trustee of a prison charity, Unlock. I will then attempt to pronounce the constituency of the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd), having spelled it out phonetically for myself.

Mr. Llwyd: Not bad.

Mr. Oaten: Good. I congratulate the hon. Gentleman on his remarks and on raising the significant issue of prison overcrowding. It is important that we keep referring to it, it is an issue that will not just go away, and I thought that he summarised extremely well the knock-on consequences of prison overcrowding.

Normally, those who participate in Westminster Hall debates try to be consensual and non-confrontational, but, given what has happened over the past 10 years under this Government, it is difficult to take a constructive approach. The figures speak for themselves. The enormous increase from 61,000 to 82,000 cannot just be explained away. I have some serious concerns about the way in which the prison population has gone up so alarmingly under a Labour Government.

Of course, the big increase in overcrowding has several wide-ranging consequences that make it difficult for the Prison Service to get itself out of the cycle of reoffending and overcrowding. The hon. Member for Hayes and Harlington (John McDonnell) discussed the impact that overcrowding has on the morale of the people who work inside the prisons. Their ability to deliver good prison services is clearly undermined by current population levels. Their ability to deliver services that would reduce overcrowding is a matter of major concern. I shall run through some of the effects of overcrowding, and they were touched on by the hon. Member for Meirionnydd Nant Conwy.

Education is one of the big losers as a result of overcrowding. The fact that some prisons do not have enough staff to cope with getting prisoners from cells to classrooms was drawn to my attention. A simple issue of geography within the prison itself is a ridiculous barrier to getting prisoners into classrooms to learn.

[*Ms Buck*]

notice, who have had nine different temporary addresses in 10 years. I have brought to the Department cases of families living in such substandard temporary accommodation that, although we subsidise landlords by £400 and more a week, roofs fall in, boilers have not worked for years and paint is falling off the walls. Such properties are dangerous, let alone unsanitary and unpleasant.

Jeremy Corbyn (Islington, North) (Lab): My hon. Friend is making a very valuable point. Does she share my concern that there sometimes seems to be an unhealthily close relationship between local housing authorities and the placing of homeless people in private rented accommodation, often on excessive rent, with very poor levels of inspection and advocacy available to the tenants, who, after all, are the victims of a system costing the public a vast amount of money?

Ms Buck: I agree totally. I would be perfectly content to devote all my time in this debate to the subject of temporary accommodation. Indeed, I have had such debates, because we have experienced many problems with it. A few weeks ago, the chief executive of a major London housing association told me that properties in his temporary accommodation portfolio are inspected every month. Given the condition of properties that I have visited—I have seen black fungus growing down the walls and holes in walls that I could put my hand through—I wonder what those inspectors were doing. Of course, in truth, such inspections never took place. A pressing need remains to improve standards.

Having said all that, if we could ensure, as we should be able to do, reasonable quality and stability for households in temporary accommodation, and if we could crack the long-standing problem of disincentives to work for families in temporary accommodation—an issue about which colleagues have expressed concerns—we could ensure that we balance the needs of homeless families with those of families in chronically overcrowded accommodation. But we do not do that. In the past, I have used the analogy of a table with three legs. We consider home ownership, the quality of housing delivered through the decent homes initiative, and homelessness; but we have consistently failed seriously to address overcrowded accommodation and tenant transfer. We do so at our peril.

If we look at the figures for families bidding under choice-based systems, we see exactly what that means: 200 to 300 families bidding for one home each week. Those families are devastated by a process that goes on for years. Every week, they build up their hopes and pray that the conditions in which they live will be relieved, but every week—for 52 weeks, followed by the next 52 weeks, and so on—those prayers are not answered. I cannot tell the Minister strongly enough how dangerous and corrosive that experience is. It is even worse because most of those households were probably—in fact, we kind of know—homeless themselves, so they have gone through all this twice.

In the mid-1990s, Westminster council deliberately placed families who had entered social housing through the homelessness route in properties that were too small for them, on the ground that they should be grateful for anything. That policy has come back to bite the council in the leg, as it were. I suspect that it was not alone in doing that, and anyway, I am not entirely sure that that gets us off the hook regarding where we are now.

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): I am sure that my hon. Friend's story is the same as mine. For my local authority, the given waiting times for the lower bands of the choice-based letting scheme, in which more than 90 per cent. of people are based, are 12 years for a four-bedroomed property and eight and a half years for a three-bedroomed property. As she will know, those are the properties most in demand. In reality, that might as well be 120 years and 85 years. There is no opportunity at all for those on the waiting list to get family-size accommodation in inner-London boroughs.

Ms Buck: I thank my hon. Friend for that illustration; he is absolutely right. We could all add to those figures. I shall repeat my tradition of quoting from some of the correspondents with whom I have been dealing recently. Obviously, I shall not give names, but I am always happy to pass on such cases.

"Yet again I have no one to turn to. Only you. I had a very bad time for over 8 months. My wife had twins prematurely but one of them passed away too weak to survive and the other had many operations and is still under medical treatment, but thank God we have brought her home … but the state of my house now is like an animal cage now with damp and cold, with cracks and the overcrowding that we are in."

Another one was from someone whom I shall call Marianne:

"I wrote to you before when I was eight."

I have the letter in my file.

"but my situation has not changed. We are still living in a one bedroom flat, me and my mum and my little brother. I have been living in this flat all my life and I am sick and tired of it, having to share a room with whole family is upsetting and depressing. I have no privacy whatsoever … please … my mum has tried everything, bidding is useless with no hope. I feel like I'm never going to have my own room or any space to play or dance."

We need an urgent commitment to making progress on overcrowding. I do not believe that we will do so, despite the additional money that has been invested—welcome though that it is—and the Mayor's commitment, if we do not reconsider the implications of the 50 per cent. target for reducing temporary accommodation. We cannot have a table with three legs. That commitment to housing need is absent from local area agreements, and, therefore, from local authorities' targets and most people's consciousness, and yet that need is gripping almost 250,000 households in London.

In addition to driving forward the supply of family-sized accommodation and the broader supply question, we could consider those welcome but modest measures that the Government announced before Christmas. What is happening to the remainder of the £10 million allocated to dealing with overcrowding? Why did all London local authorities receive the same allocation of £100,000 when—to put it gently to colleagues from all parties—Bromley, as far as I am aware, does not have an overcrowding crisis, but Newham, Hackney, Westminster and Islington do? Given that all the evidence confirms that this is a highly concentrated problem, in 15 or 20

boroughs, what is the logic of regarding all local authorities as being in the same situation? Why is there no specific capital funding from the housing pot to tackle overcrowding? It would be relatively easy to do that. Why are we not driving forward a substantial programme on extensions to and de-conversions of existing properties? Last year, that policy, which can be very helpful, delivered only 126 units, but it should be capable of delivering thousands.

The Department is very conscious of my concerns about definitions and measurements. Dry and technical though that sounds, it is absolutely clear that if we do not adopt a consistent approach to assessing housing need, we will not be able to define the scale of the problem or set our priorities properly. At the moment, we do not have that. I shall provide an example of what that means. Two weeks ago, a mum and dad and their three children came to see me. They were sharing a studio flat in the private rented sector. Environmental health services inspected that property and found that it constituted a category 1, band A hazard under the housing health and safety rating system—the most serious hazard that they can find. The family applied as homeless on the ground that the property was not suitable for occupation. The letter came back from the homelessness section of the council stating:

"I have had regard to the Housing Health and Safety Rating System ... it is opined that this is due to overcrowding ... however, overcrowding does not equate to homelessness ... according to the Statutory size standards"

which legally must be taken into consideration

"the accommodation is a reasonable size for you and your household"

'A reasonable size' A studio flat for five people! That illustrates—we have many other illustrations—what happens within and between local authorities when they operate on an overlapping jigsaw of different standards.

The old overcrowding standard—statutory overcrowding—was the enforcement tool that was used by environmental health departments and, as my example shows, is used to help determine whether a family is homeless or homeless at home. Meanwhile, we also have a bedroom standard that has been used since 1993 to estimate the numbers in overcrowded accommodation, although the then Office of the Deputy Prime Minister said in 2004 that the bedroom standard was on the margins of acceptability. The Housing Act 2004 introduced three ways to prevent overcrowding, including the crowding and space standard of the housing health and safety rating system. Finally the 2006 and 2007 discussion papers on overcrowding accepted that statutory overcrowding was out of date, and proposed to move to the bedroom standard, but they did not even mention the use of the HHSRS. However, the bedroom standard is not an enforcement tool, as my standard illustrates.

We really need to sort out this matter. Without making a decision on legally enforceable, consistent sets of measurement, we cannot determine a robust figure for levels of overcrowding and other housing need and give local authorities the tools to enable them to respond to the problem. I ask the Minister to meet me to discuss this matter, as I have asked previous Ministers to do. I want to ensure that officials work with the leading environmental health officer in Westminster. I will criticise Westminster when I have to—and that is frequently—but I will also give credit where it is due. I have to say that the environmental health services department in that local authority is without doubt the best in the country. It is outstanding in its ability to respond to the issues and in its understanding of how the system works and should work. To use that resource would be very helpful indeed.

The temporary accommodation target that I have discussed in relation to the overall issue of housing need has been successful across the country. It has, however, been less successful in London in bearing down on families in temporary accommodation. The numbers in temporary accommodation in London have dropped by only 8 per cent. compared with 2004, while they have fallen considerably elsewhere. However, meeting the target may lead to further perverse consequences, which will make life harder for families in such accommodation. That is partly to do with out-of-borough nominations to accommodation, and partly to do with the tough discharge of duty decisions. I have raised my concern with Ministers about how out-of-borough nominations to temporary accommodation break up the support networks on which families rely. I received confirmation in writing and in parliamentary questions that local authorities should take into account those important support networks.

Last Friday, a heavily pregnant 18-year-old girl attended my surgery. She has spent her entire life in Westminster. Her severely disabled mother, for whom she provides support, came with her to discuss her housing needs. That young woman was accepted as homeless and has been housed in Barking. She is two hours away from her family, her mother, for whom she cares, and her brother. That is despite the assurance that Ministers have given me about what should be done in respect of out-of-borough nominations.

Another woman, currently in a hotel in Hackney, wrote to me last week. She said:

"My partner and I opened a joint application for housing in November 2007 ... as I was heavily pregnant. My partner's mother explained that she would not be able to cope with the stresses of having a young baby, as she has a history of illness and heart problems ... In January we became homeless ... we were told by the council that we would be placed in Temporary Accommodation in East London ... The plea to stay in Westminster was ignored although I was told that I would be put on a waiting list ... Consequently, we were moved to the Leabridge Road Hotel on the understanding that we would be there for six weeks. At the end of the fifth week, we were told to move rooms to a room that was equipped with a kitchenette and that was en suite. I have been employed within Westminster"

for the last two years

"and was hoping to return to work ... It has now been more than three months and I am under an immense amount of stress ... I have become more and more isolated from family and friends."

The Department says that that kind of thing should not be happening. Westminster says that it is under no legal obligation to do anything else, so we continue to have this inconsistency and harshness.

Mr. Andrew Love (Edmonton) (Lab/Co-op): I am looking at the problem from the perspective of one of the boroughs that receives people from central London. Often those people are abandoned in such boroughs for many years. They set up local connections, family and friends. When they are offered full-time permanent accommodation back in the borough it is too late for them, and they are left in limbo in the receiving authority.

[Mr. Iain Wright]

I was struck about what my hon. Friend said on this matter, but I share her vision that the private rented sector should not be a tenure of last resort for those in housing need. To achieve that, standards need to be raised. She was kind enough to mention my constituency, where absentee landlords help to fuel antisocial behaviour and an exodus away from really decent communities. We need to stop that, which is why I believe that we need to increase the professionalism within the private rented sector.

By working closely with our stakeholders within and outside government, we have shown that people's aspirations for increased quality and choice can be met by the private rented sector. One example of what I mean by that will be well known to my hon. Friend. In the east midlands, the regional housing board sponsored the creation of Decent and Safe Homes in late 2004. Since its establishment, DASH has held several regional events and has delivered both advice and training courses for landlords. I am also encouraged by Northampton council's landlord forum and its student accreditation scheme, which looks at property condition.

A key theme in my hon. Friend's excellent contribution was the need for better regulation. I was struck by a phrase that she used, and I shall take it on board when we discuss the private sector review. She was absolutely spot on when she spoke about how we should stimulate, as well as regulate, the private rented sector market. However, as she recognises, targeted regulation to back up voluntary approaches is important.

We are not starting with a blank sheet of paper. Measures that were introduced in the Housing Act 2004 are having a positive benefit. First, we introduced mandatory licensing of houses in multiple occupation. Real progress is being made by local authorities that use their powers to tackle what are potentially the most problematic parts of the sector. We are now beginning to see applications from some councils to establish discretionary licensing schemes. So far, we have approved five selective licensing schemes—my own borough of Hartlepool is about to put one forward—and, in the summer, I went up to the north-east and saw that Gateshead council's excellent scheme is working incredibly well. Several more such schemes are in the pipeline, so the knowledge that local authorities can and will take targeted steps to deal with problem areas will, I believe, give confidence to people when they make their decision about where to live.

Secondly, we introduced the housing health and safety rating system. Conditions across the private rented sector are already getting better. The English house condition survey found that 49 per cent. of private rented sector dwellings were non-decent in 2001, which reduced to 43 per cent. in 2004. My hon. Friend and I have spoken in Adjournment debates about decent homes in recent months, so I know that she shares my passion to ensure that decent homes are available to all. I remain concerned that some vulnerable people, who are least able to change their housing circumstances, live in non-decent conditions, but our focus on such households is paying off. In 2001, only 57 per cent. of vulnerable people were living in a decent home but, by 2005, that number had risen to 66 per cent. Those are real step changes, and we are on target to achieve our aim of having 70 per cent. of vulnerable households living in decent homes by 2010.

Thirdly, it is a little more than a year since the Government introduced schemes to safeguard tenancy deposits, which was another potential abuse of the system—I take on board what my hon. Friend said on the matter. In that time, 1 million deposits have been protected, and around £885 million of cash has been safeguarded. I am confident that we can build on those successes and meet people's aspirations for greater housing quality and choice, but I recognise that there is still some way to go—the issue raised by the Citizens Advice report, "The tenant's dilemma", which my hon. Friend mentioned, gives just one example of that. I am conscious of the issue of retaliatory eviction and have pledged to look at it, and to ensure that the review of the private rented sector also considers it.

My hon. Friend was spot on when she said that there needs to be a delicate balance of rights and responsibilities in the landlord-tenant relationship within the private rented sector. I have every sympathy for tenants mistreated by their landlords and letting agents, and I am keen to protect their rights as much as possible, but for every letter that I receive detailing tenants' heartbreaking and harrowing experiences with bad landlords, I receive a letter from a landlord about their experience of unprovoked damage caused by tenants and the thousands of pounds that it has cost them to set it right. I know that my hon. Friend is aware that it is a delicate balance. When that is upset, the image of the whole sector suffers, creating a self-fulfilling prophecy of decline. It is something that we need to address.

That, in a nutshell, is why we commissioned the independent review of the private sector to which my hon. Friend referred. The review is being carried out by Julie Rugg and David Rhodes at the Centre for Housing Policy at the university of York. It has a wide remit. It will look at how the sector meets current needs and expectations, and whether and how both landlords' and tenants' experiences might be improved. In the context of future demand and supply pressures in the private rented sector, the review will consider what needs to be done to ensure that private renting offers people the right type of homes of good quality both now and in future, and what more should and could be done to raise professionalism.

I was taken by my hon. Friend's point about institutional investment. To be terribly frank, I am keen for more players to come to the table. I want councils and private developers to expand their housing supply, and I am intrigued by her suggestions about institutional investment. Institutional investment tends to be by big pension funds, which need, quite rightly, a rate of return to ensure that pensions are paid out. That is important, but one of the things that the private sector review could consider is the current make-up of the sector and whether that acts as a barrier to a fit-for-purpose product. In particular, Julie Rugg has been considering incentives for large institutions to invest in the private rented sector. That is extremely encouraging.

Ms Keeble: I meant to intervene earlier, when my hon. Friend was talking about the rent deposit scheme. Could he arrange a briefing for me on how it works and

what the rules are so that I can work out why my constituents cannot access it and how they might be able to?

Mr. Wright: I certainly pledge to do that, so that my hon. Friend can provide an even better service to her constituents.

My hon. Friend's other main theme was security of tenure, and I have a lot of sympathy with what she said. The review is considering security of tenure in exploring whether more needs to be done to improve the experiences of both landlords and tenants in the sector in relation to their rights and responsibilities and the delicate balance to which I referred.

Because I hear about it in my constituency surgeries, I understand the point about security of tenure, six-month leases and shorthold tenants. The average tenancy in this country lasts between a year and 18 months. That seems to suggest that many landlords are happy to allow their tenants to continue their tenancy after the initial six-month or fixed-term agreement has ended. I suggest that that is a contractual matter, and that it is up to the tenant and the landlord to come to a mutually beneficial agreement on what can be achieved, but I am keen to take on board what my hon. Friend says.

Julie Rugg and David Rhodes have engaged with a wide range of stakeholders from across the sector, and I am keen for my hon. Friend to contribute. I shall ensure that a relevant copy of *Hansard* is provided, and I am happy to facilitate meetings with my hon. Friend. I am also grateful to other hon. Members and stakeholders who found time to take part in the review's evidence-gathering. The review is due to report to Ministers this October, and I look forward to seeing the results.

I want a strong private rental sector that encourages and assists the well-intentioned majority of landlords to stay within it and shows less professional landlords the red card. That will mean striking a balance between the rights and obligations of landlords and tenants and between regulation and voluntary initiatives. It relates to my hon. Friend's point about stimulating as well as regulating; I like that. I expect and hope that the conclusions of the private sector review will advise us on whether we have struck that balance or need to do more. I look forward to receiving it.

Post Office Closures (Northavon)

4.45 pm

Steve Webb (Northavon) (LD): I shall use the short time available to bring to the Minister's attention the implications of the Government's plans—they are the Government's—to close three post offices in my constituency: Old Sodbury, Tytherington and Station road, Yate. I am tempted to sympathise with the Minister. I am aware that he has dealt with similar debates on post office closures in Cheshire, Clapham, the highlands and islands, Mole Valley, Lancashire and Adur and Worthing, and no doubt others that I have missed. The human side of me sympathises with him at having to listen to yet another hon. Member talk about his local post office, but actually, I do not sympathise. The Government are damaging our communities, and he needs to hear that over and over until they do something. I do not apologise for securing this debate.

Because we have had a series of debates like this, I asked my office to look up what the Minister will say in reply. I have a note that says, "In his speech, he makes the following eight points." He starts by saying that he does not play a role in decisions about individual post offices, which I understand, and then he outlines the changes in lifestyle that the Post Office is facing, including direct payment of benefits into bank accounts, which has resulted in 4 million fewer people going through the doors than two years ago, and so on.

I do not want to spoil his fun, so I will let him do the other six, but I want to comment on the second point, because Post Office Ltd said it at one of the public meetings in my constituency. It said, "Well, it's all changed now. People don't use post offices so much. They all have their pensions paid into a bank." The Government say that as though it were some neutral process, like osmosis—as though it just kind of happened, and that is why post offices must close. Well, I used to shadow the Department for Work and Pensions, and the Government drove that policy through with a sledgehammer. They bullied people, cajoled them and wrote to them. They as near as damn it forced them to give up their pension books.

Although some went for Post Office card accounts, which means that they still go through the doors of the post office, many of them simply gave up the fuss—not least because Post Office card accounts are hard to obtain—and went to the bank. Then another Department came along and said, "Ooh, gosh, there are fewer post office customers. We'd better shut some." It is ludicrous for the Government to suggest that their hands are somehow clean: "It's just social change, innit, guv?" I am afraid that it is not. It is deliberate Government policy. Yes, the trends have been happening over decades, but if post offices and sub-post offices had had the time, they could have done far more to adjust to new patterns of business and develop the new sorts of business that the Minister will no doubt mention in his reply. It is the speed of change that has caught so many of them on the hop. The Government forced through the loss of one of their major sources of business. The Government are responsible, not social trends.

Now that I have got that off my chest, what about the three post offices in my constituency? I shall give a thumbnail sketch of the impact of each closure, and

[Philip Davies]

confidence that those conditions would stand up in court or are prepared to defend the claim in a court of law. I suspect that that is because they fear a judge would rule the placing of such conditions on the purchase of a ticket to be unfair.

John Robertson: I wonder whether those matters would end up in court if the law were less ambiguous and we had a definitive law on touting. Does the hon. Gentleman not feel that that is what we need?

Philip Davies: No, I certainly do not. I shall deal with this in more detail later, but I shall deal with the hon. Gentleman's point now. It is not a question of whether we allow ticket touting or not. As my hon. Friend the Member for Maldon and East Chelmsford said, ticket touting has always taken place and always will, whatever rules and laws the Government pass. It is a bit like prostitution, in that, whatever people may think of it, it will always happen, and no matter how many laws are passed to stamp it out, it will always take place. The issue that we are debating is whether ticket touting—the sale of tickets in the secondary market—is allowed to be done only by people outside grounds, on a rather shadowy basis with a nod and a wink down a dark alley, or by respectable companies on websites, which give lots of consumer protection to the people who buy the tickets. Whether ticket touting takes place is not and will never be an issue. It will always take place. People involved in football will confirm that, even though there is a law banning the sale of tickets at premiership football games, it still happens. It just does not take place on some of the more reputable sites involved in the secondary market. Let no one be in any doubt that such touting still takes place; it is just under, rather than over, the counter.

The analogy that I would give is buying a house. My hon. Friend the Member for Maldon and East Chelmsford quoted my friend Harvey Goldsmith's comment about ticket touts being like parasites, living off the abilities and intellectual property of others, and denying ordinary folk access to the events in question. It seems to me that there is a close analogy with buying houses. People buy houses off the ability—the intellectual property—of house builders and the construction industry. Those are the people who are capable of building houses, which the ordinary punter would not be able to build. However, those punters buy them, and then sell them on at a profit. I am sure that the hon. Member for Glasgow, North-West would agree that selling them on at a profit is one of the things that prevents first-time buyers from getting on to the housing ladder. If the Government are so obsessed with access to people's intellectual property, and not abusing it, presumably we should have a law to stop people selling their houses at a profit, to allow first-time buyers access to the housing ladder.

Mr. Don Foster: Often a house is purchased with conditions attached, particularly with respect to leasehold. If the hon. Gentleman wanted to buy my current house, he would have to agree that there would be no rowdy behaviour in it. Conditions are attached, and that is important in any sale.

Philip Davies: I do not quite follow the hon. Gentleman's analogy. I am talking about the principle of whether or not something can be purchased and sold on at a profit, even if that denies access to people at a future date or further down the line.

Paul Farrelly: We have traded many hypothetical examples in our discussions on economic philosophy in Committee sittings. Would the hon. Gentleman agree that—unless we are talking about a very bad builder from Shipley—a house, unlike an FA cup final, is not a one-off event?

Philip Davies: That is self-evident, but I do not see that it detracts from the main point. The point is whether or not people should be allowed to buy something and sell it on at a profit, even if it might deny somebody else access to that particular ticket or property. The Government do not want to interfere in any other form of buying something and selling it on at a profit. Why they want to get involved in regulating tickets in that way is beyond me. I will come to the Government's position in a moment.

John Robertson *rose*

Philip Davies: I will give way to the hon. Gentleman, but I also want to give other people the opportunity to speak.

John Robertson: The hon. Gentleman is being very generous. I understand where he is coming from with his house analogy; however, I return to the example of football grounds and football supporters. Clubs are put under pressure because they are supposed to look after their fans. They are deliberately made to keep parts of the ground open for ticket sales, and not to sell season tickets. My own club keeps one part of the ground open and it has deliberately kept the prices down, so that ordinary fans can take their children and buy them a top and all the other stuff. What the hon. Gentleman proposes will prevent that from happening and allow all the tickets to be bought up before they even go on sale, which is what happened with the Take That tickets. That will prevent the ordinary fans from getting tickets to see a football team, or to a pop concert.

Philip Davies: I do not agree with the hon. Gentleman, and in a few moments I will explain why. There are some myths surrounding the practicalities of what ticket touting does. One argument often given—less so now because it is such a palpably stupid argument—is that it takes away money from grass-roots sports. That is clearly not true because the people who sell the tickets in the first place have already got the income that they intended to get by selling them. If someone decides to sell on the tickets at a profit, it makes no difference to the income received by the sporting body or event promoter. Ticket touting, therefore, does not take away any money from grass-roots sports, so the argument that is sometimes trotted out is a red herring.

The other argument—this is where the hon. Member for Glasgow, North-West comes in—is that ticket touts prevent the ordinary fans from gaining access to particular events. That is wrong for a number of reasons. I am not sure where the huge amount of

evidence is to suggest that that happens. One of the points that we made in the Committee was that the evidence for the scale of the problem is very difficult to pin down. It is often given on an anecdotal basis. For example, one finds that only a very small proportion of tickets for an event, either sporting or musical, goes on sale on eBay. I am not entirely sure where we have built up the idea that ticket touting is such a huge issue, and that nobody can gain access to an event because of it. There is no evidence to suggest that it is a massive problem.

Another point is that ticket touting can give the ordinary fan the only opportunity that they will ever get to go to a particular event. My hon. Friend the Member for Maldon and East Chelmsford mentioned Led Zeppelin. I will take his word that the concert was heavily over-subscribed and very popular. If I was an ordinary hard-working person interested in Led Zeppelin and I was not sure whether I could go to the concert when the tickets went on sale—my work might not allow me to go on that day—I would not be in a position to buy a ticket there and then. It might become evident later on, much nearer the time of the event, that I could get the time off work to go. Under the regime that the hon. Member for Glasgow, North-West was advocating, I would ring up the event organiser and find that I could not go because all the tickets had sold out.

Stopping touting will not prevent certain events from being over-subscribed and far more popular than the available number of tickets can cope with. In the situation that I described, I would be unable to go and there would be nothing that I could do about it. The secondary market gives me the opportunity to go to that event. I can go on to eBay to see if a ticket is available and how much it is. It may well be that I decide that I am not prepared to pay the price being asked. It may be that I cannot afford to pay the price. However, at least it has offered me an opportunity that I would otherwise not have had.

Mr. Whittingdale: On a point of information, I had the privilege of attending the Led Zeppelin concert, and I should put on the record my thanks to News Corporation for inviting me. That concert was promoted by Harvey Goldsmith, who insisted that the tickets would not be available until 24 hours before the concert and only on production of the credit card used to purchase the ticket, so he attempted to block the secondary market in that way.

Philip Davies: My hon. Friend's intervention is incredibly helpful. I will come to the points that he makes in a bit more detail later. He is absolutely right. The solution to the perceived problem of ticket touting is often in the hands of the event organisers and promoters themselves. They should not be looking to the Government to take action that they could reasonably take themselves if they put their mind to it. The imaginative solution that my hon. Friend describes is one such way in which it can be done.

I am sure that the hon. Member for Glasgow, North-West is a great believer in the redistribution of wealth. I think that he would agree with me when I say that, if somebody buys a ticket for £25 and it is sold on for £7,000, the likelihood is that the person who bought it for £25 will be much poorer than the person who bought it for £7,000. Therefore, if one believes in the redistribution of wealth, it strikes me that ticket touting is a particularly good way for somebody who is less well off to get a lot of income from a wealthy person who is prepared to pay over the odds. I am rather curious to know why he wants to stop that kind of redistribution of wealth.

The other point that is made is that, if I buy a ticket and sell it on to somebody else, that has prevented the next person down the line from purchasing that ticket. Let us say that Mrs. Bloggs is one place behind me in the queue. I snap up the last ticket and sell it on to someone else. That prevented Mrs. Bloggs from getting a ticket and access to an event that she would otherwise have been able to go to. It might be that I am buying a ticket for the Test match—I am a big cricket fan and quite happy to go to the Test match—and as far as I am concerned, I am going. Lo and behold, in the pub a week before the game, somebody comes along and says, "I have always wanted to go to a Test match. I am only here for a few weeks and I have never had the opportunity to go. I would love to go but I cannot get a ticket. I am prepared to pay £1,000 for that ticket." It may be that I think to myself, "I would like to go to the Test match, but this is an opportunity that I cannot give up. If it means that much to him and he is prepared to give £1,000 for that ticket and I am quite happy not to go on that basis, I will happily sell my ticket to him."

Now, Mrs. Bloggs, who was one place behind me in the queue, is not going to the Test match one way or the other. If the person who is offering me £1,000 for the ticket does not go, I am going to go. Mrs. Bloggs is not missing out at all. This is a private matter between me and the person who wants to pay a fantastic amount of money for the ticket. No one else is involved; it does not affect anyone else.

Paul Farrelly: In that particular case, the hon. Gentleman has half an intention of going to the match. What about the person who has no intention of going to the match and simply wants to flog on the ticket? Is it just tough for Mrs. Bloggs?

Philip Davies: The hon. Gentleman misses the point. If we have a blanket ban on the secondary market and on ticket touting generally, everybody will be caught up. All those who buy a ticket with the genuine intention of going but do not go, for whatever reason—because they subsequently find that they cannot go due to illness or a work commitment; or because they want to sell the ticket on to somebody at a profit later on and had not realised that such an opportunity would arise at the time—would be caught up in this blanket ban of ticket touting. That is the problem with the legislation on this issue.

The hon. Member for Glasgow, North-West said that people want a ban on ticket touting, but I think that it depends on the question they are asked. I am sure that if one asks, "Do you think that dirty, nasty, parasitical ticket touts should be able to make a huge profit from selling on tickets, which will prevent other people from going?", the answer will probably be, "That is outrageous and we should stop it at once." But if one asks, "Do you think that, if you buy a ticket for

[Mr. Oaten]

and civic rights. Among many of the other things they should be doing, prisoners should be voting.

In conclusion, the Government have been doing many things right in this area. However, the bottom line is that the figures speak for themselves. There has been an enormous increase in the prison population and their record so far can be summed up as follows: they are too timid and not prepared to be robust enough to tackle this issue with a big roll-out of programmes that we know could make such a big difference to prison overcrowding.

10.27 am

Mr. Edward Garnier (Harborough) (Con): As others have done, I congratulate the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) on initiating this debate. It is said that if he had introduced the debate last week or the week before, or even a year or five years ago, the facts that he brought before us, and the conclusions that we could have drawn from them, would have been largely the same. The fact that we are still debating these issues in 2008 and seeing, as far as I can tell, no meaningful progress emerging from the Government – their management of prisons is a shame, to say the least. It is a waste, because, as the hon. Gentleman said, accommodating every prisoner is expensive.

The figures that I have, which are based on studies by King's college, London, suggest that the overall cost of accommodating every adult prisoner is about £50,000 a year, and more for young offenders – in the region of £75,000 to £80,000 a year. Of course, for 15 to 17-year-olds in secure training centres, given increased staffing levels and so forth, the cost is in excess of £175,000 a year. Considering that the reoffending rates of those who emerge from adult prison is about 66 per cent., that is a huge waste of public money. It is also immoral. It is an indictment of how we run our prisons that we spend all this public money pretending that we are protecting the public from criminals, yet criminals come out of prison and reoffend in industrial quantities.

The reoffending rate for young offenders is about 75 per cent. As the hon. Gentleman said, the sad thing is that about half the prison population has been there before: they are reoffenders who have been through either the community or custodial sentencing systems. None the less, we are churning prisoners around the prison estate and churning individuals through the criminal justice system to absolutely no purpose at all.

I want a criminal justice system and prisons with a purpose, which should, of course, be to protect the public from those who need to be in prison due to the crimes that they have committed. None of us in the Chamber would deny that, whether we are members of the Labour party, the Conservative party, the Liberal Democrats, the Welsh national party, or the Northern Irish parties – *[Interruption.]* I went to school in Northern Ireland. I might even have gone to school in the constituency of the hon. Member for Upper Bann (David Simpson) – at the Friends school, Lisburn.

David Simpson: That is why you have done so well.

Mr. Garnier: Exactly.

I have a United Kingdom interest in the matter, but I do not come to it from a purely party political standpoint because, like the hon. Members for Hayes and Harlington (John McDonnell) and for Meirionnydd Nant Conwy, I am an officer of the justice unions parliamentary group. I fear that I do not attend its meetings as actively as the hon. Gentlemen, but the fact that I am an officer of the group indicates that I have a profound interest in the matter, which brings me to a point that I must make, not just as a formality, but because it informs the way in which I consider such issues.

I have been at the Bar for 35 years, which is a hideous thought, and for the past 10 years or so, I have also been a Crown court recorder, dealing with criminal cases with juries in the London Crown courts. When I sit as a part-time judge in the London criminal courts, I see a conveyor belt of people suffering from drug and alcohol problems who have been accused of committing crimes. Unfortunately, I often have to send those who are convicted to prison. What worries me is that I know that I am sending them to a grossly overcrowded prison estate in which, if they have a drug problem, they might start on a course to detoxify them, get them off drugs, and help them to stay clean, but, as other hon. Members have said – as they could have said last week, the week before or five years ago – they will then be churned through the system. There is a metaphorical jumbo jet of prisoners flying around the country from prison to prison.

At Canterbury Crown court, 10 people may be sent to prison every Monday. They may go initially to Canterbury prison for assessment and so on, but to make room for them, the governor must send 10 prisoners out of the back door. Where does he send them? He sends them to Maidstone prison. What happens at Maidstone Crown court? The judges send 10 people to prison, but to fit them in the governor of Maidstone prison must not only send 10 prisoners out to fit in the 10 from Canterbury, but must get 10 others out to fit in the 10 from Maidstone Crown court. That is 20, so where do they go? They go to Lewes prison. You can imagine, Mr. Gale, the increasing number of prisoners emerging from the sentencing process and being shunted around the prison estate all over the country. The numbers grow and grow.

We now have a prison population of 82,000, and it is obscene that we are making men live in lavatories. Around 3,000 or 4,000 prisoners are trebled up in cells designed for one person, and about 17,000 are doubled up. I need not go into the details, but they are obvious. We can congratulate ourselves that there is no more slopping out, except at Exeter prison, and it is disgusting that there is still slopping out in 2008. The obverse of that coin – my congratulatory words about having got rid of slopping out in all prisons except Exeter – is that because there is now sanitation in cells, two or three men sleep, eat and live in a lavatory. There is no privacy, and it is not surprising that the reoffending rate is so high when people are put into adverse conditions that go beyond the courts' sentences. People are sentenced to lose their liberty. I sentence people not to live in public lavatories in inhumane and disgusting conditions, but to lose their liberty for a finite period.

Maria Eagle: Is the hon. and learned Gentleman suggesting that prisoners are living in inhumane conditions? If he is, I reject that.

Mr. Garnier: The Minister may reject that in due course, but I do not know whether she can do so with evidence. This is a matter of common decency, and it is inhumane that three men live in a room in which they must all defecate. We would not expect that in our own homes, in a hospital, or in any other institution, so why do we expect it in our prisons?

At Norwich prison, the sewerage pipes went through the cells and leaked, so prisoners and, just as importantly, prison officers had to work or live in sewage. Luckily, that has now stopped, but that was a consequence of overcrowding, and the hon. Member for Meirionnydd Nant Conwy was right to raise the matter as one of huge importance.

Dr. McCrea: To return to an earlier point, surely this is a matter of balance. Many people in prison are living in better conditions than many of their victims in society. We must be careful to have a balanced view of the victim and the criminal.

Mr. Garnier: I do not disagree with the hon. Gentleman for one moment. It is not a question of either/or. As a Member of Parliament, a part-time judge and the shadow Minister for Justice dealing with my party's policies on prisons, I am acutely aware of the huge damage that is done to crime victims, both physically and economically. Criminals cost the country around £11 billion a year. I want to capture that money and reinvest it on better rehabilitation, and we will get that if we stop overcrowding in prisons. No one can be rehabilitated in an overcrowded prison. Prison officers — after this debate I am having a meeting with Colin Moses, the president of the Prison Officers Association, and some of his colleagues — cannot work in overcrowded conditions.

The Government are introducing the core day, which will reduce prisoners' time out of cell and the amount of human contact between officers and prisoners. Prisoners are inside prisons for different reasons, but denying them contact, socialising time, interaction with prison officers and the opportunity to go into workshops and other educational facilities for much of the day is not sensible. The average amount of purposeful activity, as it is called nowadays, is 3.6 hours a day. With the introduction of the core day at the beginning of this financial year, I suspect that that will be further reduced. There are consequences if prisoners are not rehabilitated and educated. Some 65 per cent. of the prison population has a reading age of under 11. They cannot get even the most basic of jobs if they have a reading age of under 14.

Mr. Llwyd: The hon. and learned Gentleman is absolutely right, but he will know, as a Crown court recorder, that two thirds of the people he sentences for property crime are drug-dependent. If we concentrate on getting people off drugs as part of the rehabilitation programme, surely society will soon see that that will pay for itself.

Mr. Garnier: There will be a virtuous circle. As soon as my party and I get the opportunity, we will introduce the policy of capturing the £11 billion that is being consumed by the criminal justice system in dealing with reoffences. If one breaks down the figures, there would be about an additional £2,500 per offender. That money should be spent on getting people off drugs — either in or out of prison — and on teaching people to read and write, and to become responsible citizens.

One problem is that after we send people to prison, they immediately become irresponsible; they have been irresponsible in the first place, but in prison they make no decisions and have no responsibility for anything. People do not even have responsibility for their own families once they go into prison, and if we can maintain or inculcate a sense of responsibility for not only victims, but prisoners' dependents and themselves, the reoffending rate would decrease. Yes, we will need to increase the prison estate's capacity to break the back of overcrowding, but having done that, we will miss a trick if we do not invest time and money in the rehabilitation of offenders. I do not think that because I am some drip who wants to be nice to criminals. I do not want to be nasty to criminals, but I want our approach to be productive and effective for the victim and the taxpayer.

When one considers the reoffending rates, it is madness to keep on reinforcing the problem. It is essential that we devote more time to reducing the reoffending rate, because if we do so, we can spend less money on prisons, rather than building our way out of a problem. We will not build our way out of the problem in the long term, and I urge the Government to try to think more strategically, instead of constantly backing and filling the early release from custody on licence system. I think that the Lord Chancellor introduced that system on 29 June 2007; I cannot remember if he was in office then, but it does not matter, because the Government introduced it. The system was designed to release 25,000 people during the 12 months after that date to reduce the prison population. The prison population is now at 82,000. I think that it reached an all-time record in February 2008 — and it shows no sign of declining, despite the Government's attempts to reduce the figure by letting people out early in one way or another.

The public want reoffending to go down and greater safety in their houses and on their streets. They want those who have been convicted of offences to be justly punished, but they also want them to be rehabilitated once they have been punished — either in the community or inside prison. They want their taxes to be spent wisely. At the moment, the public get neither public protection nor rehabilitation, and not are their taxes spent efficiently, effectively and wisely. I have visited 40 prisons and seen excellent work during the two years since I took on responsibility for this subject. Pockets of dedicated work are going on in prisons. Why is that not being replicated and rolled out across the national estate? It is because the Government are constantly looking backwards and trying to be more macho than the other parties in Parliament to achieve political and electoral gain. The Government are failing, and they are failing big time.

10.43 am

The Parliamentary Under-Secretary of State for Justice (Maria Eagle): I congratulate all hon. Members who have participated not least, of course, the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) who was fortunate to secure the debate and has used the opportunity to initiate an excellent discussion. Many parties from across the UK have participated and there have been some points of real agreement across the parties, as well as indications of slightly different philosophies regarding the purpose of imprisonment and of the criminal justice system. None the less, there have been many points of

[Mr. Dismore]

apply the 50 per cent. rule properly and vigorously, it would pretty well ensure that the 14,000 families on the waiting list in Barnet would have a real chance of finding somewhere to live and having a decent home at last. If the rule is abandoned, however, they will have no prospect whatever of doing so.

I have no doubt that Tory Barnet will not enforce the 50 per cent. rule if it is not required to do so; it will ensure that more and more wealthy people move in, so we will have more and more buy-to-let and far fewer properties for those in desperate housing need. The drive for family-sized homes is also vital, so I am pleased that London councils have confirmed in their briefing for today's debate that there is a desperate need for large homes in the capital, including in my constituency and borough.

I mentioned the other major schemes in my constituency—the regeneration estates. At Spur Road and Stonegrove, 937 properties will replace 603 properties. There will be 417 affordable properties—the proposal is with the Mayor for approval—but they will only replace existing affordable accommodation. At West Hendon, 2,171 properties will replace 530 properties for rent and 150 that are owned—there are 680 properties there now. Of those to be built, 1,491 will be for private open-market sale, 132 will be for part-shared ownership, 548 will be for rent, and only a tiny additional number will be affordable homes. At Grahame Park, 2,977 properties will replace the 1,314 that are there now. Of those, 835 will be for tenants and 165 will be for sale or affordable. That means that there will be 1,000 affordable homes, which is even fewer than we have on the estate as it stands.

That is the reality of what Tory Barnet is trying to do in my constituency. It is important that regeneration on these three estates is done effectively, because it will provide new homes for people who are generally living in pretty appalling conditions, but the council is missing the opportunity of a generation to do something about housing need in my borough. The Government need to see what can be done using all the levers available to them to ensure that more money is put into these schemes, or that more pressure is put on those involved to increase the amount of affordable accommodation.

As I said, there are 884 temporary tenants on these estates. The schemes housing them were first thought of eight or so years ago, when Labour ran the council. The idea was to put temporary people in because it was thought that the schemes would develop rapidly, that they would not be there long, and that there would not be a large number of them. However, as properties have become vacant on these estates, more temporary people have been moved in, and some have been in temporary accommodation for many years. They are given an absolute guarantee that they will not get one of the new homes on these estates and no guarantee about where they will be relocated to. They have no stake whatever in the community as it stands, or as it will develop under the new schemes, so it is vital that the issue is seriously addressed. To return to the point raised by my hon. Friend the Member for Regent's Park and Kensington, North, people in temporary accommodation must have a future, but they see none in the way in which Barnet council is running its housing policies, although they could see one if the 50 per cent. rule was vigorously applied.

Another issue relating to regeneration estates is design, and there is growing concern that design will simply replicate the failures of the past. There is also the question of the impact on local services to existing communities and growth communities. Most people who look independently and objectively at the issue are concerned that the borough has not really got to grips with issues such as roads, utilities, the health service and education.

The other issue on which I want to touch briefly relates not so much to housing supply as to the quality of housing, and this is where I think that the decent homes initiative has been such a boon. In Barnet, the Government are investing £88.5 million in new kitchens, bathrooms and windows from Burnt Oak to Belle Vue estate and from Broadfields to Losers estate in my constituency. That investment is vital, but few people know that the Government are making it. It is outrageous that the Conservative council is claiming the credit for that investment on big signs all over the place, because that does not reflect where the money has actually come from. The Government should do far more to brand the decent homes initiative so that people are aware that it is not the Conservative council that is putting its hand in its pocket. [*Interruption.*] Or the Liberals. Such a move by the Government would be a good start. They should make clear who is actually investing in decent homes in the borough.

I am concerned that regeneration estates have missed out. The issue has been left on the back burner because there is no point investing in these estates while they are coming down. The problem, however, is that as the years go by, the quality of the accommodation goes down because basic maintenance is not done. At Grahame Park, which I mentioned earlier, it will take 17 years from now for the regeneration scheme to be completed, assuming that all goes to plan, and we all know the risks in that respect. The scheme will take 25 years from start to finish, and no major works will have been done. People's accommodation is getting worse, with leaking windows and roofs, and generally poor common parts.

I am pleased to say that Labour councillors and I have been able to persuade Tory Barnet at long last to invest in new windows on the West Hendon estate—some were so rotten that they were starting to fall out. The council has been able to do that because of the decent homes initiative money, and investment in other housing stock has meant that the council has had to spend rather less on routine maintenance, which has freed up the money that it needs for capital investment to do something about the West Hendon windows. Again, that is a product of the Government's strong investment in improving the housing stock in the borough.

Next week, when they vote, Londoners, including Barnet and Hendon residents, will face a choice on housing policy. I am disappointed that the hon. Member for Henley (Mr. Johnson) is not here to defend his housing policy, because it does not stand up to much scrutiny. For that matter, there is nobody from the Conservative party here to defend its housing policy, apart from its Front-Bench spokesman—

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): He has just left.

Mr. Dismore: Indeed. Interventions to allow us to point out the gross failings, inadequacies, bad arithmetic and internal contradictions in the Conservative party's housing policy would have been very welcome.

The choice is between 50 per cent. enforced or 50 per cent. abandoned, and making the right choice is people in London's best hope of getting a decent home. I hope that they vote accordingly next week.

3.17 pm

Jeremy Corbyn (Islington, North) (Lab): I thank my hon. Friend the Members for Regent's Park and Kensington, North (Ms Buck) for securing the debate, for what she said and for all the fantastic work that she has done on housing policy in London over a very long time. That work has made an enormous difference and probably given the Minister a lot of grey hairs, although he has yet to show them. *[Interruption.]* I said that the Minister is yet to show his grey hairs; it was meant to be a compliment, but it was obviously a total failure. When I pay the Government compliments, they do not understand them.

We are debating the most serious issue that faces anyone in London. We could all say again and again everything that my hon. Friends the Members for Regent's Park and Kensington, North and for Hendon (Mr. Dismore) have said. Growing up in overcrowded accommodation is sheer misery. Sharing a bedroom with three or four siblings and being unable to do anything at home to bring friends home, to study or to socialise in any way becomes an embarrassment. If we talk to teenaged children in secondary schools, we hear that they immediately divide into those who have a nice home to go back to—one where friends can come and stay over for the weekend—and those who just feel embarrassed about where they live. Such children feel a sense of failure, including towards their parents, and their parents feel a sense of failure, too. The whole experience becomes utterly miserable. These ought to be the best years of a young person's life, but they are often blighted by the horror of being ashamed of where they live and of the conditions there, as well as by a sense of failure. Of course, the parents are not failures; it is public policy that has failed them, and we must be able to do something about that.

I have been the MP for Islington, North since 1983. I was there in the early 1980s, when we had a very effective house building programme under a Labour council. It was a pleasure regularly to go to the opening of new council developments, but how many colleagues go to one of those now? Sometimes I was critical of the designs, and sometimes I was not, but at least things were happening. There was building, and things were going ahead. That was an interesting period.

We then went through the sale of council homes promoted by the Conservative Government, and the period of the Labour Government from 1997 onwards, to whom I pay tribute for really rapid, fantastic improvements in the quality of estates—new roofs, windows, bathrooms and kitchens, and things of that kind. All that made a difference to the lives of many people on estates, which are much better managed as a result of what was done and much better respected.

The downside, however, is that we have been far too slow in getting around to the problem of the development of new properties—places for affordable rent. That is what I want to talk about, because the effect has been to push housing authorities into the only solution that they can find, which is to shove homeless people away from hostels and bed and breakfast into leased properties. A fantastic scam—that is the only way to describe it—is going on, by which letting agencies all over London have an over-close and over-cosy relationship with their housing authorities, which accept a dozen, two or three dozen or 100 homeless families and plonk them in flats in constituencies, such as Edmonton, that are usually near an outer London ring. Those places are often disgusting, and we, the public, pay for that through housing benefit. I have been to places where I would not be prepared to stay the night, let alone live, and for which the public pay £300 a week in rent—places that it is impossible to inspect or repair and that are infested with vermin. In 21st century London, that is simply wrong.

My council in Islington is Liberal Democrat-controlled and is consulting on a housing strategy. In the past five years, on council figures, the proportion of owner-occupiers in Islington has decreased by 4 per cent., that of council tenants by 6 per cent., and that of housing association tenants by 1 per cent. The proportion of private renters has increased by 9 per cent. The lowest cost of a one-bedroomed property has increased from £160,000 to £228,000. The lowest rent for a one-bedroomed home in the private sector has increased from £700 a month to £980 a month, and the annual need for affordable housing has increased from 1,800 to 2,400 units. The proportion of households in Islington living in overcrowded conditions has increased from 6 per cent. to 9 per cent. In council housing that figure has increased from 9.8 per cent. to 11.5 per cent. Those statistics are very interesting. They show the reality for my borough, which has an image of expensive restaurants, chic metropolitan living and all that goes with that—as one in which a minority of the population live in owner-occupied accommodation. The largest sector is council housing, association homes and there is a rapidly increasing private rented sector. The problems are that we are not able to offer places to people in Islington who are in desperate housing need. That leads to community break-up and other problems.

Another downside to the private rented, uncertain-future accommodation is that people do not know how long they will be there. It might be a week, a month, a year or two years. They have no stake or interest in the local community and are frightened to get involved in a community association, school governing body or anything else because they do not know what their future will be. That has a debilitating effect on community life as a whole. We need permanent housing to be built, urgently.

I have a couple more quick points to make, but I will be very brief. The current crisis in the housing market over mortgages and the rest may well lead to a slight reduction in house prices, if not to a rapid fall in some parts of the country. I suspect that it will also have the result that some of the developers who are now building private sector developments, such as flats, will suddenly be unable to sell them. That is a crisis for them; I understand that. It is also an opportunity for councils and housing associations to move in quickly, buy the

[Mr. Pat McFadden]

so on, but we also gave people a choice. People have the Post Office card account; it is still used by several million people.

Having said that, we must also think about how people are used to being paid these days. I do not know whether the hon. Gentleman will be going to the post office for his pension every week when he retires; I wish him a long, healthy and successful retirement whenever it comes. However, nine out of 10 pensioners who come up for retirement today choose not to do that; they choose to have their pension paid into their bank account, even though they can still use the Post Office card account if they so choose.

That situation illustrates some of the challenges facing the post office network. It loses £500,000 every day that it is open, and those losses have more or less doubled in the past few years. It has lost an average of 4 million customers a week. In addition to the nine out of 10 new retirees who choose direct payment for their pensions, even eight out of 10 existing pensioners choose direct payment too.

As I said, the hon. Gentleman talked about the Government's role; that role is interesting and important. For example, if we take online services, the Government worked to put together an online service for car tax renewal a couple of years ago. The use of that service has risen almost exponentially. Nobody is forced to use it; there is still the ability to renew car tax at post offices. However, last year, the online service was used by 500,000 people a month; this year, that figure is about 1 million people a month. Furthermore, half the people using it are doing so outside the normal office hours of nine to five.

What is the hon. Gentleman's position on such developments? Is it that, when people are accustomed to using the internet in other spheres of their life to book flights, pay bills or access other services, somehow the Government should say, "No, you cannot do that"? I ask the question because, if that is his and his party's position, I must say that I disagree with it. I think that the Government have to respond to changes in other spheres of people's lives and make these types of services available online.

Now, such change has an impact on the Post Office, as do other changes, including greater competition. It is because there are other networks such as Paypoint, which can bid for contracts, that a service such as the television licence is no longer with the Post Office. That has resulted in significant difficulty for the post office network, in terms of losses of custom and other financial losses.

These changes reflect the way that we live. As a country, most of us have taken part in those changes and, as I said, most people have either ordered goods or paid bills over the internet. Some 70 per cent. of the country is now online in one way or another, so what is the Government's response to all this change? It is not to walk away and to say that the post office network must be a purely commercial network; we have not done that. Of the 14,000 post offices that are currently in the network, it is estimated that only about 4,000 would operate as a purely commercial venture. However, that is not the stance that we have taken at all. Instead, we have become the first Government to put substantial subsidy into the network.

It is important to say that, because the hon. Gentleman was critical of the Government's role, but no previous Government have subsidised the post office network. We have done so. By 2011, we will have put up to £3.7 billion into supporting the Post Office in one way or another. That includes a subsidy of £150 million a year, without which his constituents and constituents throughout the country would be facing thousands more post office closures than is currently the case. So the Government's position has been to support the network. The Government, however, also have a duty to the taxpayer, and subsidy cannot be unlimited in the face of some of the changes that I have talked about. The Government cannot be blind to the impact of the internet, direct debit, or the way that people do business and receive money in the world today.

Those challenges have been recognised not just by the Government but by the general secretary of the National Federation of SubPostmasters himself. He said at the start of the programme:

"Although regrettable, we believe that closures are necessary to ensure the remaining post offices are able to thrive in the future."

So he recognises the difficulties that the network faces. The hon. Member for Rutland and Melton (Alan Duncan), who is Conservative shadow Secretary of State for Business, Enterprise and Regulatory Reform, said in a debate on the post office network only last month:

"We have to face the facts about the future of postal services in this country ... we fully expect the network to shrink in size. We have never given a guarantee that no post offices will close". [*Official Report*, 19 March 2008; Vol. 473, c. 947.]

I think that there is widespread recognition about the challenges facing the network.

I fully understand that nobody likes to see their post office close, even those people who may not use a post office very often but like the idea of having one in their community. However, it is also important to remember the scale of what is planned. Even after completion of this programme, in the Bristol and Somerset area, which covers the hon. Gentleman's constituency, almost 90 per cent. of customers will see no change in the post office branch that they use. In total, 99 per cent. of the area's population will either see no change in the branch that they use or they will remain within one mile, as measured by road, of an alternative post office branch.

This is not wholesale destruction of the post office network. It is a reduction in the size of the network, but the vast majority of post office users will still be using the same branch that they have always used, and almost all post office users will either be using the same branch or, as I said, be within a mile of another branch.

The hon. Gentleman asked me some questions about the consultation process, appeals and so on, and I want to help him with those questions. The first thing is to stress what the question in the consultation process is. That process is not, as the Business and Enterprise Committee said in its report a few months ago, a referendum on whether people want post office closures. That decision was announced by the Chancellor of the Exchequer, when he was Secretary of State for Trade and Industry in May 2007, and a letter, which set out

that decision was sent to the hon. Gentleman and all other MPs just before this process began. It said that the consultations

"would not concern the principle of the need for change of the network, nor its broad extent and distribution – that has already been established by the Government in its Response Document issued on 17 May. Rather consultation will be seeking representations on the most effective way in which Government policy – as set out in the Response Document – can be best implemented in the particular area in question."

It is about how this is implemented and not about whether.

When it comes to appeals, a review mechanism is triggered by Postwatch, which is the consumer voice in this area. The hon. Gentleman said that he was in touch with Postwatch, and that is the right and sensible way if he believes that the Post Office has got the how – not the whether – wrong in terms of its own criteria. Postwatch can trigger a proposal and put it into review, and that can go up through several levels from local to national. Ultimately the matter can be decided by Allan Leighton, chairman of the Royal Mail Group. Therefore, there is a review process, but it is triggered by Postwatch.

The hon. Gentleman asked me about proposals for locally funded rescue packages and so on. The first thing to stress is that the Government fund the post office network to a very large extent. That funding includes subsidy and provision to help improve the situation in the remaining network. I understand what he is saying about queuing and the handling of custom elsewhere. Several local authorities have said that they are interested in such packages, but I have a few things to spell out about that. On 19 March, the Secretary of State wrote about this issue to the managing director of the Post Office and to the chairman of the Local Government Association. I believe that a copy of that letter is available in the Library if he wishes to see it. It sets out the Government's position. Broadly speaking, the letter says that if a local authority – or another third party – was seriously interested in a package, the Government would encourage talks with Post Office Ltd.

The process is not easy or costless. I have set out the reasons why branches are closing. Post Office Ltd will expect to recover its costs, which include payments to staff, and also the central support costs that the hon. Gentleman talked about. Those can be expensive because they include the provision of cash to all the branches around the country, the provision and maintenance of IT and various other costs. Even with volunteer labour, the running of a post office in most circumstances is a cost to Post Office Ltd. When we take into account both the central costs of the network and the individual payments to the branches, three-post offices out of four run at a cost to Post Office Ltd.

Post Office Ltd is keen to secure a commitment for several years. The Government have given the network some financial certainty by guaranteeing the subsidy until at least 2011, so Post Office Ltd will look for similar certainty from any third party which may wish to fund a post office. Post Office Ltd wants to avoid being in the same circumstances in six months' or a year's time.

It is important to stress that once the network has gone through this process, we will still have a post office network that is bigger than all the banks put together. It will be three times larger than the top five supermarket chains put together, including the one that the hon. Gentleman is not a fan of. We will still have, through the access criteria, a significant network which has an unparalleled reach in both rural and urban communities throughout the country.

Steve Webb: Will the Minister tell me whether outreach is being encouraged and how it works.

Mr. McFadden: I am grateful for the reminder. We have said that there should be up to 500 outreach projects, but that is not costless. Outreach needs a sub-postmaster in a neighbouring town to take over the project. It is innovative and it has been successful. I have visited outreach projects myself. A couple of weeks ago, it was announced that, in addition to the 500 outreach projects, there would be new provision geared towards urban areas – outreach is more geared towards rural areas – to ensure that that kind of part-time and flexible approach may be available everywhere. I encourage the hon. Gentleman to talk to the Post Office about it.

I appreciate that this is a difficult issue for the hon. Gentleman's constituents, but the Government have stood by the Post Office with significant subsidy. It is a lifestyle change that is a challenge to the network and the future will be about developing new products and new reasons for people to use the post office rather than trying to rewind the clock.

Question put and agreed to.

Adjourned accordingly at fourteen minutes past Five o'clock.

Philip Davies: That is true, of course, but it is a novel concept that a Minister should have a particular view one day, because they are working in one Department, and an entirely different view the next day, when they move to another Department. If that is the way in which the Government conduct their business, it strikes me as rather perverse.

The Minister of State's evidence was not in any way equivocal—it was very unequivocal—that the secondary market works in the best interests of the consumer and that the Government do not want to go down the route of regulating the sector, for very good reasons. Equally, the Office of Fair Trading concluded that the market worked broadly for the benefit of consumers, rather than against their interests. Also, in the Government's response to the Committee's report, they acknowledge that the OFT made it clear that it received very few complaints from people about ticket touting. Of course, the OFT does not receive many complaints of that kind because people enter into this area voluntarily. No one forces anybody to pay any particular price for a ticket, whether it is in the primary or secondary markets.

The event organisers and promoters want to have and maintain a monopoly on selling tickets in the primary and secondary markets. That is good old-fashioned self-interest. I believe in the free market and that a plurality of supply works to the benefit of consumers, rather than against them, and that monopolies work against the interest of consumers.

That is why I very much hope that the Minister will not pander to the kind of simplistic arguments that we hear—the instinctive opposition to people making a profit by selling on tickets—that he will look at the evidence and the whole issue seriously, and that he will understand the huge pitfalls in which the Government will get themselves by restricting this market. Instead, they should abide by the Select Committee report, which concluded that the secondary market was very legitimate.

3.55 pm

Paul Farrelly (Newcastle-under-Lyme) (Lab): I shall take my reprimands like a boy.

When it came to this report, the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale), who is the Chairman of the Select Committee, really should be sitting with Government Members despite his impeccable Thatcherite past. He was practically a socialist compared to the hon. Member for Shipley (Philip Davies).

I think that you, Mr. Weir, already have an idea why, of all our inquiries, this was the longest drawn-out, even though it was supposed to be a one-day inquiry. I think that we have had more drafting sessions on this report than on any other.

If we get away from the hyperbole of the hon. Member for Shipley, the essence of this debate is about the example of Harvey Goldsmith, which was given by the hon. Member for Maldon and East Chelmsford. Was Harvey right or wrong to try to restrict sales and enforce those restrictions in the way that he did and, if he was right, should the Government, by the introduction of a voluntary code or legislation, give him a bit of a helping hand in future? That is the essential question and the hon. Member for Shipley did not pronounce on it, because his opposition is much more fundamental. He does not really want the state involved in anything, which raises a further question about whether organisations such as the OFT, which has today won a case against the banks on overdraft charges, should exist in the first place. However, that is a much wider question than the issue covered by this debate.

We had a Committee that was composed of genuine music fans. We had a Chairman, the hon. Member for Maldon and East Chelmsford, whose bedroom is, I imagine, a veritable shrine to Led Zeppelin and Black Sabbath; I am not so close to him that I have been to his bedroom, so I can only imagine that that is the case. We had the hon. Member for Torbay (Mr. Sanders), who runs his own Friday night radio music programme for the elderly down there in his constituency and I do not imagine that it just consists of easy listening. I myself hope to go and see Bruce Springsteen, in a marriage of sport and music at the Emirates stadium, at the end of May, Harvey Goldsmith permitting; that is if he does not bar me from the ground and the event because we did not meet his expectations in the report.

Of course, other members of the Committee are heavily involved in sport. My hon. Friend the Member for Feltham and Heston (Alan Keen), who is the chair of the all-party group on football, cannot be here today, but he is still playing at the age of 70 in the same parliamentary football team as myself, the Minister and the new Secretary of State for Culture, Media and Sport. I will declare other interests: I am the secretary of both the all-party group on rugby union and the parliamentary rugby team. The hon. Member for Shipley is also on the Committee. He is a cricketer, who largely believes in an untrammelled free market, where everyone has a God-given right either to make a profit or, as some would say, a fast buck.

Every report is a compromise; not everyone gets what they want. As a result, for instance, Mr. Goldsmith, who gave so much helpful evidence to the Committee, has actually taken the view that it is "a plague on all your houses, and you are all a waste of space". However, I assure him that, had he been here today and sampled the flavour of this debate, or had he been in all the sittings of our Committee and seen the exchanges, he might differ from that view and feel that some people were more on his side than not.

We could have constructed a doctoral thesis out of our sittings—on perfect and imperfect markets. However, we agreed on some things, including that there were valid concerns in some areas about ticket touts and ordinary fans' access to tickets for high-profile events at fair prices. The reason was not because of the activities of the traditional ticket touts outside venues, as described by the Chairman of the Select Committee, but because of the rise of the internet, which helps the industry in terms of its marketing reach and facilities, and also gives sophisticated individuals and groups the opportunity instantaneously to snap up great swathes of tickets and then pass them on, with collusion or otherwise, to so-called secondary sellers such as eBay, Seatwave, Get Me In! and viagogo, to mention some of the bigger names, who then sell them on at highly marked-up prices.

The real concern, given the rise of the internet, is that if I apply for a ticket for an event, do I have a realistic chance—one in four, one in 10—of actually getting one, or, with time and the activities of people who have no intention of going to the event, do my odds become diminishingly small? I hope that the hon. Member for Shipley understands that concern, as he used to be a bookie.

Before dealing with the Government response, I wish to highlight a couple of areas where I wanted our report to be a little stronger. In paragraphs 35 and 37, we address the fundamental issue of whether a ticket is a commodity like a house—that was one of the examples that was used—or whether it is different, and whether it confers rights and responsibilities after the sale. I take the latter view. The example is followed in respect of transport tickets, such as those for airlines and rail and even down to the tube travelcard.

In the end, the Committee did not favour that view. We had a vote, and it was the one occasion when the hon. Member for Shipley won. Some of the Members were so tired that they wanted to throw him a bone or two, and the result was four to three. However, had the Chairman voted—he was itching to do so—I suspect that the vote would have been a draw. I shall not invite the hon. Member for Shipley to call me a bad loser, but I think that the jury is still out on that.

I would have liked much more protection for major events, on the basis of the crown jewels list. I am very glad that, in the Government response, there is an inching towards recognition that there are significant events of national importance for which some protections might be more in order. I recognise the problems that that would present for the music industry. The list would be dominated by sports events, and it would be guaranteed to drive Mr. Goldsmith apoplectic with rage, but the sports industry is rather different: it does not have the latitude to stage another cup final to cope with demand, whereas it is possible to stage another Bruce Springsteen concert. That frequently happens in the music industry.

There is a qualitative difference that might give some justification for a crown jewels list, even though it may be dominated by sporting fixtures. There is a basis for that. Football has its own regulations, which were designed to address crowd disorder. When we were conducting the inquiry, we did not have people from the football industry clamouring for a great change to make tickets more freely available through internet secondary sellers, so that more people could get hold of them. That situation seems to work.

Of course, as my hon. Friend the Member for Glasgow, North-West (John Robertson) said, we now have the Olympics 2012 legislation, which was extended from legislation for the Commonwealth games. The justification for it is to stop profiteering, and we will face further demands for such legislation in the future. How many times can the sporting industry come back to the House of Commons? It may be a precondition, for example, of our successfully winning the 2015 rugby world cup or future world cups. As it was, I decided not to advance an amendment because I preferred a 0-0 draw and to leave the question open. I am glad that the Government have filled the void to a certain extent in their response.

Despite all the divisions, the Committee found that certain practices of secondary sellers were distasteful. They are not the angels that the hon. Member for Shipley portrays. Indeed, he agreed that we should urge the Government to look at three particular areas. One was the selling of free tickets, often for charity events. The second was the selling on of reserved tickets for particular groups such as the disabled and children. The third was the selling on of tickets that were reserved in allocations for ordinary grass roots members of amateur sports clubs. That is explicitly reflected in the report, and I shall address it towards the end of my remarks.

I worked for *The Observer* before I came into the House. When I looked at the news pages on the weekend and saw a piece written by a former colleague, Gaby Hinsliff, who is the political editor, my heart jumped. I knew that the Minister was sympathetic—probably much more sympathetic than his colleague, my right hon. Friend the Minister of State, Department for Culture, Media and Sport, was when she was in the Department of Trade and Industry—to a tougher line and to more help for the crown jewels, for example. I knew that the Secretary of State, who is a keen footballer, was more sympathetic as well, so I thought that, with the article, I would be 4-3 down at the end of our report, but that it was only half-time. I had the Chairman, potentially, and two Ministers, so the final score would be 6-4, and I had visions of the hon. Member for Shipley mounting the rostrum to collect his loser's medal. However, I worked on Sunday newspapers long enough to recognise an overwritten article when I see one, so I waited for the Government response the following day.

I welcome the Government response. It does more than inch in the right direction. It recognises the concerns, but, based on some of the evidence that was given to us, I suspect that Ministers are up against a brick wall, given the attitudes of some civil servants, not least those in the former DTI, where I suspect some Ministers are simply captured, but I shall not name names. The Minister used to be a consumer affairs Minister, so he will know very well what I am talking about.

In many respects, much as I welcome the tone of the Government response, I would like more substance, and I hope that the Minister will be able to provide more later. Like *The Observer* article, there is a lot of great wrapping, but I want to see the present from the Minister underneath.

I would like to make a few remarks on some aspects of our report and the Government response. First, on the voluntary code, I agree that legislation should be the last resort. I agree with the hon. Member for Shipley that legislation has to be well thought through, as it can often have unforeseen outcomes, particularly if there is a blanket approach to specific abuses. However, as I said, we do have legislation to protect the 2012 Olympics. It is an irony to many people in the sporting sector in particular, and to people such as Mr. Goldsmith, that we will have protection for events such as handball, volleyball and synchronised swimming, which are far less popular than the six nations, a cup final or the Wimbledon final.

The Government say that they will discuss the development of a voluntary code of principles with key stakeholders. The response states that

"STAR"—

[Mr. Oaten]

There are other knock-on consequences. There is not enough time to ensure that prisoners are able to get the right qualifications to take part in the right courses. I remember speaking to a prisoner when I was visiting a prison. She was on a hairdressing course offered in the prison, and was due to be released the next week. I congratulated her on the work that she was doing and she said, "Please, could you arrange for me to stay in prison for a couple more months?" She wanted to stay in prison to be able to complete the course because there was no system that allowed her to continue it after she left. That is ridiculous.

Another consequence of overcrowding is that prisoners move around the country so much. They find it extremely difficult to continue a course that they started in prison A when they are moved to prison B or C. Our efforts to rehabilitate our prisoners and give them the skills to get jobs are totally undermined by overcrowding.

The next area of concern due to overcrowding is the health of the prison population. The hon. Member for Merthyr Tydfil and Rhymney mentioned suicides. It is a tragedy that so many young men reach a point in what should be a safe and captive environment, at which they commit suicide. The figures for self-harm have increased rapidly over the past three years. According to the Howard League there were more than 22,000 cases of self-harm in the prison population. How can that be right, given that those individuals should be under some kind of supervision?

The problem goes beyond the pressure of self-harm and suicide. The British Medical Association recently issued a statement that expressed the concerns of some doctors who operate in the prisons. It stated:

> Overcrowding in prisons continues to place immense pressure on the ability of prison doctors to provide basic healthcare for prisoners.

Another matter that is raised with Members of Parliament when they visit prisons is access to dental care. Whether the issue is self-harm, suicide, doctors complaining of access to dental health, we know that overcrowding creates serious problems for the health and welfare of our prisoners. Whatever the merits of the case for whether prisoners should be there, it just cannot be right, in this age, to have such poor quality health care in our prisons.

Then there are the prisoners with mental health difficulties who perhaps should not be in prison in the first place. The hon. Member for Merthyr Tydfil and Rhymney referred to them. The figure that I have been given by various agencies working in this field is that up to 70 per cent. of our prisoners suffer from mental health difficulties at some point. I am not arguing that 70 per cent. of prisoners should not be in prison but that serious resources are needed to tackle the problem and that in many cases prison is not the most appropriate location for such individuals.

Dr. McCrea: If 70 per cent. of persons who are in prison have mental health problems, surely those problems were already in the society. We should have dealt with them in society rather than having to deal with them because someone got into trouble.

Mr. Oaten: The hon. Gentleman is absolutely right. I have no data, but we can assume that individuals who have mental health problems in prison had them before going to prison. Those problems may well have contributed to the difficulties that led them into prison and I am sure that that is blatantly obvious to all of us in this Chamber. A joined-up approach would focus not just on prisoners while they are in prison but on the activities that we undertake to stop people going to prison and then reoffending when they leave. That is self-evident, and I am sure that nobody would disagree with it. The question is how we actually tackle the situation and make things work.

John McDonnell: The hon. Gentleman has raised a valuable point. Practitioners have identified a common issue among a core group of reoffenders: child abuse has been part of their experience. Many prisoners have been mentally damaged because of child abuse and, as a result, have later been involved in violent behaviour. The Government have instigated some terrifically successful programmes to deal with that issue, but they are few and far between. The scale of the problem is in no way matched by the resources, and overcrowding undermines the good practice that the Government have developed.

Mr. Oaten: The hon. Gentleman is absolutely right. A frustrating aspect of many of the issues that we are discussing this morning is that this Labour Government understand the problem and have been trying to do many creative things to solve it. I am sure that when the Minister responds, she will be able to announce and recall several initiatives that try to tackle the problems. There is much common ground, and there are many superb examples and case studies of schemes that work being tried in prisons. As the hon. Gentleman said, the difficulty is that we cannot roll them out quickly enough because of the overcrowding problem. It is almost a chicken-and-egg situation. A massive up-front investment is needed so that some of the trials can be rolled out much more quickly. We would then see benefits over a period of time.

The hon. Member for Merthyr Tydfil and Rhymney referred to drugs and there is concern that the overcrowding situation is leading to prisons being unable to cope with the amount of drugs that are traded within them. The head of drug treatment at the National Offender Management Service estimated that the street value of the drugs taken in prisons is £100 million. Again, in what should be a safe, secure environment, to have that amount of drugs just cannot be right. It also totally undermines public confidence in the prison system.

Then there is the knock-on consequence of prisoners being unable to keep links with family and friends, which are crucial for rehabilitation. It is a tragedy that contacts with children and partners often break down when people go to prison for the first time. That can make it all the harder for them to rebuild their life when they leave prison. The constant churn and moving around of the prison population because of overcrowding put an ever-increasing strain on family relations, which are strained in the first place because of where the individuals are.

The final and most obvious consequence of overcrowding is the inability to tackle reoffending. There is no point in repeating this, but the obvious solution to the problem is that if we could tackle high reoffending, we would begin to bring down the prison population. Not enough is being done within the prison population to tackle

reoffending. Efforts should start in the prisons, the issue is not only for the community afterwards. It is important that the problem is tackled, because we need to reassure the public that the system, which costs a lot of money, is not just wasting that money by sending out individuals who commit crimes again.

I wish to ask the Minister a couple of questions on that issue. One thing that would certainly help to reduce reoffending is giving ex-offenders some support when they go into the community. As I said, I am a trustee of Unlock and a couple of issues are of enormous concern to the organisation. The first is that it is virtually impossible for an ex-offender to get home insurance and, as a consequence, it is difficult to get rented accommodation. Landlords can lose their insurance on the house if they declare that an ex-offender is renting it. It can be difficult for those individuals to purchase or rent a property themselves.

An issue that needs more work done on it is the inability of ex-offenders to get bank accounts. It is difficult for people leaving prison to get a bank account. I met the British Bankers Association and I am encouraged that it will try to do more to tackle this issue. However, the various money laundering legislation and requirements for proof of identity make it difficult for a prisoner to open a bank account and get the benefits of that. If people cannot have a bank account, in many cases they cannot get a job. It would be helpful if the Government gave a little push to a couple of practical barriers in relation to insurance and bank accounts.

What are the solutions to all this? I have talked about some of the issues. However, one problem is that the Government have tended to put in place some quick fixes—they have seen the numbers rising, panicked slightly and want to avoid the headlines—that are in danger of backfiring and undermining public confidence. The early release programme is not a sensible way to tackle the overcrowding problem: it can seem unfair and simplistic to the public and it is a knee-jerk response to the difficulty.

The individual who oversees prisons, the chief inspector of prisons, Anne Owers, said in her most recent report that

> "the prison population went from one all time high to another, staving off disaster only by a series of short-term, often expensive, emergency measures".

This short-term quick-fix approach is clearly not the way forward. The way forward is a fundamental review of the prison structure. Here I speak individually and not for my party. I have argued privately that we need to look at the very concept of a prison and see whether we should have different models, comprising education and training centres and units to tackle people's mental health. It may prove impossible for a prison, on its own, to do all those things at the same time in one building—one structure—that has so many different individuals to cope with.

We certainly need to do more about education and training. Again, some of the Government's schemes have been superb. For example, at Reading prison, where work has been done to get Transco and the big utility companies to come in, take prisoners and train them, it has been discovered that the reoffending rate for those on such schemes decreases to 6 per cent. or 7 per cent., because the individuals get jobs. That is where we should be at, but we need to be doing more of it.

On sentencing policy, I pick up the point made by the hon. Member for Upper Bann (David Simpson), who rightly said that, if there were an alternative to prison as part of sentencing policy, it could undermine public confidence in the system. I understand and accept that. I have been an advocate of community sentences for a long time. I am troubled by some of the recent figures that suggest that alternatives and community sentences are not a panacea and are not, perhaps, as successful as we had hoped they would be.

Mr. Llwyd: I hear what the hon. Gentleman says, but the reason for that is surely that there is gross understaffing. We cannot squeeze a quart out of a pint bottle.

Mr. Oaten: The hon. Gentleman is right. However, we need to make community sentences robust and ensure that the staff are there. Community sentences need to do two things: they need to reassure people that they are effective and they need to be effective. They must be put in place to ensure that we tackle reoffending. We should be looking towards some system of public service sentences, so that the public see that a community sentence is not a soft option but will give something back to the community. That will allow the community to have a say, perhaps, in what kind of work it wants to be done. Then there might be a sense of community restorative justice, with the community getting something in return for the crimes that may have been committed in it. However, such sentences should be linked with training and education to ensure that they are not just about litter picking, but that they change people's behaviour. That has to be the right way forward, but I still do not think that we have got it absolutely right. Certainly, alternatives to prison would be a sensible way forward for many offenders.

I want to highlight women prisoners, which is an issue that I am sure is close to the Minister's heart. Here, surely, more than anywhere else, we should be looking at alternatives to custody. The Minister will be aware of the Corston report, to which the Government have responded. The report mentioned trying to move towards closing women's prisons over a 10-year period, replacing them with small custodial units for serious offenders and trying to ensure that the majority of women offenders were supported in supervision centres in the community. That is absolutely the right approach for women prisoners and it could well be a model for some male prisons. I should welcome the Minister's updating us on where she is on that matter. I think that she was going to be appointed as the lead Minister to look at it.

I should like to make a quick plea for the Minister to provide us with an update on where the Government are in relation to votes for prisoners. That is a controversial issue, but I will not let go of it because of the various court rulings. Having lost the judgment in the courts in Europe, the Government have delayed for far too long the legislation required to allow prisoners the right to vote. I say that not because I want all prisoners to be able to vote so as to make a difference to elections—I am sure that that would not be so—but because they do not currently have the right to vote because they lose their civil rights and responsibilities when they go to prison. If we are to tackle many of the issues to do with reoffending, we jolly well ought to expect our prisoners to gain, and put in place, a sense of civic responsibility

Ms Buck: That is absolutely right. Many families who have been housed in Barking, Dagenham and Walthamstow have to commute into Westminster because their children still go to school there. They do not have the slightest idea how long they are going to be in temporary accommodation and will do anything to avoid that constant disruption to their children's education.

I have a few other issues that I want to raise, including the question of helping home owners. The Mayor's housing plan spells out very clearly that London's economy and society depend on access to affordable homes to buy, as well as to rent, and one can help the other. The 50 per cent. affordable target has helped to ensure that the Mayor has delivered record numbers of shared ownership homes. Yet the average income required for a London mortgage was £85,000 in 2006, while average incomes were only £24,000, and I suspect that the credit squeeze has made the situation worse. That reinforces the importance of subsidy and tough guidance on boroughs to maintain the flow of homes in this category. The Government could do more by supporting the 50:50 rent-to-free ownership proposal that the London councils have been lobbying for, and by developing a London-wide landlord saving scheme.

Having said that, Tory boroughs are showing what they think of the affordable housing priority and what life would be like in the event of a Tory Mayor. Last year, Wandsworth council delivered only 11 per cent. of affordable homes in the borough, Barnet 10 per cent., and Westminster 11 per cent., including only 16 shared ownership homes. Redbridge council chose to reduce its target for affordable house building to 25 per cent. The Conservative mayoral candidate's housing policy is aimed at households with an income of £60,000, which is only one in five Londoners. We can see very clearly what needs to be done, and what many councils on the ground are doing to undermine it.

Low-cost home owners also include social leaseholders. My hon. Friend the Minister has promised to meet me and other MPs to discuss the plight of those families who may be suffering declining equity, but face bills of up to £60,000 for major works. That need is pressing for a small number of people. We do not want to return to the days of the 1980s and 1990s when low-income home owners were forced into homelessness and into abandoning their homes because they could not afford those major works bills.

London is also the only part of the country that has not met the original target to cut rough sleeping by two thirds. There has been success across the country as a whole and 19,000 rough sleepers have been taken off the streets of London. However, 3,000 people still slept rough last year, and real issues must be addressed regarding cross-boundary work, local connection rules and Home Office liaison over recourse to public funds if we are to bring London in line with the rest of the country.

In conclusion, we have seen impressive achievements in recent years thanks to the Mayor's strategy and Government support. Nevertheless, London's needs remain unmet. In some cases, such as overcrowding, it is a deteriorating situation. We need to review the strategy and to take a fresh look at the temporary accommodation target, priority for overcrowding and transfers—including by the Housing Corporation and housing associations—sorting out the overcrowding measurement, and helping existing tenants and other first-time buyers into affordable home ownership that meets their needs and reflects their incomes. What we do not want is a housing policy that ignores 2 million tenants, tears up affordable housing targets and targets help on the better off.

2.59 pm

Mr. Andrew Dismore (Hendon) (Lab): I congratulate my hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck) on securing this timely debate.

In Barnet, as of the end of March, we had 13,803 families in need on the waiting list. That figure is the fourth highest in London, and it includes 2,492 families in temporary accommodation, of whom 884 are on our regeneration estates, to which I shall refer later, and 177 have been placed outside the borough. We also have 2,562 families awaiting transfers, primarily because of overcrowding. I am pleased that the London Mayor has pledged to halve the number of people in temporary accommodation during his next term in office, if he is re-elected. I do not propose to discuss in detail the plight of people in temporary accommodation, as my hon. Friend has done that more than adequately. However, we must reflect on the appalling conditions in which some people have been placed.

My hon. Friend made the important point that housing investment should be spread throughout London, not just concentrated in the east end. We must invest in housing where the jobs and transport links are and where people want to live—places such as my constituency and that of my hon. Friend. My concerns about the platform that has been advanced by the Conservative mayoral candidate is that his policies—removing the 50 per cent. rule, and his rather barmy first steps scheme, which requires an enormous income—will lead to economic apartheid in our capital city, with less well-off people being concentrated in the east end and excluded, for economic reasons, from the north and west of London. That is no recipe for a successful city, as we have seen in some cities in the north.

Lembit Öpik (Montgomeryshire) (LD): Does not the hon. Gentleman feel that ghettoisation is happening anyway? I agree with his concerns, but how do we de-ghettoise the city, given that Britain as a whole has accepted a culture that stratifies population according to wealth?

Mr. Dismore: That is an important point, and the 50 per cent. rule is part of the answer. I shall give some examples from developments in my constituency regarding the consequences of having and not having the 50 per cent. rule.

Jeremy Corbyn: Does my hon. Friend share my concern about the fact that when developers are told that they have to provide either a proportion of social housing or a section 106 payment, they often opt for the payment to evade their social responsibility, thus exporting social housing to some other place? As a result, we end up with more serious ghettoisation. Does he think that that practice should be stopped?

Mr. Dismore: My hon. Friend makes an important point and I agree with his comments.

Lyn Brown: I am concerned about sustainable communities and ensuring that people from all strata of society are able to live together. That is illustrated by the dilemma that exists in Newham. The east end of London is a desirable place to live and has fantastic neighbours. I should not like anyone to make suggestions to the contrary or decry that point, but it is cheaper to buy there than in the rest of London, and there is a problem in that that is attracting a buy-to-let market. Even with the houses being built in my constituency, more than 50 per cent. of private homes go to not private home owners, but the poorest in our society who are paying private rents to private landlords in the buy-to-let market. Some of those people are paying more than £1,000 a calendar month for properties over shops that are in awful condition.

Mr. Christopher Chope (in the Chair): Order. I shall have to call a halt there, because a lot of people want to speak, and that was a long intervention.

Mr. Dismore: My hon. Friend makes two points, the second being an important one about buy-to-let properties. The current situation not only creates the difficulties that she mentions, but leads to a lack of community cohesion, because those properties are inevitably let on short tenancies and people move around all the time. That does not create a sense of community or cohesion.

My hon. Friend's first point was a plug for living in the east end. People will live where they want to live. I am happy with my place in my constituency, and I am sure that she is very happy with hers. The bald point that I want to make is that people should be able to live where they want to live—where the transport links and jobs are—but we will not achieve that if we are not careful about investment.

Jeremy Corbyn: That means you are not moving to Newham.

Mr. Dismore: My hon. Friend the Member for West Ham (Lyn Brown) will be pleased to hear that I do not intend to become one of her electors in the near future.

According to the figures, there were 666 new homes in Barnet last year. Despite the 50 per cent. rule, however, only eight were for intermediate sale and only 58 were for rent. As my hon. Friend the Member for Regent's Park and Kensington, North said, that amounts to 10 per cent. of the total, which is the worst record in the whole of the capital, apart from in the City, which is, of course, a special case. Even Westminster managed 11 per cent. If we were to include properties that have been brought back into use, such as hostels and student accommodation, the total would be 1,010, of which only 8 per cent. were affordable. Again, even Westminster managed 12 per cent. New developments have been mainly below the threshold of 10 properties, and we have seen street corners being turned into flats. There has not been insistence on the 50 per cent. rule and a serious problem has developed. The difficulty is that in-fill sites and smaller-scale developments are outside the Mayor's powers, but they have a huge impact on the community.

When we were considering the unitary development plan, Conservative-controlled Barnet did not want to adopt the 50 per cent. rule, but was required to accept it by both the London Mayor and the Planning Inspectorate. Of that 50 per cent., 70 per cent. of the properties should be for rent and 30 per cent. for sale. There is also, of course, a requirement for 42 per cent. family-sized properties with three-plus bedrooms. The council was also forced, against its wishes, to accept the 10-unit threshold. It wanted the threshold to be much higher to enable more rich people to move to the borough, rather than meeting the genuine housing needs of the nearly 14,000 families in the borough.

The planning department tells me that part of the difficulty is that the new planning rules and the 50 per cent. rule have not filtered through into planning applications because some sites were bought years ago, at then market prices, before the rule was introduced. To make a profit, developers have had to squeeze the schemes as much as they can. It says that the 50 per cent. rule is important because it will start to filter back into residual land values, and that 50 per cent. schemes will increasingly become more affordable for developers than they have been in recent years.

Mr. Love: What would be the implication of doing away with the 50 per cent. rule for affordable housing in Barnet?

Mr. Dismore: If my hon. Friend is a little patient, he will find out, because I shall give clear examples of what I think would happen. However, first, let me make another point about the economics of this issue. As the 50 per cent. rule filters through into land sales, it will become a much more practical proposition. The problems that arise out of the 10-unit threshold will be addressed. The threshold has had one beneficial effect: reducing the number of shoebox studio conversions whereby big family houses are turned into a dozen studios. However, it has led to a lot of nine-unit applications. There have been fewer middle market—10 to 50—applications, but there has been much more of a trend for large developments in the 50 to 100 scale. Those large developments tend to involve buying several family-sized houses in a row, often with the developers winkling out the people who do not want to sell with threats and promises, and then knocking down half a street and developing those blocks. It is vital that the 50 per cent. rule is maintained to keep some control over that practice.

My hon. Friend the Member for Edmonton (Mr. Love) asked what the impact on Barnet would be of getting rid of the 50 per cent. rule. We have some major development schemes in my constituency and we are seen as a growth borough. Those schemes are private, but the 50 per cent. rule is essential. In Mill Hill East, a draft area action plan has been approved to build 2,660 properties on an old Ministry of Defence site. The plan is for a split of 40 per cent. houses and 60 per cent. flats, with 50 per cent. of the properties be affordable, along the 70:30 split that I have mentioned.

The Colindale area action plan, which is out to consultation, also covers my constituency. That is an opportunity area of the London plan, and we have been told that there is the capacity to deliver 10,000 new homes between 2001 and 2016. The Beaufort Park development is well on the way and will have 2,990 properties, and a planning application for 7,500 new properties at Brent Cross Cricklewood has just been submitted. If we were to add all those properties up and

[Steve Webb]

then I shall ask the Minister some questions about rescue packages, financial arrangements and the closure and appeal process. Old Sodbury is a small village shop with a village post office. It is the only shop in the village, and neighbouring hamlets use it, as well. One of the interesting aspects of the comments that I have heard is that shorter hours could have been an option to save money. I think that the sub-postmistress would have been amenable to shorter hours. The post office would have saved money and the balance sheet would have looked a bit better, but the Government's target is not budgetary; it is 2,500 closures. Post Office Ltd does not get a tick in its box if Old Sodbury post office stays open for fewer hours; it only gets one if it shuts.

Given that, as long as people know when the post office is open, they can juggle when they go there to some extent, shortening the hours would still have saved some money and would surely have been less disruptive than shutting it altogether. I wonder whether the target mechanism has created some perverse outcomes. I think that money could have been saved and the public could have retained that service, which would have been a better outcome for all concerned.

The second proposed closure in my constituency is in a Tesco Express store, on Station road, in Yate, in a part of my constituency's main town that is less well-off, with fewer cars. On a map, it is not far from the Crown office in the middle of the town and looks fine, but it is not fine for the elderly residents of the sheltered bungalows who attended our public meeting. They cannot get a bus there because there is no direct service, they cannot drive and they simply cannot walk that far. Furthermore, when those who can get to the Crown office get there, they have to queue and queue—everybody says that the office cannot cope. People report having to keep returning every hour to find a time when they do not have to queue, because there is nowhere to sit down. Although those are not insurmountable problems, nobody believes that they will be resolved or that, given that this is a cost-cutting measure, the Post Office will spend the money on the receiving branch to provide extra counters and chairs or anything like that. Effectively, those people will be disfranchised.

I have particularly harsh words for Tesco. The staff in the store at Yate found out about the post office closure through reading about it in the newspapers. How shoddy is that? I spoke to Tesco's so-called Government relations people and asked, "If we can put together a rescue package and bring the community together, will you play your part and allow the post office to continue to operate on your premises?", but they were staggeringly reluctant to help. They simply were not interested. The Minister might say, "It is not a charity, so why should it help?", but Members of Parliament receive letters from Tesco all the time telling us how community-minded it is and asking us to present computers to school kids. For years, I have refused to present Tesco computers to school kids, because it does not give a damn about the local community. When it comes to the crunch and something that really matters, it is not interested. That has been my experience with the Tesco Express in Yate.

The third post office that I want to bring to the Minister's attention is the one in Tytherington—I would be grateful for his specific response to this—which is the one on which we are perhaps making some headway in putting together a package. Tytherington is a smallish village; the Post Office's paperwork said that 331 people live there, but Postwatch told me that the correct number is more than 600. As far as we can see, therefore, the impact of the post office closure has been miscalculated by a factor of a half. That area lost its previous post office in 1996, but the community said, "This is not good enough, we need a post office and a village shop", so it started one. Residents put their cash where their mouths were and now have shares in the village shop, which they run on a rota. The post office gets rent-free rates and its lighting and heating paid for, which is a fantastic achievement for a village that was at risk of dying, owing to the loss of its post office and school.

Ten years ago, the people of Tytherington got off their backsides and made something happen; and it is a beautiful shop, but now what is going to happen? They are going to lose their post office again. That does not guarantee that the shop will go as well, but it bloomin' well does not help. It is a kick in the teeth—there is no other word for it. A village meeting was held, which I helped to organise with the parish council, and the village hall was so packed to overflowing that some people had to go away because they could not squeeze in. The Post Office people said that they had never seen so many people. It is interesting that some of the more rural and village communities feel most passionately about such closures.

What can we do about it? On Friday, people from Post Office headquarters are visiting my constituency to meet Tytherington parish council and the village shop committee, and we will find out the hard financial information about what it will take to keep the post office going. Getting financial information out of the Post Office has been like getting blood out of a stone. I think that I got the information about the financial savings to the Post Office of closing those shops only because I secured this debate. I understand the issues of commercial sensitivity, but a rescue package cannot be put together unless the numbers are known.

The worry is not that we will never get there, but that the post offices will have to close—most of us assume that they all will—before we can rescue them. That is what we are hearing from Postwatch. I hope that the Minister will respond to that point. The consultation is over, decisions are due in a few weeks and closures a few weeks after that. It is ludicrous situation. There is a serious live rescue bid from community leaders who might put money in—I am not committing them—and the local authority might play a part as well. Furthermore, we might have struck a deal with a neighbouring postmaster to come and operate an outreach service. With all of that happening, the Post Office could still shut it in the meantime. I thought that I had heard Ministers, or others, say that if there was a serious live rescue attempt—not something tokenistic—they would hold off from closures, but that is not what I am being told. Will the Minister clarify that point?

What pressure can the Minister put on the Post Office over its attitude towards such rescue packages and proposals? My sense is that it was caught on the hop by the idea of anyone putting together a rescue package. When Essex county council came up with its idea, everyone ran around like headless chickens saying, "Oh, we did not think that people might try to save these

things or invest money creatively." Will he assure us that he is banging heads together at the Post Office and saying, "Be as creative as possible within the framework that we have given you. If you can work with communities, give them financial information and some breathing space, and allow them to be creative and imaginative, do it"? I hope that he is taking that line with the Post Office.

For all the tea in China, I would not exchange jobs with those in the Post Office doing this—it must be a miserable job. However, I get the feeling that those to whom I speak hate what they do, because they came into the Post Office to run a network, not to kill one. And yet they have been given closure targets, so do they really want to invest a lot of time and energy in helping to put together a package that will make things work, when they will not get rewarded for it? Will the Minister assure us that they will get some sort of return or thanks for that sort of activity?

We would all like to save all the post offices on our patches. Of the three in my constituency, some sort of community initiative must be possible regarding the one that, historically, the community has rallied around in the largest numbers and has shown the most initiative in respect of. It is also the one that gives rise to no issues with a multinational such as Tesco, which, frankly, is the biggest problem with one of the others. However, I hope that the Minister can assure us that the financial terms of any such initiative will be as sympathetic as possible. That is a funny word to use, but in other words, I appreciate that common costs are incurred wherever the Post Office runs branches, that central costs are allocated locally and that a post office is not just the marginal cost, as it were.

If, however, we can get together a package locally, how can we be confident that the Post Office will not then say, "Well, to keep this going, we will charge you x amount for central computing, banking services, or whatever you buy in"? How can we be confident that that figure will be as low as the Post Office can keep it? What is the risk that the Post Office will say, "Frankly, we don't want to save the post office anyway. It's no skin off our nose if it shuts, but we can get some cash in here and help ourselves, so let's bump it up a bit—they'll never know that it only costs us x to run this branch, so we will charge them y." How confident can we be that the terms of any arrangement will be fair?

Finally, will the Minister say more about the concept of outreach services? In a sense, I am slightly conflating two different things. First and foremost, we would like the Post Office to say, "All right, it's a fair cop. It would be a disaster to shut Tytherington, so we won't shut it." That would be great. If it does not say that, I am not clear about what the appeal process is. I sense that there is virtually no meaningful appeal process. I have talked to Postwatch and I am not clear whether it can ask Adam Crozier or his mates to consider the matter again. However, I do not think that there is a meaningful appeal process that is likely to change anything.

Originally, there was talk of 500 outreach services across the network, but the word on the street is that that might be a slightly more widely used model to ensure that postal services across a broader range of areas are provided at a lower cost than that of providing a full-blown sub-post office. Will the Minister clarify both the Government's and the Post Office's philosophical approach to outreach services? For example, is it something that the Government want to encourage? Can I expect the Post Office to actively say, "Well actually, outreach is good for us because we cover a whole population, but it is fairly cheap", in which case, am I knocking at an open door? Or will the Post Office say, "No, we are only allowed 500 outreach projects across Britain, so Bristol and Somerset will get 21 and you can't have one of them"? Is that a rigid number or is there flexibility, so that if such a service model seems right for a particular community, that is what we can have?

I could have read out the heartbreaking letters, e-mails, petitions and all the rest of it that we have received from local residents. The Minister has heard the like before many times. However, I can only stress to him that, with a community and constituency such as mine, there is the whole gamut of areas. There are relatively hard-pressed urban areas that will suffer. There are also village communities. For them, it is a cliché but it is true: the post office and village shop is the heart of the community. In a sense, the most that I hope for from the Minister today, but also the least that I hope for from him today, is some constructive encouragement: that, where we are trying to be creative and innovative locally, as the people of Tytherington have already been once before 10 years ago, he will be on their side, at least to that extent.

5 pm

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): I would, of course, like to begin by congratulating the hon. Member for Northavon (Steve Webb) on securing this debate. He is absolutely right; this is the type of debate that I have taken part in many times in recent months. He is also right in his understanding that, as a Minister, I do not decide which post office closes and which stays open.

In the time available to me, I will do my best to answer the hon. Gentleman's questions about funding, outreach, support and so on. I understand that he is in dialogue with Post Office Ltd about some of these issues and I also understand that he has at the moment 28 post offices in his constituency, of which three are scheduled for closure.

So where does all this process of closures come from? It comes from an announcement in May 2007 by the Chancellor of the Exchequer, who at the time was the Secretary of State in what was then the Department of Trade and Industry, that there would be up to 2,500 post office closures out of more than 14,000 branches across the country, with 500 new outreach services, which the hon. Gentleman referred to. I want to begin by saying that I obviously understand the concerns, and indeed the very strong protests, that have existed in some communities over that decision. It is one thing to announce it in the generality; it is another thing to see it implemented locally in individual post offices in individual communities.

The hon. Gentleman talked about the Government's role in post office closures and I want to pause on that point. He knows about the Government's role because, as he said, he was the Liberal Democrat spokesperson on work and pensions for a number of years. It is true that the Government wrote to people about change and

[Philip Davies]

an event, but then find that you can't go, you should be allowed to sell your ticket to someone else?", one would get a different answer altogether. That has already happened: those surveys have taken place, and the most agreed with statement in opinion polls was:

"If I had a ticket to a sporting event, concert or other event that I could no longer use, then I should be allowed to re-sell it."

More than 80 per cent. of the public agreed with that statement. I am not surprised by that, as it is a perfectly reasonable statement to agree with. People's attitude to ticket touting depends very much on how the question is framed; one can get the answer that one wants.

It is worth pointing out that more than half the people polled had tried to get tickets to an event but had found that it was sold out before they could buy one. The secondary market therefore gives them the only opportunity to attend. Half of people who wanted to go to an event before it was sold out did not know where to go or how to purchase a ticket from that moment in time. The secondary market provides a great service to members of the general public who are trying to access events, and it works to the benefit of consumers, on the whole, rather than against them.

John Robertson: The hon. Gentleman totally misses the point. When someone buys a ticket for an event, but suddenly finds that they cannot go, they are not then looking to make a profit on their ticket. They want to get their money back or to pass the ticket on to someone else. No one is saying that it is illegal to pass on a ticket, and no one would begrudge them passing on the price of the ticket plus the booking fee. I want something done about the practice of people buying up tickets at multiple call centres, or using an IP address in the way that the hon. Member for Maldon and East Chelmsford described earlier, and deliberately setting out to defraud the general public. Those are the people we have to have a go at, and we must have something in law that stops them from doing that. We are not looking at people who want to give their ticket to a member of their family or to sell it to a friend in the pub because they cannot go. We are looking at people who deliberately go out of their way to break the law, and who are breaking the law, because they are defrauding people.

Philip Davies: The hon. Gentleman is entirely wrong to say that such people are defrauding the public. They are offering tickets at transparent prices, and people are making conscious decisions about whether to pay those prices. That is not defrauding people; it is opening up opportunities that people can choose to take up. It is entirely a matter of choice.

The hon. Gentleman talked about the police, but who will enforce the laws that have been suggested? In my constituency, the police are already run off their feet trying to deal with more bread-and-butter crime. I am not sure that many of my constituents would want acres of police time to be taken up by seeing whether someone is selling on a ticket at a profit, rather than with maintaining law and order on the streets. In the scheme of things, there is worse criminal activity in the country than people trying to sell on tickets at a profit.

I want to discuss sporting events because it seems, from what the Minister has indicated and from the Government response, that they have been nobbled by the sporting bodies on this issue. They should be aware of the motivations behind that and other aspects of certain sporting events. Access to such events, it is said, should be kept open to the ordinary decent punter, but the Government were quite happy for the cricket to go to Sky. They were happy to deprive millions of people of the opportunity to watch cricket, so I am not sure where their great, high commitment to access to sport comes in, because far more people access sport via television than will ever get the opportunity to go to an event. I am thus not entirely sure that the Government are so much on the side of access, and the same applies to the England and Wales Cricket Board.

Rugby union provides us with a good example, and the powerful point made by my hon. Friend the Member for Maldon and East Chelmsford about the rugby world cup is worth repeating. Suppose that someone from a particular country buys a ticket for an event thinking that their team is going to get to the final. Indeed, the event does not even have to be international; a Chelsea supporter could buy a ticket for the FA cup final in the expectation that their team is going to get there. For example, an All Blacks supporter might expect their team to get to the final and buy a ticket on that basis. If the policy promoted by the hon. Member for Glasgow, North-West were implemented, thousands of England fans would have been deprived from watching last year's rugby world cup final because he would have disallowed New Zealand supporters from selling on their tickets to England supporters. That would be a rather perverse outcome of a policy.

Organisations such as the Rugby Football Union say that they are concerned about the ordinary decent rugby supporter gaining access to their events, but let us consider the ticket allocations for the six nations international games of 2006-07. Can hon. Members guess how many tickets for the England v. Scotland and England v. France matches at Twickenham went on sale to the general public? The answer is a big, fat zero—not one ticket to those two internationals went on sale to the general public. If I were a genuine rugby union fan who wanted to go to one of those internationals, I would have had no opportunity whatever of purchasing tickets for them. The allocations were given to RFU member clubs, debenture holders, other RFU people, visitors, commercial people and sponsors. No tickets were on open sale for the general public. It is no wonder that tickets are happily sold at below cost price, given that they are bringing in such little income; nobody is buying them, because very few are on sale. Most of them are given away to other people.

Paul Farrelly: Saying that tickets are "given away to other people" demeans the efforts of the RFU and other sporting organisations to make it a priority to allocate tickets at a reasonable price to rugby clubs around the country. That practice gives members of rugby clubs—people at grass-roots level who play the sport week in, week out—the opportunity to watch internationals.

Philip Davies: That is perfectly laudable, but if I happen to be a genuine rugby union fan who does not

fall into the category that the RFU has identified, I have no opportunity to go to a big international match at Twickenham without the secondary market. Why should I be deprived of that opportunity even though I am a genuine rugby union fan? Let us not be mistaken into thinking that all those tickets are available to ordinary fans and that nasty ticket touts snap them all up to deprive the ordinary fan the chance to go. Often, the ordinary fan has no opportunity to go to those sporting events.

Paul Farrelly: The people whom the hon. Gentleman mentions could join the England rugby supporters club.

Philip Davies: Indeed, but we are being told that the aim is to protect the ordinary supporter who wants to buy a ticket and go to a match, and my point is that, for some sporting events, those opportunities simply do not exist to ordinary supporters without the secondary ticket market.

If we are so concerned about the ordinary punter's access, as we keep being told is the case, why are not we preventing so many tickets being given away to corporate sponsors? What chance does the average punter have of accessing those tickets? Virtually zero. The majority of people who turn up to those things might have only a fleeting interest in the sport that they are going to see. Indeed, they might have no interest in it whatever, and simply think that it might be a decent bash with a bit of free drink. If we are so bothered about opening up access to the ordinary punter, I am surprised that people have not pointed out that sporting organisations and event promoters could use those tickets to give access to ordinary, decent punters.

Saying that someone who buys a ticket for £7,000 is not a genuine fan strikes me as perverse. I should think that, if someone is prepared to splash out so much for a ticket to an event, the chances are that they are about as passionate a supporter of that event as one could find, so I do not see how ticket touting stops genuine fans from going. Some of the amounts that people are prepared to pay indicate that there are some very genuine fans making use of the secondary market to go to such events.

I come back to the point that my hon. Friend the Member for Maldon and East Chelmsford raised about what should be done to deal with ticket touting. If ticket touting is such a big problem for concert promoters and organisers of sporting events, much of the solution is in their own hands. There are many things that they could do to remove the secondary market from their events. My hon. Friend himself gave an example of what they could do. Promoters could also have ticket lines open 24 hours a day. Often, some people are not able to get tickets during working hours because they have no opportunity to ring up and buy a ticket when they are at work. If there were 24-hour ticket lines to allow people to ring up at any point and get a ticket, that might open up access to tickets for ordinary, decent people.

Also, promoters could stop selling all the tickets in one go at the start of an event's promotion. Often, every single ticket for an event or international sporting match will go on sale on day one, which encourages ticket touts to buy up tickets and sell them on when they have all been sold. If sporting bodies and event promoters are so concerned about touts, why do they not sell a few tickets at a time so that tickets are still available to buy on the open market even in the last week or few days before the event? That would take away the secondary market, because why on earth would someone pay thousands of pounds for a ticket from a tout on the secondary market if there were still tickets available at face value from the event organiser?

Of course, the key point is refunds. If the organisers of sporting events and other events will not agree to give people refunds, I do not see any option but a secondary market. If somebody buys a ticket for an event and they cannot go, they should be entitled, one way or another, to retrieve their money, whether that is through a refund or by selling it on the secondary market. It is perverse that we would stop the secondary market without forcing event organisers to give refunds. Many event organisers have clearly said that they will not agree to give refunds to people under any circumstances whatsoever, which is ridiculous.

The point about the secondary market is that, if someone does not know whether they can turn up to an event or not, they can still buy a ticket in confidence. If somebody wants to go to a big sporting event, they can buy a ticket in confidence knowing that, if they cannot go for some reason, they will be able to sell it on. Restricting the secondary market and stopping so-called ticket touting would stop those ordinary people from being able to buy a ticket for something with confidence; they would simply have to pass the opportunity by, even if they found at a later date that they would have been able to go to that event.

Where are the Government on this issue? To be honest, they are all over the place. I await the Minister's comments with interest to find out how far down this ridiculous route they are prepared to go. If they try to restrict the secondary market, I assure the Minister that they will come to regret it.

The Minister ought to have a close word with the Minister of State, Department for Culture, Media and Sport, the right hon. Member for Barking (Margaret Hodge), who very helpfully gave our Committee lots of evidence—I might add that she gave us some very sensible evidence. It is worth reminding hon. Members of some of the points that she made. She was subjected to ferocious questioning by the hon. Member for Torbay (Mr. Sanders), and I am sorry that he is not here today because I am sure that he would have been interested in the Under-Secretary's response.

When the hon. Member for Torbay suggested that the Government should introduce some kind of restriction on the secondary market and ticket sales, the Minister of State said:

> "I am somewhat astounded by the direction of your questioning. And what we need to do is ensure that they get the appropriate and full information and transparency so that they can make an informed choice and that there should not be a mechanism imposed by the state which would restrict their choice on the basis of a false definition of consumer protection."

It strikes me that was a pretty clear statement from the Minister of State, who is in the Under-Secretary's own Department.

Mr. Sutcliffe: Just for the record, my right hon. Friend the Minister of State was a Trade and Industry Minister at the time that she made those comments.